

Lecture 23



### **Recap from last lecture**

In the last lecture, we discussed:

Concept of Organizational Effectiveness
Approaches to Organizational Effectiveness
Comparison of the approaches

## Topics to be covered today:

- Diagnosis
- ≻Need for diagnosis
- ≻Open Systems Model
- ➢Input, Transformation and Output
- Organizational Level Diagnosis

# **Diagnosing organizations**

#### What is diagnosis?

• Diagnosis is the process of understanding how the organization is currently functioning and it provide the information necessary to design change interventions.

#### Need for diagnostic models:

- What information to collect and analyze
- Relationships among different features of the organization , its context and its effectiveness
- What areas to examine and what questions to ask

## Open systems model

- Open systems such as organizations and people exchange information and resources with their environments.
- They can not completely control their own behavior and are influenced by external forces
- Open systems display a hierarchical ordering.
- ➢Societies comprise organizations
- ➢Organizations comprise groups
- ➢Groups comprise individuals

## Inputs, transformation and outputs

- 1. Input: it consists of human or other resources such as information, energy, materials coming into the system
- 2. Transformations: they are the processes of converting inputs into outputs. E.g. Production or operations function
- 3. Output: Outputs are the results of what is transformed by the system and sent to the environment.

### Boundaries, feedback, equifinality and alignment

- 1. Boundaries: The idea of boundaries helps to distinguish between systems and environment. Closed systems have relatively rigid and impenetrable boundaries.
- 2. Feedback: Feedback is information regarding the actual performance or the results of the system. Information used to control the future functioning of the system is considered feedback.
- 3. Equifinality: The idea of equifinality suggests that similar results may be achieved with different initial conditions and in many different ways.
- 4. Alignment: Alignment refers to the characteristic of the relationship between two parts. It represents the extent to which the features, operations and characteristics of one system support the effectiveness of another system.

# **Organizational Level diagnosis**

- 1. Inputs
- General environment
- Industry structure or task environment
- Complexity of the environment
- 2. Design components
- Strategy
- Technology
- Structural system
- Measurement systems
- Human resource systems
- Organization culture

- 3. Outputs:
- Financial outputs
- Internal measurements of efficiency
- Stakeholders' satisfaction
- 4. Alignment
- Does the organizations' strategic orientation fit with the inputs?
- Do the design components fit with each other?
- 5. Analysis
- What is the company's general environment
- What is the company's industry structure

# Summary

In today's lecture, we discussed:

Diagnosis
Need for diagnosis
Open Systems Model
Input, Transformation and Output
Organizational Level Diagnosis

### Thank you

Ms. Prachi Kapil School of Management Studies and Liberal Arts Shoolini University Village Bajhol, Solan (H.P)

+919882090579(Mob No.) prachi.538@shooliniuniversity.com