

Application Of Weisbord's Organizational Diagnosis Model A Case of Pakistan Banking Industry

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Abstract

Today's organizations are facing multiple challenges and threats to manage and maintain effectiveness, efficiency, synergy, dynamic business environment, increased competition and customer demands. The prime confront is to preserve correspondence among organizational dimensions like technology, strategy, culture and processes. This research attempts to analyze the problems of the leading banks' branch network in Pakistan (Peshawar Region) by the application of the Preziosi's questionnaire, reflecting the dimensions presented by the organizational diagnosis model of Weisbord. The results of the study diagnosed that the organizations under the research study had problems in rewards whereas the rest of the dimensions indicated no problem for the organizations. A significant contribution of the study remains the utility of weisbord's organizational diagnosis model for the problem diagnosis in the modern organizations on the basis of which organizations can not only improve their performance but can also ensure better customer's satisfaction . Implications for the future research in the field of organizational diagnosis have been suggested in the end.

Keywords: Organizational diagnosis model, six boxes model, Preziosi organizational diagnostic questionnaire

1. Introduction

According to Argyris (1960) organizations are complicated human strategies premeditated to attain certain objectives. Organizations are systems of behavior premeditated to aid both, humans and machines to accomplish goals (Simon, 1960). Organizations are complex and inconsistent phenomenon which may be studied in diverse ways (Morgan, 1986). Many ideas related to organizations are metaphorical, and with this metaphorical understanding, it is much able to design and manage organizations effectively that would have not been possible before.

Organizational diagnostic models and surveys are widely adopted by the Organizational development consultants for data collection about the total system, its sub units, its processes and cultures (French, Bell, & Vohra, 2006). According to Beckard (1969) systematic improvement of organization require that the state of present things must be studied for ultimate improvement of organization. Such analysis accompany

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two broader areas; including diagnosis of the various subsystems that make up the total organization and processes that includes decision making, communication, relationship and management of conflict. Hence according to Argyris (1970) the primary task of the organizational development consultant is the establishing suitable and convincing information. It is hard for both the client to learn, and for the interventionist to provide help, in the absence of valid information. The principal component of valid information includes the factors, creating problem for the clients, and the interrelationship among the factors. Therefore, French et al. (2006) argue that although the results of diagnostic activities are important, how the information is collected and what is done with the information is also important. According to Clapp (1974) in order to diagnose formal system, informed guesses, reports, charts and speeches are the prerequisites. On the other hand, in every organization there is an existence of another level of behavior, related to actual behavior of people. "Normative diagnosis" is one such diagnosis which analyzes these informal systems. Normative diagnosis actually determines the excellence and failure of even technically sound systems. Present research is an endeavor to diagnose the organizational problems of one of the leading bank's branch network in Peshawar, by the application of Preziosi's questionnaire based on the Weisbord's organizational diagnosis model.

2. Literature review:

According to HR Intelligence report (2008) organizational diagnosis involves making a thorough appraisal of current functioning of organization, for planning change programs to excel organizational effectiveness. Organizational diagnosis can be on the basis of its scope classified as narrow, indicative or extensive and systematic. A narrow or indicative diagnosis make a rapid look into organization's trouble areas, but this type of diagnosis fails to eliminate problems from the grass root level (Tichy, 1983). Broad or systematic diagnosis, however, approaches the problem systematically from its origin or source. Use of organizational diagnosis models for organizational diagnosis is a step towards facilitating systematic diagnosis of organizational problems (French & Bell, 1995). According to French and Bell (1995) there are many organizational models like Force Field Analysis by Lewin (1951), Leavitt's Model by Leavitt (1965), Likert System Analysis by Likert (1967) and Weisbord's Six-Box Model proposed by Weisbord (1976). Weisbord's six-box model stands to be comparatively more comprehensive than the rest, includes six categories (purposes, structure, relationships, rewards, leadership and helpful mechanisms) for identification of organizational problems (Appendix-A, Figure 1). It utilizes organizational members responses for determining variances between what is and what ought to be. Hence this model can be best applied for finding the pattern of problems and improving the quality of organizations (Hamid, et al. 2011). One of the contribution of this model is that it was proposed by the time

when Lewin (1951), Leavitt (1965), Likert (1967) were considering organizations as closed system. However Weisbord's (1976) model considered organization as an open system which continuously interacts with external environment for exchange of inputs and outputs. Sustaining in the dynamic market organizations have to be open systems, where the feedback loop connects organizations output with their inputs (HR Intelligence Report, 2008). Weisbord's model is therefore consistent with the open system theory proposed by Katz and Kahan (1978).

