

LEVEL 7 ASSESSMENT SPECIFICATION

Student name:	Cheung Siu To	Student ID number:	2322639
Programme:	MBA		
Module:	Change & Stability Management		
Module code:	HKBM7015	Contribution to Overall Module Assessment (%):	75%
Lecturer:	Dr. Joe Leung	Internal Verifier:	Dr. Poon Che Cheong
Assignment Title:	Assessment 2 Report	Word count (or equivalent):	3,000 words (maximum)
Submission deadline:	8 May 2023	Return date of provisional marks & written feedback:	Within 20 days after submission
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.		

Table of Contents

1. INTRODUCTION.....	1
2. FORCE FIELD ANALYSIS FOR THE ORGANIZATIONAL CHANGE	3
3. APPLYING A CHANGE MODEL / APPROACH	6
4. LEADERSHIP AND IMPLEMENTING SUCCESSFUL ORGANIZATIONAL CHANGE.....	9
5. MANAGING THE RESISTANCE TO CHANGE	11
6. CONCLUSION	13
7. REFERENCE	14

1. Introduction

Ocean Park, established in 1977 in Hong Kong, is a renowned non-profit theme park celebrated for its thrilling rides, diverse animal exhibits, and commitment to marine conservation (Ocean Park Hong Kong, n.d.). Despite its popularity, the park has faced significant financial challenges in recent years, necessitating a strategic reassessment of its operations.

The park's revenue has seen a dramatic decline, dropping by more than 50% from approximately \$2 billion in 2014 to \$800 million in 2023. This financial downturn has been compounded by consecutive deficits from 2016 to 2022, with a slight surplus only emerging in 2023 (Ocean Park Hong Kong, 2023). The primary factors contributing to these challenges include intense competition from other entertainment venues, the severe impact of the COVID-19 pandemic, and a heavy reliance on admission revenue, which constitutes over 60% of its total income (Ocean Park Hong Kong, 2023).

In response to these challenges, a comprehensive strategic transformation plan has been proposed for Ocean Park. The plan aims to diversify income sources beyond ticket sales, which have traditionally been the park's main revenue stream. This includes developing new attraction and service models that can generate additional income throughout the year. Specifically, an eco-tour package is suggested, which combines the park visit with local natural attractions around the coastal area. Additionally, the park is advised to renovate existing facilities to enhance their appeal and improve the overall visitor experience. This involves updating older attractions to meet current technological and safety standards, as well as introducing new, innovative experiences that align with customer expectations.

The proposed strategy involves repositioning Ocean Park with a renewed focus on its oceanic theme. The plan suggests emphasizing unique experiences that highlight conservation, recreation, and education, distinguishing the park from its competitors and reinforcing its identity as a leader in marine conservation. Additionally, the strategy calls for seeking amendments to the restrictive Ocean Park Corporation Ordinance (HKSAR, 2022). This change would provide the park with more flexibility in its commercial activities and

fundraising efforts, enabling it to operate more dynamically and respond more effectively to market changes. Collaboration with third parties is also recommended as part of the strategic overhaul. By partnering with other companies and organizations, Ocean Park can expand its offerings and create new revenue through collaborative projects.

This report will explore the proposed strategic transformation plan for Ocean Park, assessing its feasibility and outlining the necessary steps for planning, leading, and implementing the change. Additionally, it will address strategies to address and overcome resistance to the proposed changes. Through a comprehensive analysis, the report aims to provide practical insights that will assist Ocean Park in successfully navigating its present challenges and ensuring a sustainable future.

2. Force Field Analysis for the Organizational Change

In this analysis, Kurt Lewin's Force Field Analysis is employed to examine the driving and restraining forces that impact the proposed change in Ocean Park's business model (Lewin, 1936) (Lewin, 1943). By strategically utilizing the Force Field Analysis, Ocean Park aims to plan and execute the transition toward providing eco-tourism packages. The objective is to reinforce the driving forces and mitigate the restraining forces, creating a more favorable environment for organizational change.

Objective of the Change

The primary objective is to diversify Ocean Park's business model by introducing an eco-tourism package that extends beyond the park's traditional boundaries. This strategic shift aims to not only boost revenue and increase visitor numbers but also reinforce the park's commitment to environmental sustainability.

