

Continuity and Change in Organisations — A Study Based on the Management Framework of Morgan Company

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Abstract: *Change has gradually evolved into an indispensable feature of contemporary businesses seeking the competition and growth required for sustained success. This paper studies the case of Morgan Motor Company to understand the concepts of change and continuity. The first section summarizes the journey of Morgan Cars from its foundation until the year 2009. The next section looks at the present-day scenario to understand what the company has done since 2009 to present to sustain and grow competitively. The last part advises the company of the new challenges, which it may face and how these can be mitigated through change management. The case demonstrates the company's process of implementing change and continuity over many years and successfully maintaining its reputation throughout the process. This suggests the company will stay the course and have adequate defences to deal with uncertainty.*

Keywords: *Change and continuity, Contemporary businesses, Competition and growth, New challenges, Maintain reputation*

1. Introduction

Change has gradually evolved as an indispensable feature of the contemporary firms seeking to sustain competition and growth required for continued success. Change and change management has emerged to be new challenges for organizations of all types, be it public, private, or voluntary organizations. With the internal and external force taking the stronger lead, organizations today are changing way faster than before and require change and continuity to survive the race [1]. Some of the common forms of change that have surfaced in recent years include cost-minimizing, cultural change, redundancies and performance change. The term organizational change has been coined to include modifications undertaken by organizations to the goals, work process, technologies, structures, values, and culture [2].

At the same time, external pressure to change may result from changing legislative, global competition, global pressure, climate change, or altering economic conditions. The change could also be a natural process that emanates from within the organization, mainly due to aging, resource reallocation, renewal, development, or restructuring. Change is also perceived to be reciprocal because the change in which managers take a return to them in the form of wider networks, reduced levels of management, wider choices for work, and less definite career path[3]. This assignment studies the case of Morgan Cars to understand the concept of change and continuity. The first section summarizes the journey of Morgan Cars from its foundation until the year 2009. The next section looks at the present-day scenario to understand what the company has done since 2009 to present to sustain and grow competitively. The last part advises the company of the new challenges, which it may face and how these can be mitigated through change management.

2. Morgan Motor Company 1909-2009

Founded in the year 1909, Morgan Motor Company still occupies a competitive role in the UK automobile market. The product line of the company started with an economic three-wheeler car which enjoyed tremendous demand between the 1920s and the 1950s. Later in 1935, the company designed a four-wheeler car which became the top of the range model with a waitlist of customers for about four to five years[4]. The company struggled through peaks and dips in demand but was able to drive most of

the competitors out of business through mass production. The United States of America contributed the most to the international demand for Morgan cars. However, the demand was short-lived owing to the emission control regulations because of which the market for imported cars in the USA collapsed. The hiking need covered the dip in demand for cars in the UK due to the recovering economy[2].

By the year 1989, the company was yielding profits, but it was unsure if the revenue was sufficient to sustain the operations in the longer run. One of the measures which were undertaken to develop the business was to increase production levels. The churn out rate of the cars was increased, which called for increased use of resources from all the shops involved. However, the shops were not able to keep up with the increased level of production, which had to be then reinstated to the previous level [5]. By this time, it was clear that the company wanted to increase the level of production but had no clear direction about how much to increase. The management had also started showing signs of disagreements about the future direction of the firm. The years the 1980s showed the popularity of Morgan Cars with a massive waiting list for international customers and export of sizeable production, but no clear direction of growth and diminishing profit margins as the cost of production was increasing making it uneconomic to produce[4].

There were a number of reasons why Morgan Cars were struggling with these issues. The management deep down knew there were several changes required for the way car was manufactured and in the culture of the organization but were content with the way things were run in the company. The company reflected no steady flow of work information or production planning. The shops in the factory were underutilized with rustic layout[6]. The production department at the same time was overly concerned about how many cars it could produce. The company was moving towards the idea of clean engines to re-enter the USA market but had no clue about how many cars could be sold over there[7].

Similarly, the company had a huge market in Japan and Germany but could not speculate how the demand would fall if the price of the cars were increased. In short, the company had a myopic view of the overall demand of the car across the world. Furthermore, the company had no information technology in place to determine the level of stock required, which resulted in large sums of money being tied up[8]. The human resources were also not adequately incentivized to keep the production of cars running, which often resulted in delays. Overall, the company showed a lack of interest in the way the car was assembled, and the factory was run because the management wrongly believed that customers liked the car how it was originally, and this was the reason why it was sold. All the participants in car manufacturing had a firm belief that change would ruin the attraction of the car[9].