Within the context of organizational life, Weisbord (1976) suggested six broad categories for organizational diagnosis, including purpose, structure, relationships, helpful mechanism, rewards and leadership. Regarding the purpose dimension of the model (Weichrich & Koontz, 2005: 99) defines the purpose or mission as the

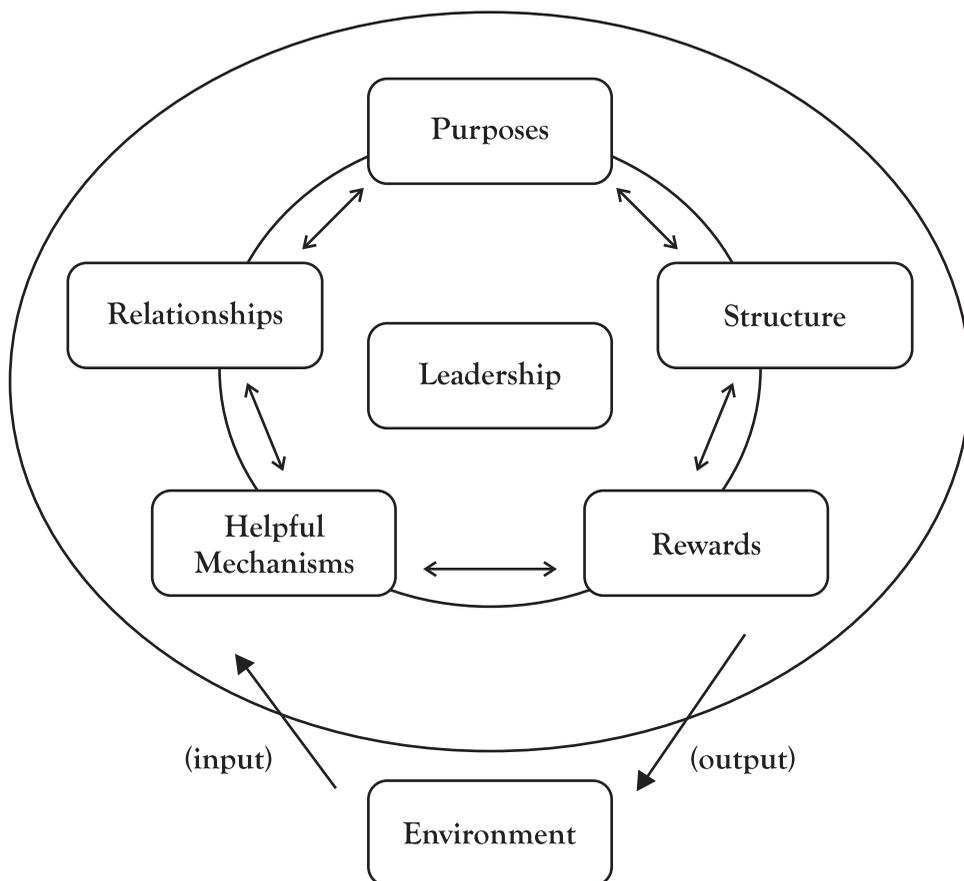


Figure 1: Appendix-A The six box Organizational Model

Source: (French, Bell and Vohra, 2006, p.77)

basic function or task of an enterprise or any part of it". Organizational purpose and mission shows direction. Weiss (1996) emphasize the significance of mission, as it serves as a basic knowledge structure that encompasses peoples' perceptions regarding the entire organization; like how they are suppose to work in it, how they think about the organization and its tasks. Hence in other words a well thought mission statement helps achieve organization its objectives by involving human resources in terms of their commitment, motivation and better performance. It may be computed that any flaws in either the formulation or communication of purpose or the mission of organization may leads to in effectiveness of organization.

With respect to the Structure of organization, Griffin (1997: 292) defines organization structure as "the set of elements that can be used to configure an organization". Organizational structure in another way is defined as a symbol of communication and decision making between organizational actors or members who are entitled to perform organizational tasks for achieving organizational goals (Baligh & Burton 1981; Malone 1987). Structure of the organization either organic or mechanistic helps organization achieve its purpose through people. However organic culture has been popularized on the basis of its concern for people which in turn keeps people productive and committed with the organization (DeCanio, Dibble & Atefi, 2000)

As far as leadership is concerned Gray and Starke (1984: 223) define leadership as a process, and property. Considering it a process it involves coordinating and directing the activities of the members towards achievement of organizational goals. However as a property leadership includes qualities or the characteristics accredited to those who effectively employ such influence. According to Manasse (1985) leader is not meant for simply maintaining the current situation rather meant for leading the organization by intervening progressive changes. Hence leaders are actively involved in intervening change in organizational work processes, and in the absence of change, no leadership can be expected. For bringing active change, leaders ought to make feasible decisions regarding desirable future state of nature. As far as the other dimensions of organizational diagnosis, relationships and helpful mechanisms are concerned according to Stohl and Redding (1987) communication is a process of negotiation in which communicators usually define their interpersonal relationships. Management researchers have analyzed certain constricted issues of relational exchange among leaders and followers (Graen, Novak, & Sommerkamp, 1982). It has long been recognized that managers spend a large amount of their time engaged in communication activities and many believe that successful managers can be distinguished from less successful managers largely by their communication behavior (Luthans, RosenKrantz, & Hennessey, 1985).