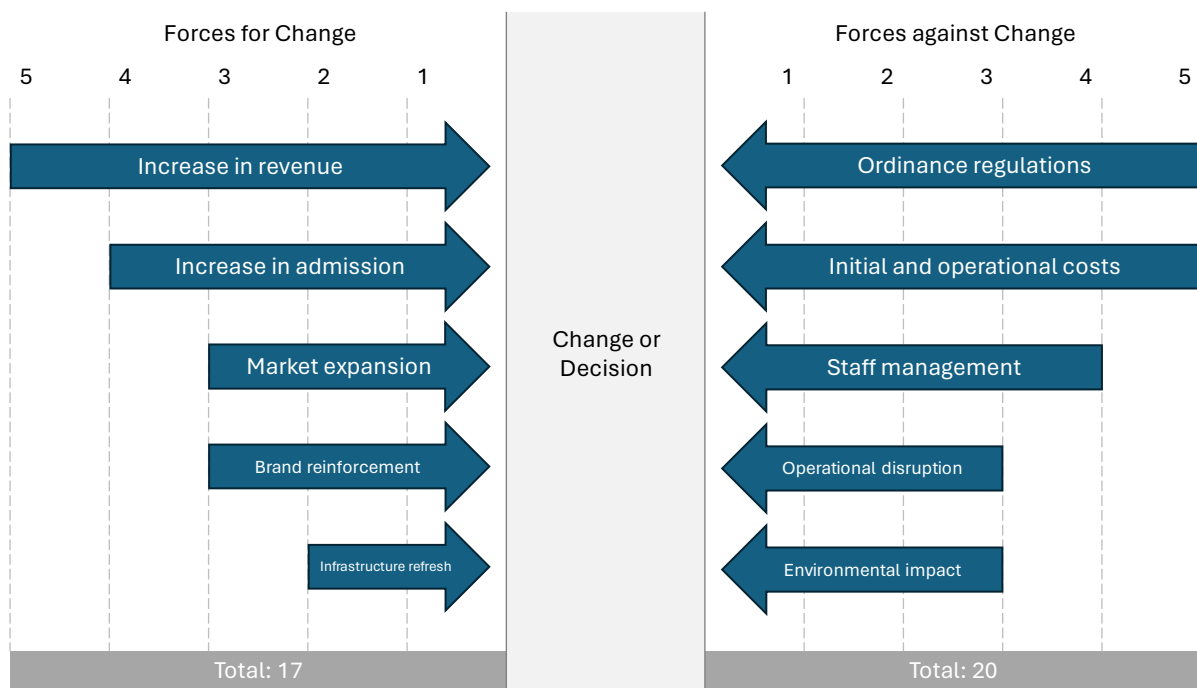


Figure 1 Preliminary Force Field Analysis for the favorability for the change

Based on Figure 1, it was observed that the change is not favorable, and the subsequent driving forces and opposing forces were identified.

Driving Forces Supporting the Change

- Increased Revenue: Anticipated higher earnings from new services.
- Increased Admission: Expected growth in visitor numbers due to the appeal of eco-tourism.
- Market Expansion: Potential collaborations with overseas travel agencies to tap into new customer segments.
- Brand Reinforcement: Promoting the park's image in environmental sustainability.
- Infrastructure Refresh: Renovating Park facilities to support new activities.

Restraining Forces Opposing the Change

- Ordinance Regulations: Current regulations restrict the park's business model expansion.
- Initial and Operational Costs: High costs associated with launching the new eco-tourism package and renovation works.
- Staff Management Challenges: Difficulties in managing additional staff requirements.
- Operational Disruption: The disruption of daily operations due to renovation works
- Environmental Impact Concerns: Potential impacts of expanded activities on the local ecosystem.

