

LEVEL 7 ASSESSMENT SPECIFICATION

Student name:		Student ID number:	2123229
Programme:	MBA		
Module:	Change & Stability Management		
Module code:	HKBM7015	Contribution to Overall Module Assessment (%):	75%
Lecturer:	Dr. Joe Leung	Internal Verifier:	Dr. Poon Cheong
Assignment Title:	Assessment 2 Report	Word count (or equivalent):	3000 words (maximum)
Submission deadline:	18 April 2022	Return date of provisional marks & written feedback:	17 May 2022
Submission method:	All written assessments, where practical and possible, must be submitted via Turnitin unless otherwise instructed by the Lecturer. (Please DO NOT put this assessment specification into Turnitin or it will match many similarities with other students' submissions.) Alternative submission method (if applicable): Late submission of the assessment will result in a late penalty mark. Penalties for late submission: Up to one week late, maximum mark of 50%. Over one week late, 0%. Only the Extenuating Circumstances Panel may approve a change to submission dates.		
Academic honesty/ referencing:	Academic honesty is required. In the main body of your submission you must give credit to authors on whose research and ideas your work is based. Append to your submission a reference list that indicates the books, articles, etc. that you have used, cited or quoted in order to complete this assessment.		



CHANGE & STABILITY ASSIGNMENT 2

AND THE CASE STUDY OF CHANGE MODELS

K.C.WOO
HKMA_HKBM7015
STUDENT NO.: 2123229

CHANGE & STABILITY ASSIGNMENT 2

Contents

Introduction	2
Overview	2
Case analysis:	3
Company background:	3
Identify the reasons for the change:.....	4
I. Internal environment	4
II. External environment	4
III. Industrial environment	4
Discuss the benefits of organisational change:	5
I. Training and education in transition:	5
II. Stick the change process on the right track:	5
III. Disclose the issues of the organisation:	5
IV. Increase the morale during the change:	6
Identify the significant challenges to implementing the change:.....	6
I. Managing the budget:	6
II. Managing employee confusion and unease:.....	7
III. Maintain alignment between the organisation's core values and operations.....	7
IV. The conner's stages of negative responses:	7
Recognise how to apply the action plans for the organisation:	9
What is a change management strategy?	9
Synchronise Kotter's 8 steps combined with A.D.A.K.R® to Jordan B Ltd.:	10
4. Tell the employee how things will be?	12
Conclusion:.....	13
References:	14

Introduction

Overview

In an era of constant CHANGE, businesses urge to keep up with relevant updates and then integrate what may make them more sustainable from a marketing perspective; in response to technological breakthroughs, markets, and customer needs, change has become a norm. Moreover, the economy also experiences drastic changes at the national and global levels; a recent example is COVID-19. The economy subsequently plunged rapidly, as many other parts of the world experienced after the confirmation of COVID-19 in Spring 2020. Moreover, it is still affecting business in nearly every sector on a global scale.

Wearable technology (ADAM, 2021) also illustrates this trend since mobile technologies and the cell phone have become prominently integrated into our daily lives. The rapid growth of telecommunications systems from 2G to 5G enabled the development of the smartwatch and the corresponding expansion of the concern for healthy lifestyles after COVID-19. Smartwatch has replaced a standard of a traditional watch, and these devices can send and receive data over the Internet and be used hands-free. They are powered by microprocessors and have practical uses.

Comparatively, the leading organisations study and set endless scenarios to improve overlapping technologies that may determine the future direction of their fields. Hence, their visions, regulations, and policies had to be updated. To achieve these goals, the nature of the industry determines the need for organisational change.

This study aims to illustrate the change management process and implementation at Jordan B with **Kotter's 8-Step Change Model** (Kotter, 2012) and **A.D.A.K.R® Change Model** (Prosci, 2022) I. Additionally, it proposes strategies for sustaining the business during this challenging time.

