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An Organisational Diagnostic model for a Sustainable Organizational Performance

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Abstract. The study examines a comprehensive organisational diagnostic model, which can be used to diagnose for the root cause of failure within the processes, also to check for the state of health of an organisation. The Weisbord six-box organisational diagnostic model is consist of; purpose, structure, leadership, relationships, rewards, helpful mechanisms, attitude toward change. The model is applied by checking these key areas of operating within the organisation for problem-solving, towards a sustainable organisational performance. This paper provides a framework that managers can incorporate when performing a routine check, also a comprehensive model that can integrated for a sustainable performance.

1. Introduction

The business environment in the past, operates in a relatively stable and predictable environment. However, at the turn of the millennium, managers have experienced dynamic changes which have kept them on their toes. This is as a result of globalisation, hyper accelerated rate of changes in technology, consumer taste and life style, rivalry among competitors and even climate changes. In combating these uncertainties, organisation have to transform, renew, restructure, integrate or explore for more innovative methods to sustain its performance. This involves a long-range efforts and programs, which involve questions that address the what, why, and how, so as to improve on present performance, also to sustain it [1]. Therefore, according to [2] diagnoses is to do a background check on the entire system and processes within the organisation, while the collated data serves as the necessary information to design the required change interventions.

In the quest of addressing the questions of what, why and how; the first step is to carry out a diagnosis, in order to check for the current health status of the key areas within the system. From the findings, there will be a check on what went wrong, and applying the most appropriate intervention management tool in preventing any future re-occurrences. In the course of any eventuality, it enables the organisational development consultant, who is an expert to know the best intervention tool to apply, just as it is obtainable within the health care system. [3] relates organisational diagnoses as a doctor-patient relationship, where an organisation (patient) experiencing problem seeks help from an

OD expert (doctor) to find the root cause of a problem. The organisational practitioner in this context, examines the key areas within the organisation, finds the cause of the problem, and proffer the most appropriate intervention for a solution. A comprehensive organisational diagnosis programe cannot work in isolation; rather it is people-oriented, as it is a collective effort of the top management, employees, organisational development expert, and feedbacks from various stakeholders could be of good use [4]. Moreover, [2] differs and was of the opinion that, diagnoses in organisation is more collaborative than that of the medical field. This implies that, the implicit assumptions that something is wrong with the organisation should not be quick to be accepted. Notwithstanding, in conducting comprehensive diagnoses of the work-system, it is necessary to generate valid and useful information that will serve as a data for the anticipated performance [5].

The flux state of the business environment is a demand on organisations to constantly re-strategize to improve on the delivery of their products and/or services for an effective performance. Moreover, as performance have been a measuring tool or parameter to actualise objectives, it is necessary to diagnose as a means of assessing the organisation's current health status targeted for performance and eventually to sustain it [6]. There is more for business to have performance, the ability to continually have this performance brings-in the subject of sustainability which means the state of attaining expected results, enriching and updating them through subsequent performances [7].Therefore, this research will explore the extent of application of organisational diagnostic model for sustainable organisational performance.

1.1. Preziosi Organisational Diagnosis Scale

Developed initially as Weisbord Six-Box Model, this framework was designed to diagnose organisational issues, and to determine the level of organisational performance [8]. This model came up to give managers better approach to identify and tackle problems of inefficiencies. It is designed in a way that organisations could evaluate their performance, as well as identifying any impending danger within the system [9]. Weisbord Six-Box Model comprises of six dimensional measurements namely, purpose, structure, relationships, helpful mechanism, rewards and leadership which allow managers to have a logical approach of organisational performance, while the model is designed to have interaction with the environment. Moreover, on the Preziosi organisational diagnosis scale, attitude to change was latter added to the initial six items, with the aim of knowing the flexibility of organisations towards change.