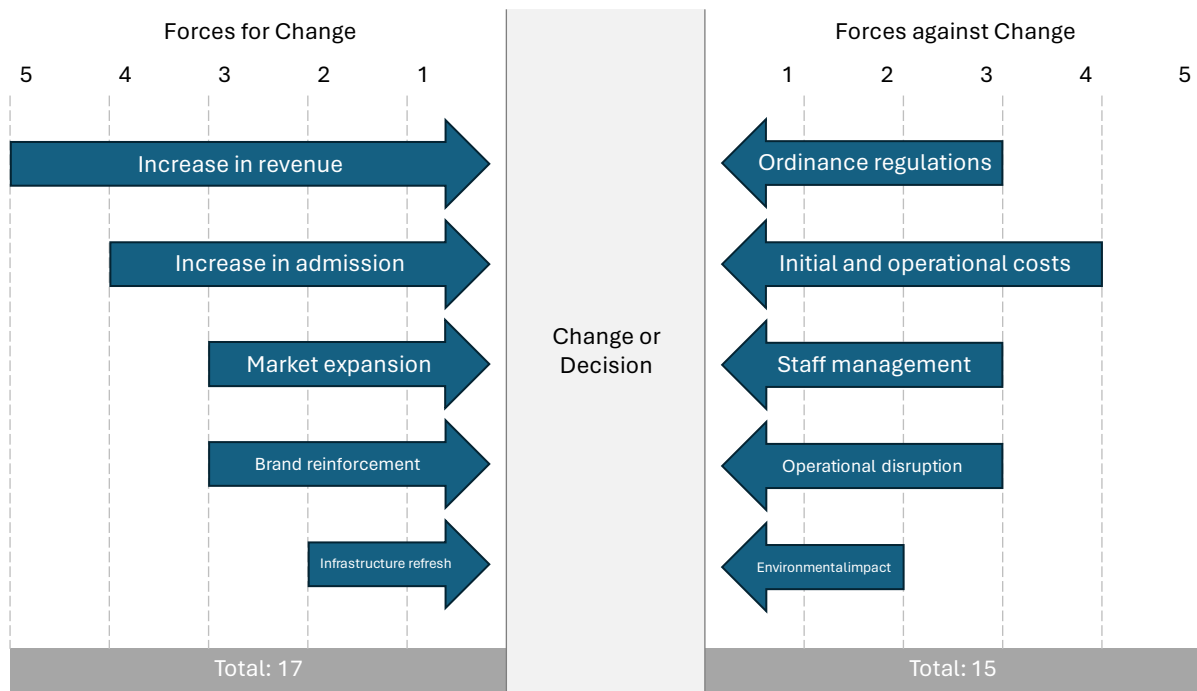


Figure 2 Force Field Analysis after strategic adjustments for favorable change

Strategic adjustments are required to make the change feasible and support the organizational transition.

Strategic Adjustments for Favorable Change

- Easing Ordinance Regulations: Promoting the amendment if the park can generate more profit and lessen the government burden in the need for supporting the park operations.
- Managing Financial Resources: Utilizing increased revenue to manage higher operational costs.
- Improving Staff Management: Outsourcing services outside the park to streamline operations.

The adjustments suggested are expectation to optimize the conditions for a successful transformation, ensuring a successful strategic change.

3. Applying a Change Model / Approach

After identifying the potential opposing and proposing forces in the organizational change, the next step is to apply a change model. In this report, John Kotter's Eight Steps of Change has been chosen as the preferred change model for this report (Kotter, 1996).

1. Create Urgency

Creating a sense of urgency is vital in alerting all critical stakeholders to support and drive the change forward. The urgency is motivated by several factors, including declining visitor numbers, increased competition, and a growing global emphasis on sustainable tourism (Üzülmez, et al., 2023). Moreover, the park faced a near-bankrupt crisis in 2020 (The Standard, 2020) highlighting the pressing need for change. If the current business model is maintained, the crisis will not be an isolated event but rather an ongoing reality. Therefore, the objective of the change is to expand the business model beyond the park's current activities.

2. Build a Coalition

After establishing the driving force for change, the formation of change groups becomes essential. These groups should consist of individuals who hold influential positions and have strong connections to drive the change forward effectively. The change group should include senior managers, sustainability experts, and key personnel from both the tourism and environmental sectors.

Furthermore, addressing the concerns related to running the business outside the park requires amending the existing ordinance. To facilitate this process and ensure effective discussions, it is recommended to form a change group comprising members from Ocean Park's Board of Directors and government officers. This collaborative approach will facilitate productive discussions and expedite any necessary changes in the ordinance to support the organizational change.

3. Create a Vision

The vision for Ocean Park must be clear and attractive: to emerge as a prominent eco-tourism leader in the Asia region. Offering unique, sustainable experiences that connect visitors with nature together with enjoying the amusement facilities. The strategy involves integrating eco-tours with existing attractions, strengthening environmental conservation programs, and effectively marketing these exceptional experiences to both local and international tourists.

4. Communicate the vision Buy-in

Ocean Park must utilize every available channel to effectively communicate the new vision and strategy. The change in the business model may generate confusion or resistance among existing staff and managers, making extensive communication vital to ensure the smooth implementation of the change. This includes internal presentations, organizing training sessions, distributing newsletters, and launching external marketing campaigns. The message should be consistent and emphasize the benefits of the change, not only for the park but also for the community and the environment.

5. Empower broad-based action

Removing barriers to change requires addressing both structural and cultural obstacles. Initially, the park needs to persuade the government to further amend the ordinance, which would enable the adoption of a new business model to enhance revenue sources. Additionally, restructuring certain departments or investing in new skills and technologies may be necessary. For instance, the introduction of new animals will need training employees to care for them. Also, it is suggested empowering employees by involving them in the change process and equipping them with the essential resources and authority to drive change.

