DIAGNOSING ORGANIZATIONAL ILLS

by

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In Brief; A deliberate diagnosis of organizational ills as the prelude to a program of management or organizational development is both possible and profitable. Recent advances in the social sciences have led to the development of diagnostic methods which can identify organizational weak spots and evaluate the potential effectiveness of various change techniques. The latter are becoming widely known and used; change techniques are available today which can deal with virtually any organizational problem, although no single cure-all exists.

The three types of social unit most often encountered in management are the individual manager, the management team and the multi-team or organization. All three may be seen as having objectives, procedures and effective criteria. All resist change, all may be considered in isolation and all can experience discomfort or pain. What problems does each have?

THE INDIVIDUAL MANAGER

The problems most often experienced by the individual manager have to do with his relationships orientation —how he works with others— and his task orientation —how concerned he is about his job. (Exhibit One)

TEAM PROBLEMS

The individual manager is sometimes less aware of team problems, involving leadership pattern and power distribution, but these are of central interest to those managers who have learned how to recognize and deal with them. (Exhibit Two)

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ORGANIZATION PROBLEMS

Problems of the organization as a whole often are virtually invisible to managers who are a part of them, rather than on the outside looking in. The leadership pattern and power distribution problems of the management team are paralleled in the organization at large, which also has problems involving design, flexibility, and conflict management. (Exhibit Three)

SYMPTOMS ONLY

A common error in organizational diagnosis is to look only at symptoms, as when, for example, "poor communication" is given as a diagnosis. This may be an accurate enough description of a symptom, but it is seldom useful as a diagnosis because it is too coarse and general to point directly to a cure. To say that an organization suffers from poor communication is as useful as to say that a doctor's patient suffers from pain. Poor communication as a diagnosis suggests a whole series of questions: Communication up? Communication down? Horizontal communication? About what? Too soon or too late? Too much or little?

On investigation, what is represented as communication usually turns out to be something quite different. The manager who says "bad communication" may really mean that he wasn't given an opportunity to influence a decision. This is a matter of power distribution not of communication.

Similarly, such "diagnoses" as personality clash, favoritism, conflict, apathy, decision making, empire building, are best interpreted as symptoms rather than basic problems.

STRUCTURE OF DIAGNOSIS

An organizational diagnosis should be designed to discover four things about the organization:

(1) its strengths and weaknesses;

(2) the change and resistance forces within or outside it;

(3) how it operates as a system;

(4) the appropriate criteria for organizational health.

A diagnosis should set out first to identify the organization's strengths and weaknesses. These may involve aspects of the competitive situation, profitability, managerial competence or organization design. With this analysis made and agreed on, it is possible to proceed to a study of the change and resistance forces. At any one point in time an organization may be seen as being in a position of equilibrium. The resistance forces and change forecs are in balance. (Exhibit 4)

Typical resistance forces might be past practice, difficulty in removing a key figure, or customer's expectations. Typical change forces might be a proposed expansion, an increasing amount of pain, (such as lower profits), technological advances, new management or a new managerial philosophy. The arrows on the simple diagram could be labelled with the name of the force. The thickness of the line could indicate its strength and its length could indicate the relative ease of modifying it. This kind of analysis is particularly useful because it encourages in-depth thinking about key forces which are shaping the organization. Using this model as a guide, an organization can be changed in one of two ways: either by strengthening the forces for change, or by weakening the resistance forces. The choice will depend on how accessible to modification one or the other force is, and what leverage it has.

With the change and resistance forces identified, their dynamic interrelation is sometimes possible. This would be undertaken to discover how the organization operates as a system of interacting forces and reveal its characteristic ways of dealing with intrusive forces and so maintaining general balance.

The final step in the diagnosis should be the formulation of criteria for organizational health. What should the organization aim for: flexibility? a particular managerial philosophy? maximum short run profitability?

HOW TO MAKE A DIAGNOSIS

There are seven methods of making an organizational diagnosis;

—Consultant Diagnostic Survey;

—Top Man Philosophy Analysis;

—Analysis of the Pre-Work of a Corporate Strategy Seminar;

—Organization Design Analysis;

—Diagnostic Instruments Survey;

—Consultant Response Analysis;

—Organization Diagnostic Self-Survey.

