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## UNIT 8 ORGANISATIONAL DIAGNOSIS: TOOLS AND TECHNIQUES

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### Objectives

After going through this unit, you should be able to understand:

- the concept and purpose of organisational diagnosis
- steps and methods of organisational analysis.

### Structure

- 8.1 What is Organisational Diagnosis?
- 8.2 Organisational Analysis as First Step in Diagnosis
- 8.3 Illustrative List of Organisational Subsystems
- 8.4 Illustrative List of Organisational Processes
- 8.5 Purpose of Organisational Analysis
- 8.6 Organisational Analysis Perspectives
- 8.7 Methods of Organisational Analysis
- 8.8 Practical Perspectives on Organisational Analysis
- 8.9 Summary
- 8.10 Self-Assessment Questions
- 8.11 Further Readings

Appendix 1: Organisational Analysis

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### 8.1 WHAT IS ORGANISATIONAL DIAGNOSIS?

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In some ways organisations, their structure and functioning can be compared to structure and functioning of the human system. Just as an organism has several parts an organisation is also structured with several subsystems. Effective functioning of the human sub-systems depends on the effective functioning of all the constituent parts. When the human system is in trouble it is either due to a problem in a part that could be located or due to problems that affect the entire system. In any case when there is trouble the entire system gets affected.

Just as a doctor diagnoses the problem with the human system on the basis of the symptoms and analysis of the system using some tests (standard tests like pulse rate, BP etc. as well as special tests) an organisation facing problems could be diagnosed by an organisational specialist on the basis of noticeable (visible) symptoms and using tests to bring out what is not evident. The only difference is that the human organism normally functions as a whole as it has a single mind. An organisation has several parts each having its own independent minds and they may not always function in a fully unified way. So even when the top management think that there is a problem other systems may not think so or *vice versa*. Organisation has several minds that is what adds to the complexity of the organisation.

Another parallel between the diagnosis of the human being and an organisation is the need to go through a diagnostic check up periodically even if there are no problems. Fitness tests are quite common for the human being. From the time a child is born there are periodic check ups that are conducted which are used as diagnostic instruments. The size, growth, activity level, heart rate etc. are all assessed. Even in the school it is common to put a child through fitness

tests. As the person grows into his forties he is advised to get annual check ups done. Similarly an organisation can put itself through periodic check ups or diagnostic exercises to assess its growth, dynamism, strengths, weaknesses etc.

Thus organisational diagnosis is an exercise attempted to make an analysis of the organisation, its structure, subsystems and processes in order to identify the strengths and weaknesses of its structural components and processes and use it as a base for developing plans to improve and/or maximise the dynamism and effectiveness of the organisation.

Organisational diagnosis could be done as a periodic routine exercise like the case of periodic medical check up of an individual or may be undertaken whenever there is a cognizable problem that is affecting the functioning of an organisation.

Just as in the case of the medical sciences there is a lot more unknown about the human being and quite a few things cannot either be diagnosed or cured, management science also has gaps and quite a few problems of organisations are not easy to diagnose or cure. But an equally good number of problems can be solved and the organisational effectiveness improved if the diagnosis is done well by competent people.

These units on diagnosis, development, and change are not intended to make the reader into an organisational specialist. Such a thing requires different training. These units are intended to develop a basic understanding about the organisational analysis, so that when a need or an opportunity arises the reader is aware of what is to be done and whom to approach. In addition when his organisation undertakes a diagnostic exercise he may be able to contribute better.

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## 8.2 ORGANISATIONAL ANALYSIS AS A FIRST STEP IN DIAGNOSIS

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Analysing the organisation, in terms of its components and their functioning is the first step in a comprehensive diagnosis.

Every organisation can be conceived as consisting of various subsystems or parts. Effective functioning of each of these parts is essential for effective functioning of the organisation. In addition the coordinated functioning of these subsystems also contributes to organisational effectiveness. For making organisational diagnosis the strengths, weaknesses and potential of each of the subsystems need to be examined. In addition the various processes that contribute to the effective functioning of the organisation as a whole need to be examined.

