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Counselling Therapy and Determinants of Organizational Performance

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Abstract
A holistic integrative and synergistic performance model is defined by inter-firm variables represented as economic rates of returns for both economic and organizational factors. These are used to examine performance variance and their economic contribution to firm probability. An extensive literature review has been conducted to discover the commonality of underlying constructs and themes within the research stream on organizational performance. An analysis of the data suggests that there exists a set of common variables to explain organizational performance variance. Organizational factors explain almost twice as much variance in profit rates as to economic factor. Counselling therapy is admired as an aspect of technicality used for treating economic mishaps. It was counseling therapy that proposes a systemic framework on which to partition the economic contribution of these interdependent factors of organizational performance. Through counselling therapy the strategic management research stream would be identified to discover underlying constructs that frame performance model of the organizational and economic determinants.
Keywords: Organisational behavior, counseling, organizational performance

1. Introduction

An economic perspective emphasizes the importance of external market factors such as the firms competitive position. The organizational perspective builds on behavioural and sociological paradigms and their fit with the environment. Andrews (2007) representative framework of strategy suggested that both organizational and economic factors are determinants of firm performance (Montgomery, 1991). The structure of SWOT analysis for instance, (Learned et al 1996) defined strengths industry and competitors influence. These constructs have helped to frame the researcher's theoretical development of an organizational performance model and its determinant factors.

Openly, most strategy research deals with intra-firm performance differences as examined through organizational or environmental variables. These account for the strategic differentials that produce performance consequences (Barneth & Burgelman, 1996 and Schendel, 2004). Thus the search for the competitive advantage, as produced by these strategic differentials is a central tenet of the theoretical perspectives that define the creation of supernatural profits from such competitive advantage (Hsynergy & Unbrick, 1983, White, 1986). This research seeks to create a performance integration model based on the overarching core constructs they define that define these determinants variables. In this manner the research can facilitate the articulation of a theoretical rationale for performance enhancement strategies.

Moreover, these variables appear to be synergestic in their aggregate effect on the total firm performance. A view of a firm's existing organizational alignments will identify the synersgistic potential for combing certain value activities. The importance of managing organizational boundaries is referred to as "achieving interrelations" where the value chain emphasizes synergy and integration as a source of competitive advantage (Porter, 1998). This bundle of values is composed of performance factors or effects that enable the an organization to offer a product or service more effectively o efficiently than competitors (Carroll, 2009).This study will review the strategic management stream to discover underlying constructs that frame a performance model of organisational and economic determinants.

Such an integrated perspective on strategic management must have at its foundation the interconnectedness of an organisation's ecosystems (Hart, 2005, Moore, 1996).All determinants of firms performance should work in harmony with each other to create total economic value. It is this interaction and balance of internal systems in conjunctions with the biosystems of the external environment that represent a dynamic model of firm performance.

Men at all levels of society concentrate at their places of works thus leaving their homes for a work of defense, values and traditions the highly organised world of industry. With this perspective man is beset by all sorts of problems international, attitudinal, adjustment, personality problems acquisition of new skills and so on. An organisation which harps on the maximisation of turnouts and profits without taking cognisance of a healthy psychological atmosphere and the consumers of its products is having a dance on the precipice of destruction. To achieve these, there is the need for the organisation of Guidance and Counselling skills within the organisation setting.

The literary about the use of Counselling Psychologists in the organisational settings is sparse but the following Counselling skills had been identified as blending well in applicability to the organisational settings viz Recruitment and Training, Orientation, Placement, information, Counselling Research, Referral, Follow-Up and Evaluation. Through these, there should be the determinants of the organisation which are: nature of the organization. Financial Resources available and The attitude of other personnel within the organisation and as such organisation must be flexible and adaptable to the situation in which it is expected to operate. Whatever form of orgsnisation envisages by the counselling psychologists it must be to provide adequate services and skills in a very efficient manner for maximum value not only to individual workers but also to the entire organisation. Besides three units could be suggested for the organisation settings which are of beneficial importance; The Administrative Unit which takes care of recruitment ; Selection; Training; and Evaluation; The research and information Unit which also takes care of advertisements and The organisational welfare Unit that organises orientation performs consuelling functions and conselling skills and also take care of placement and rehabilitation.

For an admired and efficient counselling thereby, the following principles must be considered.

1) The Guidance programme must have a recognizable structure so as to be efficient.

2) There should be a comprehensive knowledge of the developmental patterns and the need of the individuals and groups to be served by the guidance and counselling skills.