CONSULTANT DIAGNOSTIC SURVEY

The most commonly used method is for a consultant to ask members of the organization for their opinions. If he is competent he will distinguish symptoms from causes and will identify the root difficulties. His survey results are usually fed into the organization through a report, which may have a limited or wide distribution.

TOP MAN PHILOSOPHY ANALYSIS

Any organization is to a large extent a long shadow of its top man, particularly if he has been top man for several years. An excellent diagnosis of the organization may be made by asking the top man to write, for each of 25 key topics, a paragraph setting out his beliefs. These topics would include staff line relationships, union-management relations, executive compensation. An analysis of his written opinions usually will provide an excellent basis for an organizational diagnosis.

CORPORATE STRATEGY SEMINAR—PRE-WORK ANALYSIS

The diagnostic technique which I personally use most often utilizes the pre-work of a Corporate Strategy Seminar. This is a three day meeting of an actual top management team which decides on the most appropriate

objectives, design, and managerial philosophy for the company. Prior to the seminar the members of the top team complete about twenty hours of pre-work which requires them to make an analysis of existing operations and make proposals for the future. The pre-work, completed a few days before the seminar, is an ideal base on which to analyze organizational ills and decide on how best to induce organizational health.

ORGANIZATION DESIGN ANALYSIS:

An organization chart can be seen as a defence against anxiety. An analysis of the changes made in it over the years can often point up the key areas of concern in the company and its characteristic ways of dealing with them.

DIAGNOSTIC INSTRUMENTS SURVEY

Recent developments make it possible now to survey an organization with what amount to managerial and organizational thermometers. Instruments are available to determine management styles, typical modes of team operation, the actual and ideal corporate philosophy, the extent to which the sub-parts of an organization mesh and the degree to which the objectives of various levels integrate with each other.

CONSULTANT RESPONSE ANALYSIS

A consultant can use *himself* as an instrument, much as a psychiatrist can. What happens to the consultant is often a good indication of the dynamics of the organization. Is he shuttled about by one or another group? Which group brought him there? Is he treated openly and with trust? Are managers fearful of being misinterpreted by him? Is top management intimately involved with his diagnostic procedure? Any of these, taken singly, is liable to be misinterpreted, but in concert with other indications they can give a fairly accurate picture of the organization.

ORGANIZATION DIAGNOSTIC SELF-SURVEY

A powerful diagnostic and unfreezing device is the Organization Diagnostic Self-Survey. This is usually employed only in a company which has a considerable degree of openness or a somewhat flat power structure. Members of the organization–sometimes a worker–management team–make the survey themselves, much as an external consultant might. The team prepares a summary of its main findings and presents them publicly to the organization in a spirit of "these are our problems, let's solve them together". In most organizations this approach might not work, but where it is used appropriately the force for creative change is dramatic.

TYPICAL DIAGNOSTIC LIMITATIONS

While the diagnosis should be a relatively straightforward task, it often is not. The central problem is that its accuracy is limited by the diagnostician's horizons. A particular consultant may unwittingly focus on only part of the problem; with one, it may be structure, with another, human relations, so that a particular consultant's diagnosis of quite different types of problems may be surprisingly similar. It follows that his prescriptions for cure will also be similar.

One common limitation of diagnosis is that only soft human data are inspected. Managers and workers are asked how they feel about their job, their company, and their boss. All this is functional as far as it goes but obviously it doesn't tap some of the deeper problems of corporate objectives, organization design and organization structure.

A PRESCRIPTION FOR CURE

A sound diagnosis should lead directly to a prescription for cure. In particular it should be possible to infer from it:

—What KEY VARIABLE needs modification.

—The SIZE OF SOCIAL UNIT to be the focus of the program.

—The ENTRY POINT-where the program should start.

—The STYLE MODEL, if any, to be used.

—The KEY TECHNIQUE to be used in change.

KEY VARIABLE—Should the change program focus on inter-personal authenticity, managerial effectiveness, style flexibility, decision making, objective setting, or control procedures?