As emphasized by Bechard “The development of a strategy for systematic improvement of an organisation demands an examination of the present state of things. Such an analysis usually looks at two broad areas. One is a diagnosis of the various subsystems that make up the total organisation. These subsystems may be natural “teams” such as top management, the production department, or a research group; or they may be levels such as top management, middle management or the work force.

“The second area of diagnosis is the organisation processes that are occurring. These include decision-making processes, communication pattern and styles, relationships between interfacing groups, the management of conflict, the setting of goals and planning methods”.

Thus organisational analysis may either focus on the structural aspects (subsystems, various components etc.) or on processes. The following is an illustrative list of the various subsystems of an organisation and the processes which could form a focus of diagnosis.

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### 8.3 ILLUSTRATIVE LIST OF ORGANISATIONAL SUBSYSTEMS

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Various departments/sub-units of an organisation (e.g. Production, Personnel, Materials, Marketing, Accounts, Maintenance, Training etc. or in an educational institution the various subject based units, the establishment section, library, hostels, examination unit, registrar's office etc. or in a bank the branches, regions, zones, headquarters etc.)

- Various levels in the organisation (e.g. top management, middle management, first level supervisors, skilled workers, unskilled workers etc. or gradewise like Grade I, Grade II, Grade IV etc. or designation based categorisation like officers, managers, executives, general managers, vice-president, directors etc.).
- Geographic units (e.g. North, East, West, South Zones or Madras region, Calcutta region, Delhi region, Bombay region etc.).
- Functional background based subsystems (e.g. engineering services Vs. non-engineering group teaching faculty Vs research staff; line Vs. staff etc.).
- Experience and education based subsystems (e.g. new recruits Vs. experienced employees, or employees joined one year ago, two year ago, three years ago, five years age, 10 years ago etc., undergraduates, graduates, post-graduates etc.).
- Division-based subsystems (e.g. product based division such as agricultural product division, chemicals division, automobile accessories division etc.).
- Personnel and HRD Policies (e.g. recruitment, rewards, induction, performance appraisals, promotions, training, job rotation etc.).
- Research and Development (e.g. interest in new technology and investments in R&D structure of R&D, linkages with other subsystems).
- Stake holders and their contribution (share holders, unions, top management, board members, government employees etc.).
- Financial Management (e.g. sources of finance, investment decision who makes them and how they are made, accountability etc.).
- Marketing Management.

This is only an illustrative list and not an exhaustive list.

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### 8.4 ILLUSTRATIVE LIST OF ORGANISATIONAL PROCESSES

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▫ **Communication**

Is it one way or both ways (upward and downward)? How is the sharing of information?

How much openness exists in communication?

Who has information? Is it loaded in some pockets?

How is the information used?

How much of distortion takes place when messages are sent?

What channels are used to send messages to people? How good are these?

Do people who need information get it on time?

Is it formal or informal?

What kinds of information is shared?

Are people's expectations met in terms of availability of information etc.?

▣ **Goal Setting**

How are goals set?

Is there clarity of tasks and objectives?

Who provides clarity? How frequently?

What is the process of goal setting? Is it participative or autocratic?

Does the process of goal setting ensure commitment to tasks?

▣ **Role Clarity**

Do employees know well what they are expected to do?

Is there a discipline to plan their work?

To what extent is there ambiguity of roles resulting in tensions, *ad hocism* etc.?

Is there periodic dialogues between supervisors and their subordinates to increase role clarity?

What is the extent of flexibility/rigidity in defining roles for employees? Is it functional or dysfunctional?

▣ **Culture**

What are the norms and values in the organisation that are widely shared?

To what extent openness is valued?

Do people trust each other generally?

Is there general collaborative attitude among staff?

Do people value experimentation, risk-taking and initiative?

Is punctuality valued?

▣ **Management Styles**

Is the management bureaucratic or entrepreneurial or professional or conservative? What is the style of decision-making in relation to new investments, people, technology, structure and the like?

▣ **Conflicts and their Management**

How frequently do conflicts occur?