3) Availability of material and human resources in term of financial support, space, staff and material for effective counselling skills.

4) The selection of an adequately prepared counselling psychologists to serve in leadership capacity in directing the counselling programme and to function in the highly specialised role of counselling psychologists to both employers and management

5) An on-going programme of evaluation for enhancing and implementing a developmental programme of counselling services for staff and management.

The success of a counselling programme lies in the sensitivity which the organisational establishment staff have to the counselling point of view. The prevailing influence of the organisational settings must also be brought into focus in functioning the counselling procedures. The administrative designs may be given organisational setting this can very well be the determining factor as to whether or not the guidance programme functions to the optimum. An administrative design should be planned carefully, put in moderate steps and tailored to the local situation by means of sound evaluation methods and built on correct practices will fall within the framework of an organised guidance and counselling practices.

1.1 Purpose

The purpose of this research is to develop on integrative, analytical and dynamic model for firm performance that is holistic and Syaevgistic Schendel (2004) stated that the strategic management field has a number of theoretical rationals for explaining performance differences, including market power from an industrial organisation economics perspective the resource – based perspective, power perspective with in an organisational net-work transaction cost economics and game theory explanations.

1.2 Research Questions

The aims of the research are embodied in the following six questions.

1. Is the a commonality of factors suggested by the research steam to explain performance variance?

2. What is the counselling and economic contribution to firm profitability of these common factors?

3. Do these factors describe organisational and economic determinats of form performance?

4. What are the appropriate economic rates of return to use as proxies for these determinant factors?

5. Would an analysis of firms actions that are linked with consistent recordings of substantial economic value over a longitudinal time period present a dynamic model for the participating of performance contributes between three determinant factors?

6. What-relationships can we infer from the empirical analysis of the economic rate of return seen proxies for these determinant factors?

2. Research Method

2.1 Design

In order to compile a research stream supporting the performance model, a method consisting a keyword search was adopted on Umi,Inc. Abi / inform business library databases through nexis / lexis for the most recent data available for the period covering the research, 2005-2007 by employing broad search statements e.g “resource – based with strategic management” or “ competitive Advantage” several large databases of literature were created. The research method of search statements constructed from these keywords produced a knowledge base. This method allowed for a detailed search query of conceptual elements within the text based. Collateral descriptors surrounding various keywords were examined for content and perspective. The keyword search employed phrases or words identified through content analysis in the work of Montgomery (1994) Montgomery and porter, (1998) and Porter (1998):

> "*Content analysis, while certainly a method of analysis, is more than that it is a method of observation. instead of observing people's behavior directly or asking them to respond to scales or interviewing them the investigator takes the communications that people have produced and asked question of the communications" Kerlinger (2004)* .

2.2 Participants

A sample of 97 firms (participants) in Lagos made up "government and private establishments participated in the experiment. The firms were randomly drawn from all parts and cranny of Lagos state, government and private establishments were well represented in the study, the sample size of 97 firms, Forty four government firms and forty three private firms. The firms were so involved in this study because they are described as "the hope of Lagos" which is the commercial nerve center of Nigeria as a nation.

2.3 Instrumentation

To test and analyze the proposed performance model a representative economic model was constructed. A keyword search on the ABI / INFORM database for the same period the year 2006 / 2007 produced a population of 244 organizations in Lagos. The strategic initiatives taken during a restructuring are designed to turn around lagging or dealing performance and increase firm profitability. The study was analyzed for the underlying themes and issues using contest analysis and data reduction techniques. An examination of references within these citations allowed the researcher and his assistants to drill down and focus on the theoretical under pinning's of the primary constructs. Content analysis of the literature support a performance model structure that represents five distinct competence segments.

1. Organizational alignment and culture
2. Organizational capabilities and learning
3. Industry structure and strategic groups.
4. Organizational resources
5. Leadership and vision., the

An empirical analysis of the data support the performance enhancement model. The model financial ratios was analyzed, using qualitative analysis to construct a correlation matrix, regression analysis and covariate ANOVA analysis.