1.1.1. Purpose and Sustainable Organisational Performance:

It is basic function or task for which the organisation stands for, and this stand is the whole essence of existence of the firm. Purpose is a driving force that gives direction towards achieving set goals. The mission (on-going objectives) and the vision (projected objectives) of organisation are the must haves, which are pivotal towards effective performance [10]. According to [8], purpose are the priorities of the organisation, for which employees' personal goal must align with. Therefore, it is an impending danger when organisational purpose lacks clarity, while this can also result into conflict of interest, and according to [11], purpose serves as a basic knowledge structure towards accomplishment of performance. As a result, the hypothesis is developed:

H$_1$: Purpose positively influences organisational performance.

1.1.2. Structure and Sustainable Organisational Performance:

When there is clarity of function and work-flow within the organisation, there is a proper structure. It is the architectural form of the organisation that determines the function. [8] noted that, a good structure is able to make employees to perform their task more effectively without ambiguity. Distinctive structures facilitate competencies and promotes intrapreneurial skills, to which when integrated, it enables the organisation to attain sustainable performance [12]. Organisation is essentially people-oriented so that a good structure gives a free flow of communication and decision making [13]. Structure is considered during diagnoses by

ensuring that the goal is in-line with the structure producing it. It is on this premise that this hypothesis is developed:

H$_2$: Structure positively influences organisational performance.

1.1.3. Relationship and Sustainable Organisational Performance: Organisation is a place of social interactions that exist among individuals, groups, technological and other functional sections for effective work performance. [8] identifies three group of relationship that exist within organisation as; superior-subordinate, inter-departmental and employee-equipment. [14] noted that, building interpersonal relationships can be a platform for mechanism to influence effectiveness and efficiency in organisations. However, [12] saw these relationships as total encompassing that involves physically, psychologically, socially, intellectually and emotionally fascinated among the individuals. Therefore, diagnosing for performance requires knowing the level of inter-dependence and the quality of this relations. Therefore, this argument advances this hypothesis:

H$_3$: Relationships positively influences organisational performance.

1.1.4. Helpful Mechanism and Sustainable Organisational Performance: Helpful mechanisms are organisational approaches such as procedures and policies that facilitates the coordination of activities more effectively. When an organisation wants to embark on diagnoses, helpful mechanisms are useful to evaluate gap analysis in their performance, in knowing the difference between their current position and the projected goal, so as to employ the right mechanism to close the gap. Fostering procedures and policies serves as a helpful mechanism towards indispensable competency for organisation's strategy in sustaining their performance [15]. Therefore, this leads to the following hypothesis:

H$_4$: Helpful Mechanisms positively influences organisational performance

1.1.5. Rewards and Sustainable Organisational Performance: They are both intrinsic (satisfaction) and extrinsic (fringe benefits & promotion) values that employees derive from the service they render to the organisation. Though reward motivates performance, [8] noted that organisation have to look beyond monetary rewards, but give more room to the employees for personal development and growth on their job. One of prominent features of effective reward policy is that, reward having equitable distribution of allotment based on performance [11]. Moreover, reward system consists of all organisational components - people, process, rules and decision-making activities involved in the allocation of compensation and benefits to employees in exchange for their contribution to the organisation [16]. Based on this evidence, this hypothesis is developed:

H$_4$: Rewards positively influences organisational performance.

1.1.6. Leadership and Sustainable Organisational Performance: This is one of the most crucial of all the six-box model mechanism for effective performance as [8] believes that, the role of leadership is to keep the order elements in the box in balance. In achieving the organisational goal, it is a demand on organisation to involve a man in the capacity of coordinating and directing the activities of members towards the performance. [17] opined leadership as not being all-in-all but adaptable to diverse situations, which is required to be vast and knowledgeable in leadership styles to enhance leading effectively. Diagnosing process influences check on the leadership capacity if, there is a well-defined purpose, as well as embodying this purpose into the firm's programme. [18] ascribes leadership to recognize the value system and devising appropriate strategies to achieve such goals. This assertion gives rise to the hypothesis:

H$_6$: Leadership positively influences organisational performance

1.1.7. Attitude to change and Sustainable Organisational Performance: This was an additional item to the original six items of organisational diagnoses. [19] opined that, since the sole aim of organisations seeking diagnoses is to sustain its performance, then it is sensible to know how flexible an organisation can be in the process of change towards development. This attitude to initiative that

alters the shift a in direction, affects the way organisation operates, and when this attitude to change is well integrated into the system, it helps in assuring the sustainability of organisation's performance [20]. The today's constant revolving business environment, demands that organisations to manage change successfully as well as being flexible to sustain its competitiveness and performance [21]. A salient point by [3, 22] is that, the change initiative will naturally face resistance but, it is the responsibility of the top management to ensure higher level of organisational commitment, to facilitate employees' willing to embrace the change initiative [23; 24]. Therefore, such knowledge helps the change agent understand how to direct his efforts.

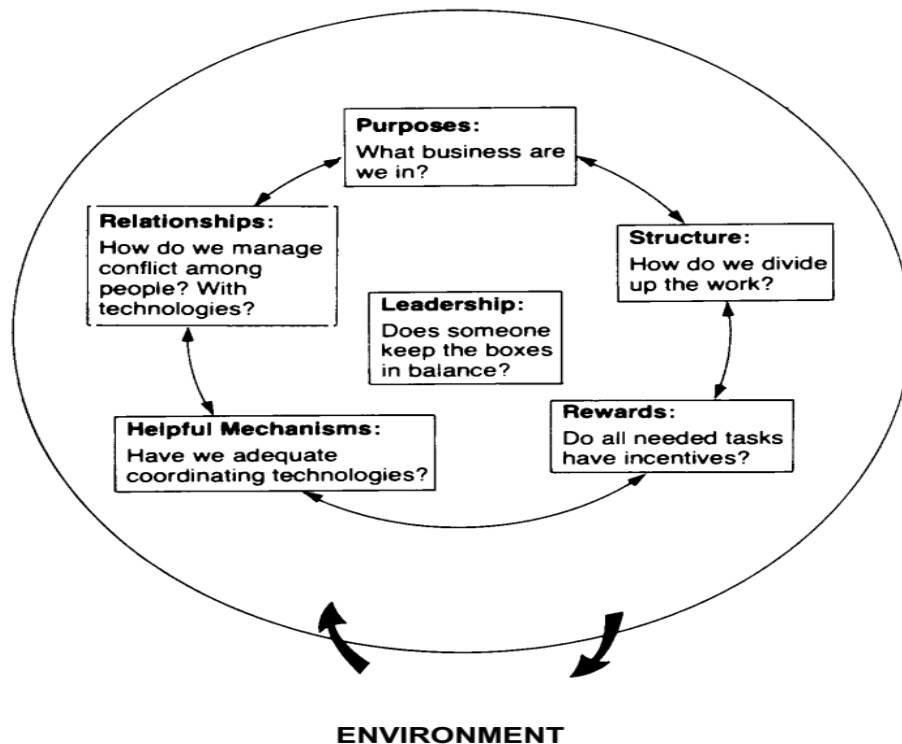**H₇: Attitude towards change positively influences organisational performance.**

Figure 1: The six box Organisational Diagnoses Model
Source: Preziosi, R. C (1982) Organisational Diagnosis Questionnaire (ODQ)

2. Data and Methods

This study adopted survey method for the research design. The survey was conducted in four different industries, with an approximate total of two thousand and forty-five (2045) employees. A total number of four hundred and twenty (420) copies of questionnaire were distributed among the four industries. Three seventy-four were returned (374), while three hundred and sixty-one (361) were appropriately filled as well as valid for the study representing eighty six percent (86%) response rate. The sample was administered based on purposive, stratified and simple random sampling techniques. It is of essential to use a questionnaire framework, in order to understand the perception of the respondents, while bearing in mind prevailing factors which can be of high influence. Table 1 shows the demographic characteristics of employees that responded in the selected four industries. This study adopted Preziosi organisational diagnoses scale (ODS) which has thirty-five (35) items, but are grouped into seven (7) items namely, Purpose, Structure, Leadership, Relationships, Rewards, Helpful Mechanisms, Attitude Toward Change. This Preziosi (ODS) is an extension to the original work of Weisbord six-box model.