6. Generate short term wins

To maintain momentum, Ocean Park should aim for quick wins that can be celebrated early in the change process. For example, launching a pilot eco-trip and receiving positive feedback from participants can be a significant boost. These wins not only validate the change effort but also help to build confidence and support among stakeholders.

7. Don't Let up

Each success provides an opportunity to build on what went right and identify areas for improvement. Ocean Park should leverage the momentum gained from short-term wins to implement broader changes. For instance, this could involve expanding eco-trip offerings to local schools or schools in the greater bay area.

8. Make Change Stick

Finally, for the change to be sustainable, it must become an integral part of Ocean Park's core identity. This means embedding the oceanic theme into every aspect of operations and promoting environmental values among staff and visitors, further seeking collaboration with environmental organizations to build up a positive brand image would be a choice. Over time, this commitment to sustainability will become a defining trait of Ocean Park's brand.

By following John Kotter's Eight Steps of Change, the park can effectively overcome the challenges of introducing a new eco-tourism business model. This structured approach not only makes the transition smoother but also guarantees that the change is deeply rooted and can be sustained over time.

4. Leadership and Implementing Successful Organizational Change

In addressing the organizational change at Ocean Park, a successful integration of eco-trips with the park's existing facilities, aligning with both environmental and business objectives require a good leadership's approach to implement the new eco-centric business model. The leadership structures are around six core themes: Vision, Purpose, Shared Value, Strategy, Empowerment, and Engagement (Hodges & Gill, 2011).

Vision for Change

The leadership of Ocean Park must draw a clear and compelling vision that encapsulates the transition towards the new eco-centric model. This vision highlights the integration of eco-trips into the park's offerings, emphasizing this expansion aligns with the park's mission of conservation and education as well as the potential profit brings (Burn, 1978).

Purpose of Change

The purpose behind the organizational change is to reclaim and surpass Ocean Park's financial performance and appeal by capitalizing on the growing market for eco-tourism. This should aid the park in achieving a healthy financial performance while remaining aligned with the goals of environmental conservation and educational engagement.

Shared Value

The transformation is driven by the shared value that benefits both the organization and its stakeholders (Porter & Kramer, 2011). By focusing on eco-tourism, Ocean Park not only enhances its business prospects but also contributes to the conservation of local ecosystems, aligning with global sustainability goals.

Strategy for Change

Strategically, the transformation involves developing new attractions and services that complement the eco-trips, renovating existing facilities to refresh their appeal and allow for integration with the trip packages, and exploring partnerships with conservation organizations. This strategic approach ensures that the change is systematic and integrated into every aspect of the organization's operations.

Empowerment

Empowering employees is key to the successful implementation of change. Leadership should invest in training programs that equip staff with the knowledge and skills needed to support the new business model. Empowerment also involves giving teams the authority to make decisions and take actions that align with the strategic vision, promoting a sense of ownership and accountability.

Engagement

Engaging with all stakeholders, including employees, customers, and partners, is vital. This comprehensive involvement includes efforts to communicate clearly, gather feedback, and collaborate. Continuous engagement with different parties facilitates ongoing adaptation and the input of new ideas, supporting the success and sustainability of the change.

To ensure successful implementation of the organizational changes, Ocean Park must follow a structured change management process. This includes thorough planning, setting achievable milestones, monitoring progress, and adjusting as necessary. Effective change management also requires maintaining open lines of communication throughout the organization and using feedback to continuously refine strategies and operations.

5. Managing the Resistance to Change

As Ocean Park embarks on its strategic shift towards an eco-centric business model, it is crucial to understand and effectively manage resistance to change. Resistance to change is a natural human response, often influenced by psychological and emotional factors that can significantly hinder the success of organizational transformations.

Reasons for Resistance

- **Fear of the Unknown:** Employees may resist change due to uncertainty about the future and concerns about how the strategic change will impact their roles and job security. This fear can lead to anxiety and reluctance to embrace new processes (Kotter, 1996).
- **Loss of Control:** Changes in routine and job structure can make employees feel that they are losing control over their work environment, leading to resistance.
- **Perceived Threats:** Employees may perceive threats to their job security, especially if the proposed change involves shifts in job requirements.
- **Social Influence:** Resistance can also arise from social influence, such as influential peers or groups that are opposed to the changes.