3. Review of Literature

Many of the perspectives that dominated the early thinking, concerning firm performance have thaw roots in traditional economic theory with an emphasis on market power and industry structures as determinants of performance, (Cares 1991, Caves & Porter 1977, Chandler 1990, Kogut 1998, Rumelt 2001, 2004, and Williamson 1995). These studies emphasize economies of scale and scope, the optimization of transaction cost across subsidiaries and critical market characteristics to explain different firm level strategies performance. In this theoretical context firm performance is designed through the alignment of resources, Knowledge and vision to create competitive advantage by responding with unique capabilities to environmental changes. This is an alignment of firm strengths with external opportunities (Burney 2006, Porter1998)

External environmental conditions and industry structure are largely assumed to shape the firm performance. In recent years, however other streams of research emphasizing a "resource based" bundle of capabilities perspective on organizational performance have evolved to characterise the firm's evolution and strategic growth alternatives (Diericks & Cool, 2008, Dosi 2008, Itanti, 2007, Mahoney & Pandian, 2002, Nelson & Winner, 2009). The resource-based view of the firm suggests that the firm internal characteristics, especially the cultural patterns of learning and human capital accumulation have significant impact on the firm capability to introduce new products and compete within desperate markets. Moreover these firms characteristics *define firm heterogeneity through strategic in*tent and their knowledge – base, Consequently how a firm strategically deploys asset allocation in support of its unique comparative advantage is significant in determining its future strategies. Thus a firm's competitive advantage is derived from its unique knowledge, (Spender,2003).

The connection between firm's capabilities and competitive advantage also has been well established in the literature. Andrew (2007) and very much later, Hofer and Schendel (2008) and Snow and Hrebiniak (2009) noted the centrality of ''distinctive competencies'' to competitive success. More recently, Prahalad and Hamel (2001) and Ulrich and Lake (2001) re-emphasized the strategic importance of identifying, managing and leveraging ''core competencies'' rather than focusing only on products and markets in business planning.

The resource based view takes this thinking one step further, it posits that competitive advantage can be sustained only if the capabilities creating the advantage are supported by resources that are not only easily duplicated by competitors. In other words, firm's resources must raise "barriers to imitation", Rumelt (2009).

Thus resources are the basic units of analysis and include physical and financial assets as well as employees' skills and organizational (social) processes. A firm capabilities result from bundles of resources being brought to bear on particular value-added tasks for instance, design for manufacturing, just-in-time production.
Hansen and Wernerfelt, (2002) examined a sample of 60 Fortune, 1000 firms and found that that economic factors (industry variables, market share and firm size) represented 18.5 percent of variance in business returns. Their findings also indicated that organizational factors (goal emphasis and human resources) contributed 38 percent of performance variance. The research suggests that organizational factors influence firm performance to a greater extent than economic factors. They wrote in their conclusion ''it would be interesting to move beyond variance decomposition and consider various interactions between economic and organizational variables'' (Hamsen & Wernerfelt, 2002). The principal difference between the model proposed here and those used in previous studies is that rather than focusing on the decomposition of profitability variance, this model focuses on the correlations between measures of alignment skill and profitability. To evaluate these correlations, analysis of covariance is used with economic and organizational variables comprising the covariance set. The next logical step for empirical research as suggested by Powell, (2001) is to focus on the impact of firm specific resources relative to culture, relationships, leadership and capabilities.

3.1 Performance Model of Determinant Factors

The previous research of firm performance tries to construct a framework of economic participating of organizational performance factors (Hansen & Wernerfelt, 2002). Although the ''organisational alignment'' and ''competitive advantage'' approaches each, employs financial performance as a key dependent variable, they have developed independently of one another and cultivated their own biases.
The alignment approach emphasizes organizational structure and environment and neglects strategic positioning, whereas the competitive advantage approach emphasizes competitive strategy and neglects the internal organizational attributes. These two perspectives were employed and the findings that supported the resources view of the firm, (Lippman & Runelt, 2006, Teece, 2009, Wernerfelt, 1984) which is connected with the unique competitive advantages of individual firms, (rather than the collectives) from whatever sources they may derive, be that organizational climate(Hensen & Wernerfelt, 2002) or culture (Barney, 2007)