Beyond the period of the 1980s, some of the key managerial employees began to voice the need to change from being production-led to demand-led to tap the demand USA was soon to produce from emission control engines. Secondly, there was also a need emerging to understand the flow of stock in the organization and to re-evaluate how the car was being manufactured[10]. Modern technology was further needed to eliminate costs and wastage, but the deeply held attitudes and grounded culture was a major deterrent to change. The owners also rejected the ideas of the changes urgently required in terms of hiring and training workforce, use of factory space, production levels and computerization[4].

The momentum of change started in the year 2000 when the new model of the company outperformed following the major transformation which took place in Morgan Cars in terms of production, design, processes and business operations. The expected demand from the USA market for clean engines is what primarily pushed the company towards change. The owner, driven by enthusiasm, took a great feat by formally learning the sophisticated manufacturing techniques. The production gradually began to rise with changing layout and sequence in the process. A new addition to the factory, which further stirred action, was the resource planning computer system[11].

The technical aspects of production were also being revamped through new designs and investments to improved design and colour. The company also implemented new measures to comply with international quality assurance, such as the vehicle approval system. Later, with the gained knowledge and the racing program, the first breakthrough arising from change emerged as Aero 8, a BMW powered car. The tremendous demand of the car transformed the mechanics of the entire factory which then triggered a series of successes in forms of highly powered and environmentally-friendly vehicles, which allowed Morgan Cars to adopt micro-factory retailing as a flexible, customer-friendly and ecologically friendly retailer[4].

The theories of change suggest that in modern times, change tend to have identifiable beginnings and ends. The case of Morgan Cars demonstrates that the dependency on traditional approaches is what identified the need for change. The theories also suggest that the source of change can be external or internal. External factors of change can include social, economic, technological, market, or legislative change[12]. Morgan cars were majorly impacted by technological advancement and legislative measures,

which restricted the flow of fuel combustion engines in the USA. On the other hand, the internal sources of change include rising operational costs, wastage, duplication and rework, dissatisfied workforce, delays in delivery time, customer complaints, rising customer complaints, and employee discontent. Morgan Cars demonstrated two major internal sources of change, which were the rising cost of production and political disagreements within the management[1].

In addition to the above, there are several phases of growth which can be adopted by companies. Morgan Cars initiated change through creativity, direction, and coordination. The management of the company realized that it lacked a clear direction for future growth. Capturing the USA and UK market was essential, which required incredible transformation of design, space, processes, and operations[9]. This required creative designs and close coordination between different organizational units to unite towards a common purpose of increasing production and achieving economies of scale. The win of Morgan Cars against the struggles resulted from embracing change and continuity and by creating synergies from the available resources to achieve greater results[3].

3. Morgan Cars 2009 to Present

In modern times, Morgan Cars has achieved numerous breakthroughs and milestones because of which it stands amongst the top automobile manufacturers of the world. In continuation of designing fuel-efficient engines, the company introduced its new model Morgan Plus E which became a celebratory reason for the firm for many years[3]. The introduction of electric cars opened the doors to many new markets that were looking for sustainable and clean methods to drive. The new model of Morgan Cars was equipped with technology which did not only help to save the non-renewable fuels but also minimized the emission of harmful pollutants in the environment[6].

The company strategically embraced this change when changing environmental concerns that were emerging at various technological platforms across the world. The depletion of the ozone layer was a hot topic, and concerned groups of people objected to how various automobile makers were hypocritical when it came to the design and engine of the car and that many of the cars violated the emission standards[13]. During the same period, several car manufacturing companies like Volkswagen were banned owing to the allegations put regarding health and safety hazards. The company lived through criticism because of keeping a reputation of producing small-sized cars that were lighter in weight as compared to its competitors, therefore the emission levels were already low. The sports cars manufactured by Morgan Cars also gained popularity due to their optimal capabilities. The company gradually mastered the elements of sports cars and soon became a market leader of this distinct market. This aspect also allowed the company to celebrate the modern-day invention despite facing low rates of production[1].

In addition to the technical changes which have occurred within the company in recent years, the managerial aspect has also transformed in line with the change and continuity. The fresh talent which was injected in the company helped it to grow and advance with the modern needs of the changing market. This was first demonstrated in the year 2010 when the company established its first management team, which was made with the membership of more than one top suite official. When the CEO, Alan Garnet was due to retire, a team of four members was selected to succeed the CEO[10]. The new management then accepted the new role to transform companywide operations in alignment with the movement in top executives. The power and authority was moved from a centralized model to a participatory and decentralized model. The new team of the four managers ran the company effectively because their responsibilities and roles were clearly defined and documented, unlike the former management, where the CEO retained most of the power, and the remaining workforce accepted orders. This change was then propagated through departments with new dynamics and structure of leadership, which led to the workforce being more acceptable to change and adoption[14].