How are they dealt with?

▣ **Management of Mistakes**

When people make mistakes how are they handled?

▣ **Organisational Learning Mechanisms**

▣ **Teams and Team work**

How much is team work valued?

Are there committee systems?

How do they function?

What are the attitudes of employees to them? etc.

▣ **Work Motivation**

Are people generally satisfied with work and their job?

What is the level of their involvement?

Do they take pride in what they do?

What is the level of loyalty to the organisation?

This is an illustrative list and the questionnaire measures described in the next unit provide more dimensions for organisational analysis.

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## 8.5 PURPOSE OF ORGANISATIONAL ANALYSIS

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Organisational analysis may be done for different purposes. These include:

1) **Enhancing the general understanding of the functioning of organisations (i.e. educational or research purposes.)**

(The direct beneficiary is the researcher or the analyst rather than the organisation). Such a study may aim at enhancing the understanding of human behaviour through a study of it in organisation, or to enhance the understanding of the society as reflected in organisational life.

2) **Planning for growth and diversification**

An analysis or a diagnostic study may be necessary for planning growth, diversification, expansion etc. Organisational analysis may reveal the strengths that could be used for growth and diversification, weak spots that need to be removed in the new plans, the precautions to be taken, structural dimensions to be kept in mind etc. Several insights may be provided on structure, people, systems, styles, technology etc. that have implications for growth.

3) **Improving Organisational Effectiveness or Planning General Improvements**

Organisational Analysis may be used also for improving the general efficiency of an organisation. On the basis of a diagnosis made out of the analysis action steps could be initiated in terms of toning up administration, introducing new management systems and processes, reduction of wasteful expenditure, introduction of time savers, change of personnel policies to enhance employee motivation, restructuring of some parts, training, elimination of unwanted structures and teasers, improvements in general health of the organisation etc.

4) **Organisational Problem Solving**

Whenever some subsystems departments, units etc. fall sick or start creating problems a diagnosis may be undertaken with a view to identify the source of the problem and take corrective action. A sick unit, a bottleneck, a communication block, a poor performing department, frequently occurring conflict between two departments, repeated failures of a management system or an organisational process, a frequent violation of an organisational norm, fall in discipline, reduction in output absenteeism, increase in conflicts etc. can all lead to the need for an organisational diagnosis of a part of the organisation or the entire organisation.

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## 8.6 ORGANISATIONAL ANALYSIS PERSPECTIVES

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Organisations can be analysed with different perspectives in mind. The perspectives one takes depends both on the purpose for which the analysis is being done and the professional background of the people doing organisational analysis. The following perspectives could be used for analysing organisations:

- 1) Economics Perspective
- 2) Political Science Perspective
- 3) Sociology and Social Psychology Perspective
- 4) Management Perspective
- 5) Applied Behavioural Science or OD Perspective

### **Economic Analysis of Organisations**

The economic analysis focuses primarily on the use of money, allocation of resources, distribution and consumption patterns, pricing decisions etc.

The following is a sample of questions that are usually asked in the Economic Analysis of an Organisations:

- How are the resources allocated?
- What is the market structure? (Is it competitive, monopolistic, oligopolistic? etc.)
- What is the organisations market and its characteristics?
- Are the products and services in the industry homogeneous or differentiated?
- What is the nature of demand for organisation's services?
- What is the cost of making the product or service?
- How are the various elements in the process of making it related? Are there substantial economics of scale?

Economic analysis of organisations is particularly helpful for the first three objectives mentioned earlier. It helps streamlining the organisational efficiency, eliminating wastes, and gives insight while planning for growth, diversification etc. However, when it comes to problems not all types of organisational problems can be answered by economic analysis.