3.2 Organisational Alignment and Culture

Contingency and configuration theories have asserted a connection between organizational alignments and performances for many years (Burns & Stalker, 1995, Lawrence & Lorsch, 2007, Freisen, 2007). In their studies, Lawrence and Lorsch (2007) reported their own familiar result that successful firms in uncertain environments adopted more differentiated structures than unsuccessful firms and they employed sophisticated integration mechanisms (such as task forces and liason devices) that were appropriate to this greater degree of differentiation, whereas successful firms in less uncertain environments adopted lesser differentiation and used less sophisticated integration mechanisms. The authors concluded that internal attributes and of the organization, in terms of structures and orientation can be tested for goodness of fit with the various environmental variables and the predispositions of the members.
The organizational factors of alignment and culture interact to produce an increasingly integrated and thematic configuration. This organizational alignment representing the various factors of culture, strategy and structure become tightly interwoven and homogenous over time, where the system starts conform and fit to one central theme (Miller, 1990, Miller & Friesen, 2000, Tnshman et al, 1990)
Strategies, structures and cultures embody the purposes and goals that reflect the values and commitment of a dominant group of managers. This results in many aspects of an organization centring on a core theme in a unified Gestalt or configuration(Hinings & Greenwood,1998, Miller & Friensen,1984). These organizational configurations represent a dynamic system where initial themes establish momentum on a path of development that brings into sync corporate ideologies, strategies and infrastructures. These configurations appear to act as vortex like force field that progressively specialize and align values and behaviour.
The findings of this study suggest the concept of competitive advantage need not be confined to traditional economic variables, but may be extended to the transitioning acceptance of such non- traditional variables as organizational alignment. Where alignment hypotheses are drawn largely from organization theorists, this theory focuses on integrating multiple perspectives, especially those from industrial organization theory. This study is a step towards integrating the varied disparate perspectives on organizational performance (Powell, 2001).

3.3 Organisational Capabilities and Learning

The literature on organizational change, learning and decision- making suggests three essential favours underline organizational capability:

1. The awareness of inter-firm relationships and action implications;
2. The motivation to act, and
3. The organizational capabilities for initiating action, (Kiersler & Sproull,1982)

A focus on these dimensions of markets and resources point to these three behavioural inter- antecedents. Where awareness and motivation are conditioned mainly by markets, relationship and capability depends largely on strategic or resource endowments. These determinants support organizational capabilities in an integrated way that is critical in developing competitive advantage against inter- firm rivalry (Miller & Chen,1994)

3.4 Industry Structure and Strategic Groups

One identifiable performance variable is industry membership. It is a relative factor to firm specific performance having been documented in three well known studies, Rumelt 2001, Schmalause 1985, Wernerfelt and Montgomery 1994. A study by Powell, 1996 confirmed these earlier findings and provides additional support that industry membership explains approximately 20 percent of firm performance. Abel 1980 also aptly noted that ‘’ it is important to identify not only those competitors who mirror your particular approach to the market, but also all the others that intersect in a market but approach the market from a different perspective’’. Competitors analysis is thus conceptualized as the study of two vital firm specific factors mark community and resource similarity.

3.5 Leadership and Vision

Organizational dedication to a compelling long-range shared vision (intent) was critical success factor in generating the internal consensus and fervor needed for innovation and change. Creating such organizational intent to achieve a future state appears to require strong moral leadership (Bennis & Nanus, 1995 and Selzaick, 1998) and an empowering cultural process that reaches deep into the management ranks, (Campbell and Young, 2001, Hart, 2005, Senge, 2010). The inherent challenges of generating such a consensus of purpose makes the shared organizational vision a rare resource and few organizations have been able to establish or maintain a widely shared or enduring sense of mission to achieve that vision, (Feigenbaum et al, 2006, Hamel & Prahalad, 2001).

A company must continually exceed customers expectations and discover the basis of its competitive position by defining its place in industry. It must have a vision of current and future events, strategic vision, a sense of what resources and competences will be needed, knowledge of what the organization will look like and a vision of how to get where it wants to go. The social value of various market structures can not be assessed with a static model of competitive forces. These are dynamic interdependent factors that create hubris. In his view, the purpose of the firm is to seize competitive opportunity by creating or adopting innovations that make rivials positions obsolete (Schumpeter, 2006). Vision and leadership thus become the catalyst that harnesses this power of the marketplace with its rewards for risk that drive evolutionary innovation of product, processes and organization.

Beyond examining itself, leadership must also articulate a clear and compelling shared vision. It should state where the organization is going and why. A vision, as we use it here is more than an organizations mission. Vision captures the worth of work. It allows individuals to identify their contributions towards accomplishing an ideal. Bennis and Nauns (1995) recognized the importance of vision when they wrote that “Great leaders inspire their followers to high levels of achievement by showing them how their work contributes to worth while ends. It is an emotional appeal to some of the most fundamental needs, the needs to be important, to make a difference, to feel useful and to be part of a successful and worthwhile enterprises”.

Leadership is also responsible for developing and behaving according to a set of operating values that specify the organization’s desired culture, climate and behaviours. The process of creating change and implementing a new ideology for the organization is a critical step in the change process. A new shared vision replaces the old ways, the old rules, habits, symbols, myths, traditions, mindsets and assumptions.