Case analysis:

Company background:

Jordan B Limited (anonymous) was founded in 1972 and is currently one of the world's most prominent watch manufacturing firms. The company mainly focuses on OEM and ODM work for international watch brands from middle price points to luxury watches (non-disclosure of the brands under a confidential agreement); they provide professional services to their customers to maintain competitive advantages. Furthermore, Jordan B also was awarded *Hong Kong Q-Mark (Q-mark, 2022)*, which was the first time in the watch industry. Two of the world's most significant watch industry events are *BASELWORLD* (Basel World, 2020) and *Hong Kong Watch and Clock Fair* (HKTDC, 2021) are the company uses as part of its marketing strategy.

In the early 80s, the group benefited from the *Reform and Opening-up policy* (NPC, 2021); many opportunities were provided for Hong Kong manufacturers who were knowledgeable in their industry and had the insight to expand their business from the government of Mainland China. The group build up its kingdom gaolable known from a small company in Central in three decants.

Organisation structure: the group is led by the founder as CEO, who has four family members as Vice presidents direct report to him who represents as CFO and Head of the HR, CCO and Director of Sales & Marketing. R&D Director in charge of the production lines in Mainland China. There are 30 Middle Managers under his management, with more than 3,000 employees in more than 100 countries.

Identify the reasons for the change:

I. Internal environment

- In 2014, Jordan B acquired HY Industrial Co., Ltd. (anonymous) factory to extend its leading role in the watch industry; to develop an all-in-one production line covering almost every part of watch production, from cases, straps and watch assemblies. HY Industrial Co., Ltd. specialises in the manufacturing and R&D of dials, which is almost the last puzzle in watchmaking. The mother company has access to various services and products through sophisticated equipment and machinery. In addition to producing high-quality dials, HY also provides a team of professional consultants to assist Jordan B Ltd.'s needs.
- The founder of Jordan B is 75 years old; he is one of the most successful businessmen in the watch industry. He plans to transition his family business to the next successor to continue his legacy in five years.

II. External environment

- Due to the 14 days quarantine policy of Covid-19 in China has limited the ability of our management team to travel to various GZ factories for daily operations. (COVID-19 HKSAR, 2022)
- The geopolitical threat to the market is intimately related to the internal business infrastructure of Hong Kong since the political climate in Mainland China has been dramatically affected by the influence of globalisation. (Reuters, 2020)

III. Industrial environment

- The company specialises in supplying various watch parts, from screws to raw materials, leather straps to watch movements, including OEM and ODM services. Shortages of this nature adversely affect watch assembly. However, it is also difficult to deliver to Hong Kong and overseas despite the supply chain problems due to a limited shipment in COVID-19.
- In addition, the exhibitions have been cancelled, which eliminates the opportunity to launch new products, as well as some of the customers, had already closed down their businesses.

Discuss the benefits of organisational change:

Why are organisational changes advantageous? Many positive outcomes can occur from a change in an organisation. These include providing a way to anticipate challenges to improve the organisation's efficiency. It also increases the sensitivity to employee needs and better management practices through leadership development and team development.

The organisation will develop a more relevant market approach by providing better customer service to clients from confident and knowledgeable employees. Through revised to match realistic expectations, a more consistent vision, and values, creating a team-oriented working environment; increased process visibility and work quality, and made it easier for employees to provide input. (AGS, 2022)

I. Training and education in transition:

Leadership coaching is a crucial component of organisational change; leaders need to be knowledgeable about the foundation of change management, driving the intransigence. These coaching sessions will assist them in better guiding their detailed information through the transition. It will help the employees perform better when they feel supported and understand the change process.