### **Political Analysis**

Political analysis deals with the tactics and strategies employed by the individuals and groups in the organisation as well as the organisation itself in the quest for power. The following is a sample of questions asked in the analysis:

- Who is most influential in the organisation? (individuals, groups, departments, etc.)
- What is the power base of each of the categories of people in the organisation (Is it positioned based, competency based, collectivity based like in unions, is it because of closeness to top executive or ruling party? Is it due to the ability of the person to reward, hire and fire?)
  - How is the power distributed among individuals, groups and departments?
  - What strategies do people use in influencing or controlling each other?
  - How is the power used? How much for organisational purposes? How much for expanding one's power base? etc.
  - What are ideologies of different groups? What implications do these have for organisational functioning? Is there congruence with organisational goals?
  - How much is there a commitment for organisational goals? Is decentralisation functional or centralisation useful?
  - What kinds of control are needed to regulate the behaviour of people?

Like Economic analysis, political analysis of organisations is useful for understanding the organisation. Political analysis helps understanding many softer and strategic dimensions of an organisation.

However, it has limitations in providing guidelines for the planning of growth and diversification of an organisation. It helps immensely in understanding organisational dynamics. However, such an understanding may become one-sided unless it is enriched with other perspectives.

### **Sociological and Social Psychology based Analysis**

Sociological and social psychological perspective focuses on the social behaviour of individuals and groups in the organisation. The formation of groups, habits,

norms and values of the organisation, the process of socialisation, conflicts, strikes, protest behaviour etc. issues are studied. The influence of the Society on the organisation is also focused. The following is a sample of questions that are normally asked with sociological and social psychological perspectives:

- What is the nature of the work force and different categories of employees? Where do they come from and what personality, attitudes and values do they bring with them that influence organisational functioning?
- What are the groups? What interests do they serve? What binds them together?
- What are the formal and informal sources of socialisation? How are people being socialised? How is this affecting the organisation?
- What structural forces ensure stability and order in the functioning of the organisation? What causes disorder? What forces contribute to change?
- What forces bind different groups/departments/units together?
- What is the distribution of power and authority?
- What are the attitudes of people to work? What are the attitudes of people to each other?
- Is there alienation? What seems to contribute to it if it is there? How could it be reduced?
- How frequent are the strikes? What is the incidence of absenteeism, accidents, alcoholism, indiscipline etc. phenomena? What seems to cause it?
- How do members relate to each other outside work hours? How do their interactions affect their work behaviour?

Sociological and social psychological analysis helps in understanding organisations for research and study purposes, for planning growth and expansion (especially location decisions, recruitment, structural decisions, departmentation) and for organisational problem solving.

### **Professional Management Perspective in Organisational Analysis**

For a long time management was not accepted as a separate discipline. With rise of management schools all over the world a new class of people with professional management background and skills have emerged. With the availability of a large number of professionally trained managers and management scientists there is a professional management perspective that is emerging. This perspective focuses on various management dimensions of organisational life. Each branch of management can analyse a significant part of organisation's functioning. The branches normally include Business Policy and Strategy Management, Production and Operations Management, Personnel Management, Marketing Finance and Accounting, Organisational Structures and Dynamics and Managerial Economics. The following are the sample questions that could be asked with this perspective for organisational analysis:

- What are the strengths, weaknesses, opportunities and threats facing the organisations with respect to its business and its functioning?
- What are the business goals? Is there a long term plan? What are the strategic considerations the organisation has in planning its business activities?
- Is the structure best suited for its goals?
- What is the technology being used? Are better technologies available? What are the problems in changing technology?
- How is the production planned? What is the capacity utilisation? How could it be improved? How frequent are the break-downs? What is the level of inventory? Are materials available on time? What is the rate of rejection of products? What is the wastage? How could it be reduced?

- How are people recruited? How are they trained? What attracts people to this organisation? What retains them? What reward and punishment system exist? Are there unions? How many? What are their attitudes? How satisfied are the people with the work? What are personnel policies? What is unique to this organisation? How do they suit the technology and business of this organisation?
- What is the financial position of the organisation? What are the sources of finance? How are the surplus used? What are the investments made by the organisation? What control systems exist?
- How are the products priced? What are the marketing strategies being used? How much of competition exists for the organisations products and services? What new products are planned to be introduced? What is the experience with the existing product? Has the organisation established its name in the market?
- Is the structure functional, divisional or matrix? Does it suit the organisation requirements? What are the characteristics of employees? How are the interpersonal relations/ What is the source of conflicts? Do people take initiative and show leadership qualities? How is team work and collaboration?