Table 1: Demographic characteristics of respondents

Demographic Characteristics	Frequency	Percentage
Gender		
Male	286	79.2
Female	75	20.8
Total	**361**	**100%**
Age		
18 – 30 years	139	38.5
31-40 years	156	43.2
41-50 years	61	16.9
51 years & above	5	1.4
Total	**361**	**100%**
Marital status		
Single	147	40.7
Married	205	56.8
Others	9	2.5
Total	**361**	**100%**
Educational Status		
SSCE	91	25.2
Diploma	78	21.6
B.SC/HND	165	45.7
MSc/MBA	23	6.4
Professionals	4	1.1
Total	**361**	**100%**
Work experience		
0-5years	112	31.0
6-10 years	163	45.2
11 -15 years	74	20.5
16 years and above	12	3.3
Total	**361**	**100%**
Type of Industry		
Consumer goods	112	31.02
Banking	96	26.68
ICT	66	18.3
Manufacturing	87	24.0
Total	**361**	**100%**

3. Results and Discussion

Form the demographic information of respondents, most of respondents were male (79.2%), and married (56.8%). While the majority are between the ages from 31-40 years (43.2%), those that were of first-degree qualification was (45.7%) accounting for the highest respondents. It is obvious that, greater percentage of the employees are young graduates who are approaching the mid-year of their career of about 10years working experience (45.2%). In addition, most of the respondents are within the fast-moving consumer goods industry representing about (31.02%) of the total population. The Cronbach's alpha coefficient for the scale is 0.886 suggesting that the items on the copies of questionnaire has high internal consistency. Analysis was conducted using SPSS 23.
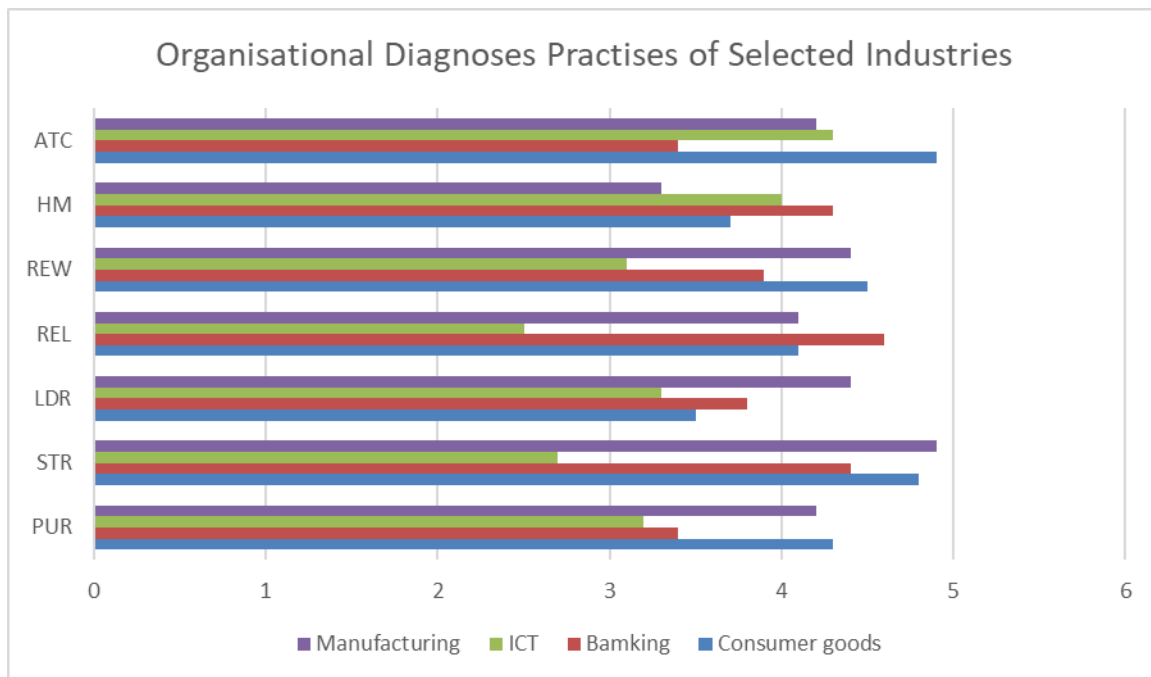
Fig.2: The Mean scores of organisational diagnoses of selected industries