Strategy researchers have proposed that an organization with a well-articulated strategic vision can achieve sustained competitive advantage over those organizations that lack such a vision (Parachalad & Hamel, 2001). In this process and manner it focuses and channels organizational competences towards effective accomplishment of organizational goals, (Westtely & Mintzberg, 1998).

Results Evaluation and Analysis

To build a representative dynamic data model a population sample of 97 firms that met the evaluation criteria from the population of 268 firms was analysed. Data were collected for a consecutive longitudinal time 2006 – 2011 for each firm with five factors variables and 20 cases. The correlation matrix indicated a strong correlation coefficient between ROA, ROS, ROM, and ROIC and that the regression coefficient of determination. The Durbin Wilson test for serially correlated residuals gave a value of 1.17. One of the assumptions of regression analysis is that the residual for consecutive observations and in correlated if this is so, the expected value of the Durbin – Wilson statistics is 2. Values less than 2 indicate positive auto-correlation a common problem in time series data. Values greater than 2 indicate negative auto-correlation.

The Altman Z had a low correlation coefficient that suggests the effect is independent of the other variables. The performance variance of the industry structure variable in this study is similar to that found in previous research. It is a relative factor to firm-specific performance having been documented in three well-known studies. Rumelt (1999), Schanalese, (1985), Wernerfelt and Montagomery (1988). These studies produced consistent findings to explain the 17 percent to 20 percent of financial performance variance. A study by Powell, (1996) confirmed

these earlier findings and provides additional support that industry membership explains approximately 20 percent of firm performance. This similarity of findings acts as a validation criteria for the proposed models reliability. The covariates of ROS (organizational alignment), ROI (Organizational resources) and ROIC, (Organizational Vision and Leadership) explain 34.8 per for performance variance. Organizational values and leadership factors exhibit a strong influence on performance variance as reported by the sum of squares values of 0.238 with a 0.383 raw regression coefficient.
In table 2, the determinants of the model are highly correlated and exhibited a synergistic influence on firm performance variance. The research suggests that the ability of a firm to execute strategic initives is supported by a strong set of organization capacities. The results of this research show organizational alignment (Proxy – ROS) organizational leadership and vision (Proxy ROIC) organizational resources (Proxy – ROI) and industry structure (Proxy – Altman Z value) exhibit a performance variance where the ANOVA factors produced an average "sum of squares of 0.259 with a range of values 0.303, 0.295 and 0.203. Through the analysis of these measures, managers can evaluate the consequences of their actions and appraise the tread lines of performance in a dynamic model.

Conclusion
This research supports a performance model of organizational performance determinants that affect performance variable within the strategic management model. The proposed model is highly correlated and presents a framework on which to partition the economic contrition and show the efficacy of counseling therapy of these determinant factors of performance (Table 2). Following from this analysis, we can infer that the firm is a repository of skills and capabilities exhibiting aligned resources and leadership styles that mobilize the firm through the creation of a shared vision. These synergistic and symbolic relationships provide the firm the essential strategic leverage to pursue innovation with the expectations of increasing competitive advantage. The resulting innovations enable the generation of new skill sets which evolve from the combination of the firm's synergism of past accomplishments and existing knowledge base. The goal of strategic management in this sense is for an organization to continually align its capacities with over-changing environment. It organizes the need for firms to align the determinants of firms performance with a concern for the building of distinctive competences.

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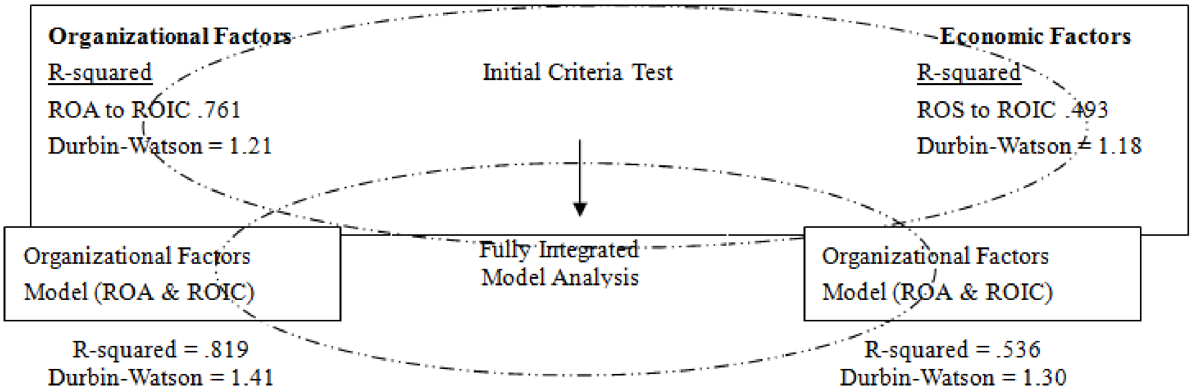
Table 1: Sample Population Performance measurements with Regression Output