Another key dimension of organizational diagnosis includes rewards that can be

categorized as intrinsic as well as extrinsic rewards. According to Decenzo and Robbins (1998: 397 a), "Intrinsic rewards are the satisfaction one gets from the job itself. And extrinsic rewards are money, promotions and fringe benefits". An organization can base its competitive advantage on people based resources as such competitive advantage, is more durable and less susceptible to imitation than other types of assets (Barney, 1991). As such, according to Boyd and Salamin (2001) the survival of the organization depends upon the strategic management of its human resources. An organization's compensation plan determines the later effectiveness in recruiting, motivating, and retaining employees, and is hence is a key factor behind building a competitive advantage.

With respect to allocation of rewards rewards-allocation preferences refer to the stance toward various policies or rules with respect to their suitability or appropriateness for allocating a given reward (Leventhal, Karuza & Fry 1980). For reward allocation three general norms includes, equity, equality and need. The equity norm states the distribution of rewards in proportion to the participation of recipients; the equality in rewards distribution divides rewards equally to all members, irrespective of contribution or needs; and the need norm distribute rewards based on the needs of members (He, Chen, & Zhang, 2004). According to Decenzo and Robbins (1998: 405-406 b) one of the prominent features of effective reward policy is that rewards should have equitable distribution. Rewards must be fairly distributed. Thus the equity rule tends to reign while allocating rewards.

3. Purpose of the study

Based on the literature concerning the dimensions of Weisbord's (1976) Model the significance of the factors included in the model (purpose, leadership, structure, relationships, rewards, helpful mechanism) can be better apprehended. It is evident that several times organizational development models like that Nadler and Tushman (1977), Tichy (1983) have been utilized by many international organizations (Lok & Crawford, 1999) amongst them Weisbord (1976) Model remained a good organizational diagnostic framework often adapted by researchers (e.g. Hamid et al., 2001; Lok & Crawford, 1999). However none of the evidences can be so far traced within the domain of Pakistan with respect to the utility of these available models for organizational diagnosis. It is observed that in Pakistan a research gap exists within the domain of organizational competitiveness to maintain its health in the intense local as well as global and technological revolution. It has been generally believed that organizational diagnosis, an area of organizational development has been ignored in Pakistan's banking industry despite the fact that it remained vulnerable to intense competition and restructuring (Butt, Bhutto and Abbas, 2011). Hence Weisbord's,

(1976) model has been applied in this study with the intention of diagnosis of organizational problem, considering it comparatively uncomplicated and understandable by clients, reflecting significant diagnostic areas in organization and facilitating clients in adapting change programs (Burke, 1991, Preziosi, 1980). Thus effective analysis of organizational problems identifies key areas which need to be improved, for achieving business excellence and enhancing organizational performance.

4. Method

To achieve the objective of the study, the following methodology was used.

4.1 Participants

Units of analysis were the employees of three leading banks in Peshawar-Pakistan. Subjects were drawn randomly from all the departments of the banks. According to Sekran (2000) simple random sampling is though the simple sampling design but it has the potential to provide equal representation of sample. The sample included workers from all categories (junior as well as senior staff) despite segregation of sample based on workers demographics. This was done with anticipation that such sample would effectively provide sufficient information required for this study. Similar sampling design was adapted by Ajila and Abiola (2004) in their research regarding the influence of rewards on workers performance in banks.

4.2 Material and procedure

The data for the study was collected through the Preziosi's (1980) organizational diagnosis questionnaire. The Organizational Diagnosis Questionnaire (ODQ) developed by Weisbord (1976) consisted of 30 items; however Preziosi's (1980) included another dimension "attitude towards change". Thus Preziosi's ODQ based on Weisbord's Model, consisting 35 items measured on seven point Likert scale, ranging from "strongly agree (7)" to "strongly disagree (1)" has been used in the study for data collection. The reliability of the instrument was measured through Cronbach Alpha and was found to be reliable with a value of 0.783.