Professional management perspective helps in a thorough analysis of an organisation. However, most often such exhaustive case studies may not be required of all functions. Normally organisation analysts are interested in some functions more than the others. A professional management perspective is the most useful perspective for overall improvements in organisation and for demonstrable results in terms of output, cost reduction, profits an the like. It helps besides for problem solving in designing organisations for future growth and diversification.

### **OD or Applied Behavioural Science Perspective**

While applied behavioural science is a part of the Professional Management Perspective, with the availability of specialised knowledge in the field and the extent of human issues occurring in organisational life has made it a distinctive necessity. Most often when a managerial perspective is taken an analyst is tempted to focus on dimensions like the materials and money as they are easy to deal with get concrete results. It is easy to talk of investment decisions, introduction of computers, streamlining information systems, introducing performance budgeting, advertising, pricing decisions etc. There are so many such variables the human processes and up becoming one such set. In reality it is an important set because it is people who are behind these decision and who need to implement them. Fortunately a lot of technology and skills are available from the applied behavioural science field. The OD perspective focuses on the human process dimensions of organisation's functioning. These human process dimensions deal with the individual *per se*, the individual in relation to the role he is expected to perform, the team work, inter-team collaboration, organisational culture and health. The OD perspective primarily focuses on examining the attitudes, norms, values, systems, processes etc. that exist in the organisation. The question asked is "Are they facilitating the utilisation and development of human competence available individually or collectively in the organisation? Is the organisational culture facilitating people to contribute their best to the organisation?" Some of the questions asked in this perspective are as follows:

- What is the extent Openness, Collaboration, Trust, Autonomy, Pro-action, Authenticity, Confrontation characterising the organisations' culture?
- What is the profile of people who join the organisations? What values do they have? What is their view of the human being?



- What is the level of organisational health as reflected in communications, conflicts, role clarity, job-satisfaction, work motivation, team work, participative decision-making, goal setting, discipline, management of mistakes etc.?
- What is valued by most people in the organisation? Is it excellence, power, relationships, status, helping each other control or what? In what order are they valued?
- How much of creativity is there and is encouraged? Do people take initiative and risks? What processes encourage/prevent creativity and initiative?
- Are jobs defined clearly? What mechanisms are there to communicate expectations and difficulties? What mechanisms exist to solve problems?
- Do people experience a sense of growth?
- What processes seem to generate organisational identity and 'we feeling'? What processes create problems for team work?
- What characterises various groups and their functioning?

The OD perspective is essentially useful for organisational problem solving and organisational renewal. It is useful for every organisation to undertake periodic renewal exercises so that they can examine various organisational processes and strengthen the functioning of an organisation.

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## 8.7 METHODS OF ORGANISATIONAL ANALYSIS

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Of the various perspectives presented so far the Professional Management and the OD perspective encompass the Economic, Political and Sociological and Social Psychological perspectives. These are also more modern and are being more frequently used. Among these two of the professional management perspective is vast and covers the entire management field. Since the focus of this course is on Organisation Design and Development, the OD or the Applied Behavioural Science Perspective is more appropriate for discussion here. Hence in the subsequent part of this unit and subsequent unit more details are presented relating to the organisation development.

There are many ways of analysing and diagnosing organisations and their phenomena. The following are the most frequently used methods:

- 1) Questionnaires
- 2) Interviews
- 3) Observation
- 4) Analysis of records, circulars, appraisal reports and other organisational literature
- 5) Analysis of hard data of organisations and various units
- 6) Task forces and task groups
- 7) Problem identification/problem solving workshops
- 8) Seminars, symposia and training programme
- 9) Recording and examining critical incidents, events.

These methods are described in some detail in the subsequent units of this block. The purpose of the analysis is "Organisational Diagnosis". Diagnosis gives the state of the organisation or one or more of its subsystems and points out the scope for improvements that could be made for achieving organisational effectiveness. Hence the methodologies presented in the subsequent sections are limited to this goal.