Further to the above, Morgan Cars also realized that isolated systems in the organization were holding back the true potential of the business. The company invested in new IT infrastructure and morphed with the latest technologies to create a comprehensive database system that integrated all the different databases[1]. Additionally, the company invested in a new system that could handle sales, manufacturing, procurement, finance, business analytics and inventory together. The new system resulted in the consolidation of eight independent systems into one large system, enhancement of staff efficiency, accurate flow of information through the business, and the reduction of time for each car job process from hours to seconds [6].

The change embraced by the Morgan Cars was accompanied by various problems that the company

resolved through change and continuity. Firstly, the employees were reluctant to change and adopt the new operation methodologies. The deeply rooted thought process was perceived to be inflexible because of which the new management had to work strenuously to change the mindset and steer the workforce towards a common goal. The problem was partially addressed by hiring new talent, which could bring in new ideas and could be moulded to new ideologies[12].

The company was also facing lesser profits because of which the growth rate of the firm was being impacted. The inflation was rising, but the profits were declining in comparison. The new technologies adopted helped to alleviate this issue. The integrated database and information flow system identified wastages, time delays, redundancies, re-works, and costs, which could be replaced or computerized[15]. The incorrect data was rectified, and the overall time to manufacture a car was shortened, which reduced the overheads and the overall expenditures. Further to this, the company initially faced a wide gap in demand and supply with a long waiting list of the customers. This was majorly due to the use of traditional methods to produce cars and handcraft each piece. With the adoption of technology, this problem was mitigated, and the supply was increased to meet the demand for cars[16].

4. Advice from a Change Consultant

The times are evolving in the automobile industry, which requires Morgan Cars to hold the element of change and continuity for success. With the macroeconomic indicators showing impulsive movements, Morgan Cars need to achieve stability in the midst of uncertainties through carefully planned change management and remain flexible in embracing change to leverage it and survive[17]. The company must remain proactive in anticipating problems such as exchange rate fluctuations, immigration issues, the rising cost of labour, fuel prices and energy prices to make change an innovation a norm within the company. In addition, Morgan Cars must remain competitive at all levels, including taking opportunities of hiring skilled labour and disseminating apprenticeship skills to the future generation of workers[18].

Internally, the company must redefine the managerial focus on the success of the company. This would involve identifying the areas where success can be achieved, committing to long term initiatives, setting workable goals, and putting a plan in action with a clear vision to succeed amongst the other competitors. The change management theories have reiterated several times that change must be communicated across all departments. It must also be implemented in a way that the objectives last a long term[19]. One of the ways through which Morgan Cars could embrace organizational change is by planning, actioning and measuring outcomes. The changes achieved should be aimed to last permanently through unfreezing, changing, and refreezing mechanisms. Furthermore, the company could experiment with various operational and managerial strategies to choose the one which suits the most[6].

The company has maintained an appreciable reputation for manufacturing racetrack cars as well as a homestead. The entry into electric cars also suggests that the company takes competition seriously and considers innovation as the only solution for progress. However, it is important to understand that change and continuity are likely to become more challenging in the near future, particularly due to the changing economic conditions of the UK post-Brexit[6]. Since the UK is not part of the European Union anymore, the company is likely to experience difficulties in trade and business with stricter regulations outside the national borders. To combat this, the company must resort to strengthen more in the USA market, where the demand is greatest by establishing a manufacturing plant[20].

It should also reckon the possibilities which could be opened through outsourcing or broadening the product portfolio by selling products related to automobile production. Furthermore, newer technologies must be utilized to make the process automated and reduce the production time so that output could be increased. Lastly, employee engagement is necessary to accept and implement change so that employees feel part of the process and show interest and participation in achieving new milestones [11].

5. Conclusion

Companies who operate in the modern world realize the importance of change and continuity and the need to make consistent efforts. Only a few companies have been able to maintain the reputation they garnered when they were founded in this rapidly evolving technological environment. This assignment discussed the case of Morgan Cars, who has demonstrated the journey which the firm undertook to implement change and continuity over a period of many years and emerged successful in preserving the reputation throughout the process. The company may have limited itself to only a small output and limited geographical market, but it has remained at the forefront in terms of competition only through

continued acceptance of the change. The advancement in the automobile industry has so far been implemented by Morgan Cars, which indicates that the company is here to stay and has enough defences in place to combat uncertainties.

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