Organisational change can be implemented without negatively affecting the company's daily operation. Therefore, the risk associated with change is minimised. (Ahmed, 2020)

II. Stick the change process on the right track:

Developing a change management plan provides a roadmap for stakeholders to carry out a change project, including the procedure for operation, planning, guiding people through a change and converting opposition into support. One of the main benefits of change management is to assemble the organisational project; what if the chaos brought into the process is not handled appropriately. (Ahmed, 2020)

III. Disclose the issues of the organisation:

Change management is responsible for everyone in an organisation cooperating toward a common intention to reach the ultimate goal. Despite being uncomfortable at the time, organisational change management allows

organisations to find out what is hindering their growth and progress. Processes or workflow problems can also stem from a person's personality or management problem. Nevertheless, addressing issues through change management instead of burying them may allow the organisation to resolve them. (Ahmed, 2020)

IV. Increase the morale during the change:

When an organisation has a clear understanding of how to manage change successfully, it will no longer be as contumacious to change in the future, fostering a culture of modification and motivation to meet the next battle.

As a result, increased business opportunities are also facilitated. With excellent staff morale and a more extraordinary ability to meet customer and market demand more effectively, the organisation will be more productive to increase the return on investment (ROI). (Ahmed, 2020)

Identify the significant challenges to implementing the change:

Before applying the change management strategy, we must make sure the projects stick to the plan, calculate the cost, and resolve the expected results. And We are going to face different challenges during the organisational change; these are the following issues which we are going to deal with: (Walkme, 2017)

I. Managing the budget:

What happens when the outcome does not meet the organisation's expectations during the organisational change? Many reshape are required, which creates additional expenses and time to stay within their budgets; businesses must effectively manage change. It is not uncommon for organisations to invest in projects or programs that employees do not widely adopt. Due to ineffective change management, they do not see the expected ROI. The best way to prevent the expenditure and the loss of time is for organisations to reach out(explain) to employees about their change management plan during the planning process to lead them to understand why new initiatives and programs are being undertaken. (Ahmed, 2020)

II. Managing employee confusion and unease:

Employees fear that they might be able to lose their jobs or lose power/control due to the rapid change in the organisations.

Business leaders need to evaluate how change affects the spirit, work rate, allegiance, and employees' attachment. It also needs to consider whether any skilful employees will resign, especially at the senior level, during the process, or will they commit to helping implement the plan?

They are implementing a change management strategy that takes the confusion and unease of the employee into account, which can help the organisation to reduce the struggle of employees by providing significant information about the reason for the change and the anticipated timeline for the relevant results, as well as to increase the return on investment (ROI). (Ahmed, 2020)

Psychology and human behaviour are often used as a basis for change management to transform negative feelings into positive ones. (Trost, 2020)

III. Maintain alignment between the organisation's core values and operations.

It is essential to accomplish that a change management strategy coordinates with the organisation's core ethic, which is the primary reason for implementing it. Each major strategic decision should be guided by the company's mission, vision, and values. It is essential to ensure that if there are changes at the company, they align with its values. The company may lose employees, customers, and partners in this absence. Consequently, the company must decide if this change will be beneficial. (Ahmed, 2020)

IV. The conner's stages of negative responses:

According to the research of Daryl R Conner, he presents a change in an organisation involves people; it is a process of bringing together individuals into a group; no matter how positive or negative, when the stakeholders remove from their comfort zone, a negative response occurs. The following diagram illustrates how people react emotionally to change: (Conner, 1992)

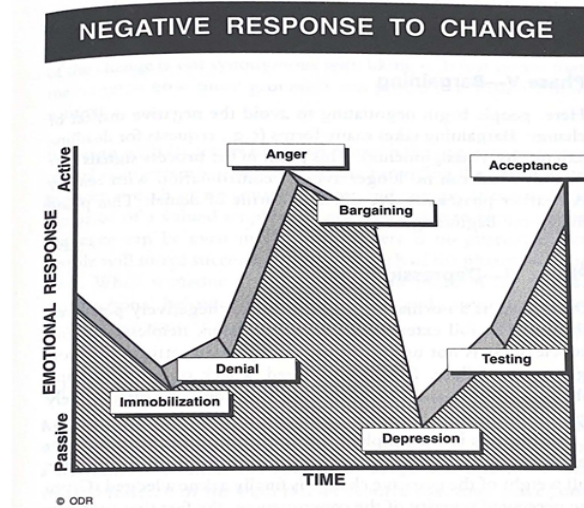


Figure 1 (Conner, 1992)