About 220 questionnaires were distributed; out of which 190 were received with the response rate of 41% (177 respondents) and 13 were discarded due to incompleteness. Data was ensured for confidentiality.

5. Results

The data was analyzed through mean ratings of the factors which were computed to report the perceptions of the employees of the selected organizations with respect

to the dimensions specified in ODQ. As for a similar study conducted at Australia, researchers applied similar techniques for analyzing their data (Lok & Crawford, 1999).

The mean scores of original ODQ have been given in (Table 1).

Table 1: Mean scores of ODQ

	N	Mean
Purpose	177	2.2158
Structure	177	2.4203
Leadership	177	2.6983
Relationships	177	2.6034
Rewards	177	4.1650
Helpful mechanism	177	2.6655
Attitude towards change	177	2.7684
Valid N (list wise)		

Source: Survey data, 2011, N= 177

The average score of purpose is 2.21. This shows tendency towards the category "agreed strongly". Majority of the employees are in the range of below "slightly agree". It is quiet obvious from the data related to items belonging to purpose category that the goals, objectives and directions of the company were well communicated to the employees. The organizations selected for the study had undergone restructuring in the recent past.

Regarding structure dimensions, mean score depicts generally a positive evaluation of the employees and shows no problem in this area.

The organization had no leadership problems, as the average scores reveal that the leader in this organization supportive. The Relationship item demonstrates the employees in the organization had no obvious conflict and relationship problems as the Mean score is above the scale mid point and the staff was generally cooperative. The major problem found was Rewards, as the average score found above the neutral scale value of 4, indicating that employees were not happy with the rewards for their performance. The results thus contradict the organizations' Reward policies, which emphasized that they believe in rewarding achievement and providing opportunities and advantages to employees on the basis of their ability. The average scores however negate this notion and the employees were dissatisfied from the organizational rewards.

The results of items in helpful mechanism indicate that the organization was adaptive to latest information technology and ensuring efficiency, as the Mean score

was above the scale midpoint. Additionally the average scores of attitude towards change which was above the scale midpoint showed that the employees accepted change willingly and had no resistant to change.

6. Discussion

Organizations are complex phenomenon that could be understood in different ways. Several organization diagnostic models are widely adopted by the organization consultants in order to study the organizational structure, processes and cultures. Survey feedback can be the effective source in diagnostic activities, since its basic impact is on attitude and perceptions of the situation. The study undertaken utilized the Preziosi's (1980) organization development questionnaire, measuring responses across seven dimensions of the organization. As a result of this study, different aspects were diagnosed in which only rewards stood the matter of extreme concern for organizational policy makers. Most of the respondents were disagreeing with the rewards items in the questionnaire which implies, and as evident from the respondents mean response that the organizations under study are not offering appropriate reward packages to its employees. Therefore, this is an alarming stage for the organizations that they should concentrate on their reward policies seriously for retaining the potential employees. Since as indicated in the literature, ineffective rewards policy leads to high turnover intention among employees. It may be further diagnosed that either it is essential to diagnose the errors in the reward policies or criteria, or any other aspect of the organization which is making the reward system ineffective. Weiss (1987) found evidence in three electronics manufacturing plants that a departure of productive employees stimulated with a shift from individual to group incentives. Similar evidences are reported in research findings of Zenger (1992), which found that due to weak alignment between pay and performance, higher-ability engineers migrated from large firms. Also rewards incongruence with people inputs and outputs resulted in employees poor motivation in the banking sector of Pakistan (Khan, Farooq & Ullah, 2010) and resulted in decline performance of Nigerian bankers (Ajila & Abiola, 2004).

Theoretical and empirical support has also been provided for the effectiveness of reward systems that compensate for performance. Both social psychologist utilizing experimental methods and economic theorists believes that performance based rewards keep the potential of motivating and retaining quality workforce (Holmstrom, 1979). Hence the criterion for rewarding employees whether performance or some else matters a lot while diagnosing the entire reward system's effectiveness.

Considering the significance of rewards in the light of previous researches, it is recommended that the organizations under study should review their reward policy,

and try to make it a device for retaining competent employees.

7. Future Research Implications

The analysis of the study provides an initial endeavor of establishing the usefulness of Preziosi's (1980) organizational development questionnaire based on Weisbord's (1976) model in Peshawar- Pakistan banking sector. In future a national sample can be taken for better generalization of the findings of this research in the entire banking sector. Research can also be further extended towards finding the relationship of employees' demographics (e.g. age, gender, rank etc) and the problematic area i.e. rewards, identified by this study. Similarly the model can be tested in organizations belonging to other sectors or industries as well for diagnosing activities in order to initiate and implement change and leading organizations towards development by ensuring better health.

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