Strategies to Manage Resistance

Effective Communication: Clear, transparent communication about the reasons for change, its benefits, and its expected outcomes is crucial. Management should speak out how the eco-centric model will not only ensure the park's sustainability but also enhance job security by attracting more visitors and diversifying revenue streams.

Involvement and Participation: Involving employees in the change process from the beginning can significantly reduce resistance. This includes participating in decision-making, which helps in gaining their commitment and reducing uncertainties.

Training and Support: Providing training and support to help employees understand and adapt to new technologies and processes is essential. This support should address both the technical skills required for new roles and the emotional adjustments needed.

Negotiation: For employees who lose out from the change or have significant influence, negotiation can be an effective tool. Ocean Park needs to offer incentives, compromises, or adjustments to gain their support. This approach can prevent major disruptions and foster a cooperative environment.

Co-optation and Manipulation: If resistance persists, more subtle tactics such as co-optation or manipulation may become necessary. The park could involve key resisters by giving them roles in decision-making bodies. For instance, they could lead a pilot project showcasing the benefits of a new business model, which aligns with the growing trend of eco-tourism. This direct involvement has the potential to transform skeptics into advocates.

Explicit and Implicit Coercion: As a last resort, coercion involves enforcing change through direct or indirect pressure. Explicit coercion could be used by establishing firm deadlines for adopting new practices, along with penalties for non-compliance. Implicit coercion might involve emphasizing the economic risks of not adopting the new business model, which could be accomplished by presenting previous financial reports to alert employees to the potential risk of the park shutting down.

By understanding the root causes of resistance and implementing these targeted strategies, Ocean Park can effectively manage the human aspects of change. This comprehensive approach not only facilitates the smooth implementation of the new business model but also ensures that the change is sustainable and positively received by all stakeholders.

6. Conclusion

Ocean Park's needed a strategic transformation by expansion of business model to revitalize its business model and secure financial stability. This strategic shift, underpinned by a structured change management process and adherence to John Kotter's Eight Steps of Change, promises to enhance the park's commitment to environmental stewardship and sustainable tourism.

To successfully implement and maintain change at Ocean Park, leadership must be proactive and transparent, fostering a culture of open communication and collaboration. Addressing resistance involves engaging stakeholders early, understanding their concerns, and involving them in the change process. Continuous training and clear articulation of benefits help align everyone towards the new vision. By empowering employees and celebrating small victories, Ocean Park can build momentum and ensure the change is sustainable, reinforcing commitment and minimizing resistance over time.

7. Reference

- Bass, B. M., 1985. *Leadership and Performance Beyond Expectation*. New York: Free Press.
- Burn, J., 1978. *Leadership*. New York: Harper and Row.
- HKSAR, 2022. *Cap. 388 Ocean Park Corporation Ordinance*. [Online]
Available at: https://www.elegislation.gov.hk/hk/cap388?xid=ID_1438403139357_001
[Accessed 8 4 2024].
- Hodges, J. & Gill, R., 2011. *Sustaining Change in Organizations*. s.l.:SAGE Publications.
- Kahn, W., 1990. Psychological conditions of personal engagement and disengagement at work. *Academy of management journal*, 33(4), pp. 692-724.
- Kotter, J. P., 1996. *Leading Change*. 1 ed. New York: Harvard Business School Press.
- Kotter, J. P., 1999. *John Kotter on what leaders really do*. s.l.:Harvard Business Press..
- Kotter, J. P. & Schlesinger, L. A., 2008. Choosing strategies for change. *Harvard*, pp. 294-306.
- Lewin, K., 1936. *Principles of Topological Psychology*. New York: McGraw-Hill.
- Lewin, K., 1943. Defining the Field at a Given Time. *Psychological Review*, 50(3), pp. 292-310.
- Ocean Park Hong Kong, 2023. *Annual Report 2013-2023*, Hong Kong: Ocean Park Hong Kong.
- Ocean Park Hong Kong, n.d. *General Facts*. [Online]
Available at: <https://www.oceanpark.com.hk/en/corporate-information/General-facts>
[Accessed 14 4 2024].
- Porter, M. E. & Kramer, M. R., 2011. Creating Shared Value. *Harvard Business Review*.
- The Standard, 2020. *The Standard - \$5.4b - or Ocean Park will fold*. [Online]
Available at:
<https://www.thestandard.com.hk/section-news/section/11/218926/%245.4b---or-Ocean-Park-will-fold>
[Accessed 16 4 2024].
- Üzülmöz, M., İştin, A. E. & Barakazı, E., 2023. Environmental Awareness, Ecotourism Awareness and Ecotourism Perception of Tourist Guides. *Sustainability*, 15(12616).