i. Stability

This is the beginning of the stage, change management kick-off. (Conner, 1992)

ii. Immobilisation

In this 2nd stage, the first pessimistic response, the employee feels frustrated and confused and may find it challenging to handle the sudden change. (Conner, 1992)

iii. Denial

A failure to absorb new information within the existing framework; at this point, the employee, either disobeys or escapes from the order, which leads them to stay in their comfort zone to pretend nothing is happening. Might it be able to disappear sooner or later? This quickly occurs at the senior level, especially long-serving services employees. (Conner, 1992)

iv. Anger,

During this stage, the employee feels abundance and betrayal, often reacting unwisely and erratic. They often show their emotion to someone close by, someone who trusts. It caused them to think it is easy to accept or even forgive their negative response. (Conner, 1992)

v. Bargaining

Employees started to debate with the management to escape the adverse effect. They are going to request to prolong the delivery time or reappointment. This is an early stage to show that the employee cannot bypass the actual situation; they might be able to accept the change. (Conner,1992)

vi. Depression

Feeling victimised and linking energy to it can often represent a positive step in accepting change. (Conner, 1992)

vii. Testing

Acknowledging limitations and redefining goals. (Conner,1992)

VIII. Acceptance

Targets now respond to change realistically. (Conner, 1992)

Recognise how to apply the action plans for the organisation:

Organisational change is more effective when methodologies (Kristen Hicks, 2020) are used to achieve better results; Armin Trost argues that organisations should implement a change management strategy. **Change Management** is a process of systematically and carefully realigning the organisation. (Armin, 2022)

Change management strategy will lead to better-prepared employees and fewer skills gaps (Businessroundtable, 2022); it should develop a clear perception of the benefits of change before engaging in the change process; it is essential to assess any hurdles achieving this vision. An organisation without the necessary expertise to complete a pivot, for an instant, needs to hire a change agent to fill that position before proceeding with the hub; on the other hand, the change strategy may not be as rewarding as anticipated, or it might be able to a setback.

What is a change management strategy?

Change management strategy (Ordenes, 2022) is defined as how an organisation can manage change both inside and outside. It is a method of minimising the adverse effects that occur as a consequence of the transformations while at the

same time capitalising on them. A well-managed change process enables employees to seamlessly progress from the old to the new while maintaining morale, productivity, and even the company's image. It can also be explained as a caution method in handling organisational change. The following theories can be utilised to accomplish this.

Synchronise Kotter's 8 steps combined with A.D.A.K.R® to Jordan B Ltd.:

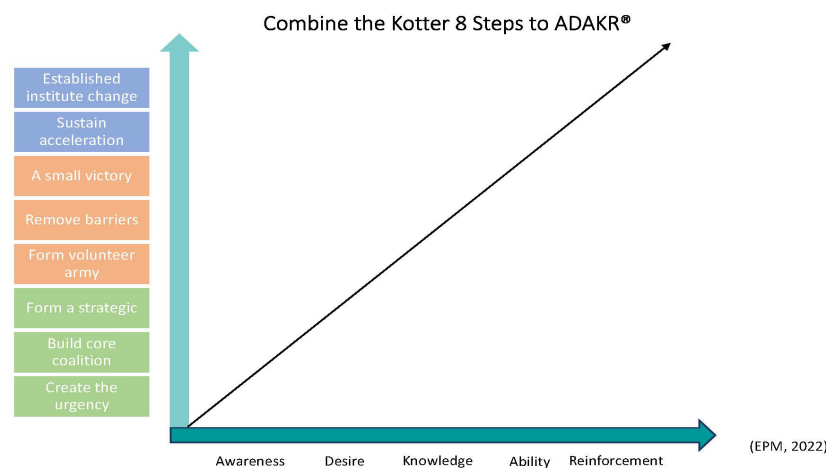


Figure 2: illustrate the process during the organisational change.