## 8.8 PRACTICAL PERSPECTIVES ON ORGANISATIONAL ANALYSIS

This involves a study of the entire organisation in terms of its objectives, its resources the allocation and utilization of these resources for achievement of its objectives as well as its dynamic interaction trends with external environment. The philosophy for the entire organization can be developed in terms of the following steps:

- 1) **Analysis of Objectives:** Analysis of organisation's objectives provides a clear understanding of both short and long-term objectives as well as the priorities that are accorded to various objectives. Specific goals and strategies should be stated for various divisions, departments and sections of the organization as a means of achieving the long-term priority objectives. Through continuous review of the objectives and their subsequent modification it is positive to translate general objectives into action plans.
- 2) **Resource Utilisation Analysis:** Having analyzed the objectives, the second step involves evaluating the process of allocation of various human and physical resources in the organization. Various efficiency indices can be derived to determine the adequacy of specific work flows, so that detailed examination of the inputs and outputs of the total system is possible. The focus should be on the contribution that human resources make towards these indices.

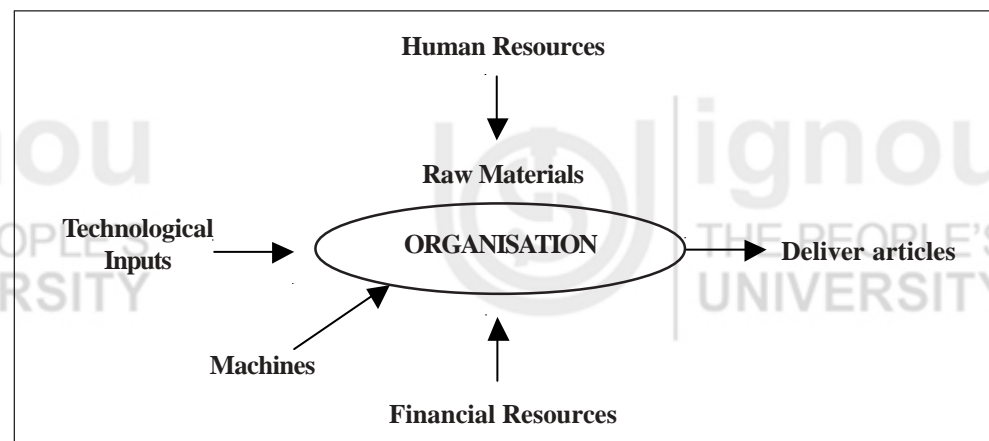


Figure 1: Organisational Analysis

- 3) **Environmental Scanning:** This involves analysis of the enterprise as a subsystem operating in a socio-cultural, economic, legal, political and competitive environment. This enables the organization to manage certain aspects of its environment and to accept others constraints which cannot easily be handled. Yet strategies can be devised to control these.
- 4) **Organization Climate Analysis:** The climate of an organization is a reflection of its employee's attitudes towards various aspects of work, supervision, company procedures, goals and objectives and Productivity in the organisation.
- 5) **Work Practices:** The practices adopted for execution of various activities in different functional areas. These practices are like norms, which are followed by all employees in order to maintain a uniformity in performing various tasks.
- 6) **Technology:** Technology is responsible for driving various Organisational Processes. Technology converts raw materials into final Products and Services offered by the organisation.

- 7) **Other resources:** Other resources are financial resources, business practices, Administrative Practices, management expertise information resources, R & D etc.
- 8) **Systems:** Are overriding set of interacting elements that acquire inputs from the environment transforms then and discharges outputs to the external environment.

The prevailing organisational climate, especially the attitude towards employee development, determines the Human Resource Policy. Lack of management support for the objectives of a particular HR Strategy reduces or eliminates its potential for serving the organization. Often, HR Practices must be supported by other actions in the organisation such as job enrichment, change in style of supervision, etc. to bring about desired changes. Another important consideration, particularly in management development is an enterprise's needs to be alive to the employee's career development aspirations.