	ROxIC		ROS		ROA		**Z-value**	
	Turnaround	Decline	Turnaround	Decline	Turnaround	Decline	Turnaround	Decline
Sample (n=97)								
Median	0.171	0.064	0.040	0.008	0.037	0.009	1.807	1.563
Mean	0.173	0.040	0.028	-0.011	0.035	-0.002	2.901	2.240
Standard deviation	0.242	0.308	0.081	0.114	0.075	0.119	4.590	2.455
Regression output (ROIC to ROS and ROA				Turnaround			Decline	
Constant				0.08630839			0.0454415	
Standard error of Y estimate				0.15383805			0.202876	
R-squared				0.60778662			0.5785665	
Number of observation				97			97	
Degrees of freedom				95			95	
X coefficient(s)			0.03582816		2.47609929	0.1575402	1.849206	
Standard error of coefficient(s)			0.275639384		0.2954282	0.2796992	0.268325	
Correlation (ROIC-ROS)				0.49300			0.60833	
Correlation (ROIC-ROA)				0.76100			0.75972	
Note:				0.76100			0.75972	
ROIC = Return on invested capital								
ROA = Return on assets								
ROS = Return on sales								

Table 2: Determinant performance model

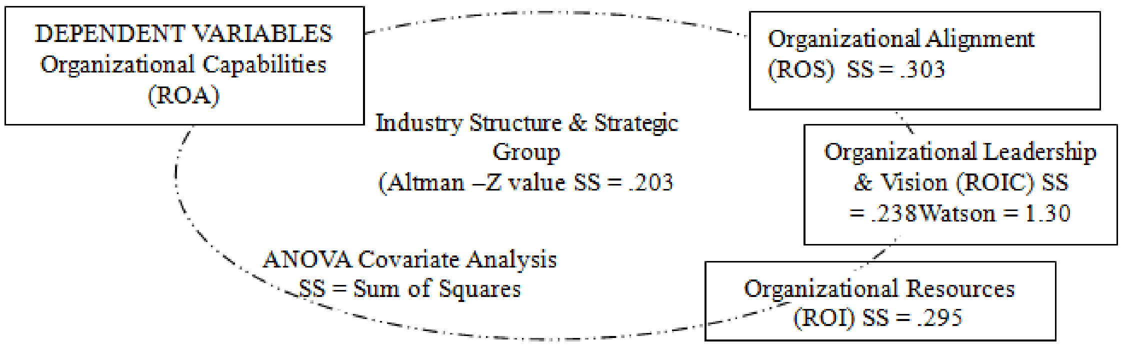


Integrated Model		
Multiple R		.98245
R square	.96521	
Adjusted R square		.96414
Standard Error	.01225	

Analysis of Variance

	DF	Sum of Squares	Mean square	F	Signif. F
Regression	4	.54511	.13628	908.49846	.0000
Residual	131	.01965	.00015		

Table 3: Partitioning model of economic rates of return with determinants of performance covariate variance and correlation coefficient matrix table



-- Correlation Coefficients –

	ROA	ROS	ROI	ROIC	ALTMANZ
ROA	1.0000 (140) P =.	.9206 (140) P = .000	.9057 (140) P = .000	.8738 (140) P = .000	.2534 (140) P = .003
ROS	.9206 (140) P =.000	1.0000 (140) P = .	.7938 (140) P = .000	.7050 (140) P = .000	.1511 (136) P = .079
ROI	.9057 (140) P =.000	.7938 (140) P = .000	1.0000 (140) P = .	.8291 (140) P = .000	.1284 (136) P = .136
ROIC	.8738 (140) P =.000	.7050 (140) P = .000	.8291 (140) P = .000	1.0000 (140) P = .	.2809 (136) P = .001
ALTMANZ	.2534 (136) P =.003	.1511 (136) P = .079	.1284 (136) P = .136	.2809 (136) P = .001	1.0000 (136) P = .

(Coefficient/ (Cases) / 2 – tailed significance)