As mentioned in the paragraph of the Corner stage of adverse response by Dr. Daryl R. Conner (Conner, 1992), **Organizational Change Demands Individual Change** (Prosci, 2022); one of the most challenging activities for the change agent is leading the individual willing to change during the process. However, **Kotter's 8 steps theory** provides clear steps for navigating the change process. This model is easy to understand for executives; however, the nature of this model is hierarchical; it is possible to miss opportunities if everyone, especially the lower-level workers, does not share the vision. The absence of consideration leads to resentment and resistance among employees. (Hicks, 2020)

Thus, the **A.D.A.K.R®** theory (Prosci, 2022) is suitable for Kotter's 8 steps theory; Professor Jeff Hiatt developed this model in the '90s. The five letters are the acronym of the steps during the change process. The most significant difference is sequential instead of linear compared to **Kotter's 8 steps**; it can go back and forth during the process; each step of the model can be evaluated individually. If any gaps are identified, they can be corrected. (EPM, 2021)

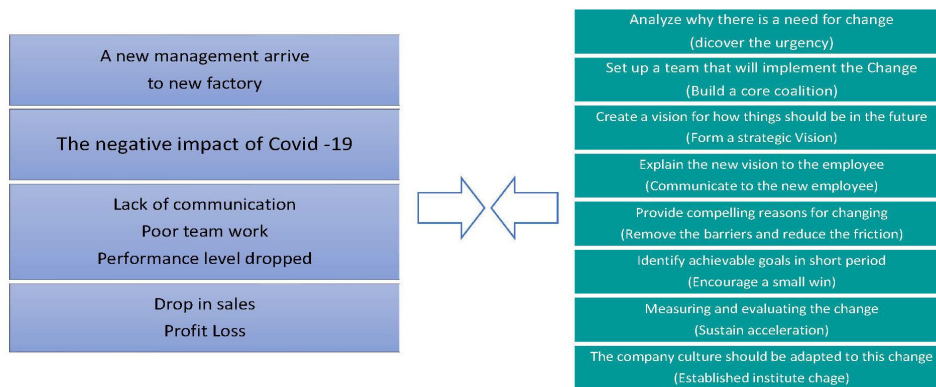


Figure 3: illustrate the issues encountered with Kotter's 8 steps (Consuunt, 2022)

1. Why is change necessary?

Upon taking over the business, the second generation of Jordan B Ltd will be appointed as the group's CEO. The head of the company should ensure that it understands both external and internal factors. Additionally, the new CEO must have the guts to identify the factors that did not work in the past.

After the mergers and acquisitions of HY Industrial Co, the management believes the existing employees will not experience any problems receiving a direct signal regarding the importance of change. Anyone who does not meet expectations will be removed from the organisation. These actions raise the employees' awareness to force them to act immediately.

2. Set up a team with people who trust for implementation.

The nature of **Kotter's 8 steps** (EPM, 2021) is easy to make direct orders to employees at headquarters. However, there will be challenges in changing the factory environment with so many people and pushing forward with changing projects. It will be necessary to assemble a reliable team to ensure a successful change in China. Using the **A.D.A.K.R® theory**, the CEO empowers middle management to implement change individually. These actions would be beneficial for managing both employees at Jordan B group and the new team in HY and other factories. (Prosci, 2022)



Figure 4: illustrate the process of A.D.A.K.R®

3. Form a strategic vision and

This stage is like starting an election campaign; any new project kick-off needs a strong mission statement to set up a clear vision and understood objective of how it will be done? And carry to the next stage.

4. Tell the employee how things will be?

Explain the benefits of the change clearly and concisely; show the employee the differences from the past; what will they benefit from after the change? The change leader must possess excellent leadership skills, be familiar with change theories, and work effectively with staff to execute the invention. Change management involves navigating change, mobilising resources toward innovation, and optimising results.