In fig.2, the data presented is the analysis of the mean scores of all the factors of the four industries, it is computed to compare different perceptions of the diagnoses process within each selected organisation with respect to the dimensions of the seven variables.

The correlation coefficient matrix for the organisational diagnoses scale in Table 2 revealed the nature of relationship that exists among the variables and has direct positive relationship in variables overall which is (r=0.699 @0.0001). It was further observed from the table, that Purpose, Structure, Leadership, Relationship, Rewards, Helpful Mechanisms, Attitude to Change are all significantly positively correlated.

The strongest correlation occurred between rewards and helpful mechanism (r = 0.858), followed by the correlation between attitude to change and helpful mechanisms (r = 0.699), while correlation between relationship and leadership is at (r =0.690). All variables have an average over 5; therefore, the Pearson correlation matrix indicates strong interrelationships. The implication is that there is a direct, significant and strong positive relationship among all the internal elements at function for sustaining the performance of the organisations.

4. Managerial Contribution

This research work was focused on identifying the role of using organisational diagnostic model to seek for a sustainable organisational performance. Based on the findings of this study, the relationship that exists among the variables as used in the study, and the levels of their performance were statistically demonstrated in the selected industries. Although, the business environment is highly competitive and dynamic, there is the responsibility on managers to do regular checks of diagnoses. This is to determine the organisation's health status, and to appropriate the best managerial tools towards problem-solving for sustaining organisational performance. Moreover, this study has also presented the idea for establishing the sustainability of organisational performance.

Table 2: The correlation coefficient matrix for organisational diagnoses scale

Correlations Matrix

		PUR	STR	LDR	REL	REW:	HM	ATC
PUR	Pearson Correlation	1	.648**	.614**	.605**	.668**	.834**	.629**
	Sig. (2-tailed)		.000	.000	.000	.000	.000	.000
	N	361	361	361	361	361	361	361
STR	Pearson Correlation	.648**	1	.660**	.565**	.627**	.830**	.507**
	Sig. (2-tailed)	.000		.000	.000	.000	.000	.000
	N	361	361	361	361	361	361	361
LDR:	Pearson Correlation	.614**	.660**	1	.690**	.645**	.858**	.595**
	Sig. (2-tailed)	.000	.000		.000	.000	.000	.000
	N	361	361	361	361	361	361	361
REL	Pearson Correlation	.605**	.565**	.690**	1	.669**	.838**	.603**
	Sig. (2-tailed)	.000	.000	.000		.000	.000	.000
	N	361	361	361	361	361	361	361
REW	Pearson Correlation	.668**	.627**	.645**	.669**	1	.858**	.615**
	Sig. (2-tailed)	.000	.000	.000	.000		.000	.000
	N	361	361	361	361	361	361	361
HM	Pearson Correlation	.834**	.830**	.858**	.838**	.858**	1	.699**
	Sig. (2-tailed)	.000	.000	.000	.000	.000		.000
	N	361	361	361	361	361	361	361
ATC	Pearson Correlation	.629**	.507**	.595**	.603**	.615**	.699**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	
	N	361	361	361	361	361	361	361

**. Correlation is significant at the 0.01 level (2-tailed).

Note

PUR: Purpose; STR: Structure; LDR: Leadership; REL: Relationship; REW: Rewards
HM: Helpful Mechanisms; ATC: Attitude to Change

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