SIZE OF SOCIAL UNIT—Should the change program focus on the manager as an individual, co-workers, boss-subordinate pairs, managerial team, horizontal inter-team units, or vertical inter-team units?

ENTRY POINT—Where should the program start? Should it start with the top team, the second layer, middle managers, supervisors, or a single division?

MODEL—Should the managerial style model, if used, suggest a single Utopian style or style flexibility? Should it have a heavy relationships content or a rational cognitive content?

KEY TECHNIQUE—Should the key technique be T-Groups, decision making laboratory, grid seminar, managerial style seminar, lectures, conferences or readings?

OTHER FUNCTIONS

The most obvious function of the organizational diagnosis is to define the organization's strengths and weaknesses. The process of making the diagnosis has, however, other important functions. It can exercise a mild unfreezing effect on the organization and thus create a greater awareness of and readiness to change. The procedure is also useful as a test of the organization's seriousness about change and, to a large extent, its capacity for change. If information is given reluctantly, if serious factual distortions exist, if testing a few ideas meets with great resistance—all this must raise questions about the organization's readiness to embark on some kind of change or change program. If a consultant is making the diagnosis, the

procedure allows the organization to know him and to test his competence. In an organization that is ready for change his competence is most likely to be challenged and tested directly. It is common for managers, in all good faith, to try to induce him to make rash judgments, to take sides, to reveal confidences, or to share their value system.

Should the organization decide not to proceed with a change program the diagnostic process provides a useful minimum commitment. It has a clear cut-off point which may be used to terminate the organization-consultant relationship.

Exhibit One

Problems of The Individual Manager
1. Relationships Orientation (Do I care enough for people?)
2. Task Orientation (Do I care enough about the job and about output?)
3. Management Style (Is my management style appropriate to the situation?)
4. Flexibility (Am I flexible enough?)
5. Dominance-Submission (How dominant or submissive should I be?)
6. Ambition (Am I ambitious enough, or too ambitious?)
7. Trust-Mistrust (How much should I trust others?)

Exhibit Two

Problems of The Management Team
1. Leadership Pattern (Is the leadership that is being exercised appropriate to this team?)
2. Power Distribution (Is the distribution of power among team members appropriate?)
3. Objectives (Are team objectives realistically defined?)
4. Flexibility (Is the team flexible enough in its methods?)
5. Commitment (Is there a commitment to the team, its objectives, and its work methods?)
6. Conflict Management (Is conflict handled productively?)
7. Productivity (Is team productivity high enough?)
8. Work Norms (Are team work norms functional and productive?)
9. Articulation (How well does the team fit in with other teams?)

Exhibit Three

Problems of The Organization
1. **Design** (Is the organization properly designed for the job it has to do and the resources at its disposal?)
2. **Power Distribution** (Is power distributed functionally throughout the organization? Is it too concentrated at the top or elsewhere? Is it too diffuse? Is it too much or too little exercised?)
3. **Flexibility** (Is the organization flexible or rigid? Is it capable of making rapid changes in its

structure, products, procedures, personnel, philosophy, or objectives to meet change in its environment?)

4. **Leadership Pattern** (Is the corporate managerial philosophy appropriate to the organization? Does it mesh with the nature of the work, the type of workers employed, their expectations, the organization structure?)

5. **Objectives** (Are the corporate objectives appropriate to the environment? Do they take into consideration competitors, the legislative framework, the future, the existing design of the organization?)

6. **Commitment** (Are management and the work force committed to the attainment of corporate, divisional, team and personal objectives?)

7. **Conflict Management** (Is conflict handled adequately between production-sales, design-construction, H.Q.-field, research-production, staff-line? Is there an openness about disagreement which is then worked out so that a creative solution emerges?)

8. **Productivity** (Is the over-all corporate, managerial and worker productivity high enough?)

9. **Work Norms** (What is the attitude to work in the organization? Is it characterized by enthusiasm, apathy, or even negative involvement?)

10. **Articulation** (Do the various sub-parts of the organization fit together well?)

Exhibit Four

Resistance Forces

↓   ↓   ↓   ↓

Organization in Equilibrium

↑   ↑   ↑   ↑

Change Forces