5. Give good reasons to change and encourage them to act

According to the section that discusses the challenges and adverse effects of the proposed changes, we understand that resistance is a natural part of the process but must be constructively addressed for change to progress. Most of the time, employees may not be pleased with the changes due to a lack of information. At this stage, the change leadership can form small groups to integrate communication, facilitates employee participation and involvement and establish feedback channels to guide employees toward the intended results.

6. Establish achievable goals.

Figure 5 on the right shows the classic management example of *BOSS vs Leader*. It is rare for organisations to achieve the expected results from a change in personnel if the people are unwilling to change. A key component in a successful change program is adequate training and development. The change leader should introduce various reward programs, such as KPI improvement awards to the team (most common in production lines or divisions), which effectively motivates people to make a change.

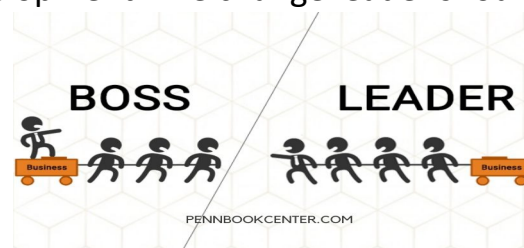


Figure 5

(PBC, 2022)

7. Manage and review the change

Even though the above stages are achieved, it is imperative to work at keeping the momentum; the organisation should introduce advanced programs for employees to develop to the next level; one of the compelling ways to learn from the AO system in Hong Kong is the employee doesn't stay at the position too long; the system encouraged to work in cross-section or shift to other departments to learn additional skills. After the performance review, which will promote the employee from the production line to an office where they can do caracul jobs to prepare them for future low or middle management. These actions can build the company culture into the next reinforcement stage.

8. Make the change to be part of the corporate culture.

The most crucial aspect of organisational change is reinforcement. Essentially, the proposed way of working assumes that there are no compromises to make. This method of working serves the Company well. An excellent example of this occurred when Jordan B purchased HY, which introduced new CNC machines to replace the old cutting machines. The old workers had no choice and were forced to learn to operate the CNC machine as soon as possible; the same situation will apply in other divisions in the factory. Ultimately, it also is necessary to amalgamate the values of organisations of this merger. Consuunt (2022)

Conclusion:

In conclusion, regardless of its size or scope, any organisation must change. It is unrealistic to expect people who want to change immediately. To cope with the change, the organisation must prepare its employees (as well as management). To increase transparency and ensure employee satisfaction that the change will benefit them and the organisation, they must be included in every stage of the evolution. The steps outlined above will position us ahead of most organisations. Thus, we will be able to deliver a strategic approach to our change management strategy, enabling the organisation to adapt with confidence and agility.

References:

- ADAM HAYES (2021) **Wearable Technology** Available at: <https://www.investopedia.com/terms/w/wearable-technology.asp> (Accessed: 08th April 2022)
- John P. Kotter (1995) **Leading Change: Why Transformation Efforts Fail** Available at: <https://hbr.org/1995/05/leading-change-why-transformation-efforts-fail-2/> (Accessed: 8th April 2022)
- John P. Kotter (2021) **THE 8-STEP PROCESS FOR LEADING CHANGE** Available at: <https://www.kotterinc.com/8-step-process-for-leading-change/> (Accessed: 8th April 2022)
- Prosci (2022) **Who We Are** Available at: <https://www.prosci.com/about/> (Accessed: 8th April 2022)
- Prosci (2022) **ADAKR** Available at: <https://www.prosci.com/methodology/adkar/> (Accessed: 8th April 2022)
- Hong Kong Q-Mark (2022) **The Hong Kong Q-Mark Service Scheme** Available at: <https://www.qmark.org.hk/en/plan-service.asp/> (Accessed: 8th April 2022)
- Baselworld (2021) **Welcome to Baselworld** Available at: <https://www.baselworld.com/> (Accessed: 8th April 2022)
- HKTDC (2021) **Hong Kong Watch & Clock Fair** Available at: [https://event.hktdc.com/fair/hkwatchfair-en/s/2321-General Information/HKTDC-Hong-Kong-Watch-and-Clock-Fair/Fair-Details.html/](https://event.hktdc.com/fair/hkwatchfair-en/s/2321-General%20Information/HKTDC-Hong-Kong-Watch-and-Clock-Fair/Fair-Details.html/) (Accessed: 8th April 2022)
- National People's Congress of the People's Republic of China (2021) **改革开放 40 年党领导立法的创新实践/ 中国人大网** Available at: <http://www.npc.gov.cn/npc/wgggkf40nlfjcjgs/202108/4f5eb9493f114706a4f4fc470657c398.shtml> (Accessed: 08th April 2022)
- COVID-19 HKSAR (2022) **Quarantine Measures for Inbound Travellers** Available at: <https://www.coronavirus.gov.hk/eng/inbound-travel.html> (Accessed: 08th April.2022)
- Kevin Yao (2020) **What we know about China's 'dual circulation' economic strategy** Available at: <https://www.reuters.com/article/china-economy-transformation-explainer-idUSKBN2600B5> (Accessed: 08th April.2022)
- AGS (2022) **Change Management Benefits & Importance | What You Need to Know** Available at: <https://www.airiodion.com/change-management-benefits/> (Accessed: 12th April 2022)
- Anam Ahmed (2020) **What Are the Benefits of Managing Change in Organisations?** Available at: <https://smallbusiness.chron.com/benefits-managing-change-organizations-108.html/> (Accessed: 10th April 2022)

Christopher Smith (2017) **4 Barriers to Organizational Change** Available at:

<https://change.walkme.com/4-barriers-to-organizational-change/>

(Accessed: 10th April 2022)

Armin Trost (2013) **CHANGE MANAGEMENT – HRM lecture 11** Available at:

<https://www.youtube.com/watch?v=7zRvhFb9UUQ/> (Accessed: 10th April 2022)

D. Conner (1992) **Managing at the speed of change** 1992, New York, ODR (Accessed: 12th April 2022)

Pat Ordenes (2022) **Change Management Strategy** Available at:

<https://www.cascade.app/blog/change-management-strategy/>

(Accessed: 12th April 2022)

Businessroundtable (2022) **The Skills Gap, Explained** Available at:

<https://www.businessroundtable.org/policy-perspectives/building-americas-tomorrow-ready-workforce/closing-the-skills-gap/the-skills-gap-explained/> (Accessed: 12th April 2022)

Kristen Hicks (2020) **Organizational change management: 8 proven models to help navigate change** Available at:

<https://www.zendesk.hk/blog/change-management-models/#georedirect>

(Accessed: 12th April 2022)

EPM (2021) **Kotters-8-step-change-model** Available at:

<https://expertprogrammanagement.com/2021/02/kotters-8-step-change-model/> (Accessed:

12th April 2022)

EPM (2018) **ADAKR model of change** Available at:

<https://expertprogrammanagement.com/2018/02/adkar-model-of-change/> (Accessed: 12th

April 2022)

Consuunt (2022) **What is the Kotter 8-Step Change Model?** Available at:

<https://www.consuunt.com/kotters-8-step-model/> (Accessed: 12th April 2022)

PBC (2022), **Best Boss Vs Leader Quotes to Uplift Your Business** Available at:

<https://pennbookcenter.com/boss-vs-leader-quotes/> (Accessed: 15th April 2022)

Prosci (2022) **Prosci ADAKA** Available at: [https://empower.prosci.com/the-prosci-adkar-model-](https://empower.prosci.com/the-prosci-adkar-model-ebook-bundle/)

[ebook-bundle/](https://empower.prosci.com/the-prosci-adkar-model-ebook-bundle/) (Accessed: 15th April 2022)