## Organisational Analysis

### Need to undertake Organisational Analysis

Why do some Organisations perform very well despite many constraints and others fail when apparently things are going very well and should not. It is important to know how an Organisation is doing at any point in time. Secondly, the environment being highly dynamic entities are in a state of continuous change and transition. Third, any organisation would have numerous stakeholders in terms of owners, Board of Directors, Employees etc. They have their own expectations from the organization as to how it is doing.

### Overall Approach

In analysing any organisation these are the following elements that need to be reviewed:

- 1) **Mission & Vision:** It is important to know whether there is a proper Mission / Vision, if not, it has to be developed. For developing Corporate Vision & Mission, improvement of all employees is a must and a joint sharing and unanimity of understanding is a must.
- 2) **Organisation structure:** This describes how accountabilities, tasks and roles are allocated, within the organisation. It is important because of the impact it can have on the way people perform their jobs and on the effectiveness of the organisation's processes.
- 3) **Processes:** These are the mechanisms by which the organisation's activities are carried out and they will usually determine how the organisation is structured, although they may be tailored to suit the structure. They will also influence the kind of people employed.
- 4) **Culture:** Culture comprises of set of values, guiding beliefs understanding and ways of thinking shared by members of an organisation. It is important to analyze the culture of an Organisation at regular intervals to get a feel of the Organisation's health and to take corrective measures of things which are going wrong.
- 5) **Work Ethos:** Ethos can be defined on the underlying spirit or character of an Organisation and is made up of its beliefs, customs and practices. At the base of ethos are core values. The relevant core values, which contribute directly towards building a healthy organisation are :
  - Openness
  - Confrontation
  - Trust
  - Authenticity

- Proaction
- Autonomy
- Collaboration
- Experimenting

6) **Work Practices**

7) **People**

8) **Technology**

9) **Other Resources**

10) **Systems**

11) **People:** the central resource of any organisation is its people. Raw material remains just that without their intervention. They in turn determine the organisation's structure and processes. How many times are the theoretically most logical structures and processes changed to suit individuals?

While each of these three elements will need to be examined separately in depth, no analysis would be complete unless it reviewed all three and took account of the interrelationship between them. They should all support the organisation's mission and strategy. (Figure 2)

### Culture and Climate

The organization's culture and climate will also have an impact on its efficiency and effectiveness and, therefore, analyzing them is also an important part of gaining a full understanding of the organization.

### External Environment

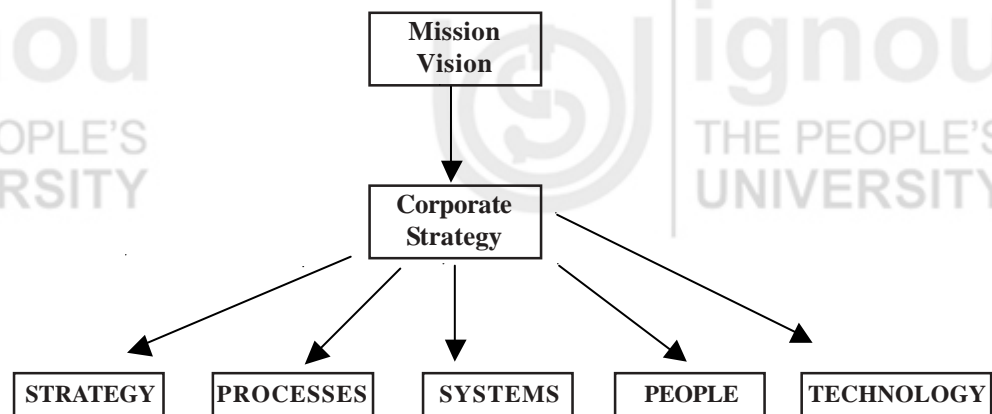


Figure 2: Major elements of the organisation

### Organisation Culture

The organisation's culture is made up of the deeply held beliefs about the way the organisation should operate it. It is organisation's value system and will influence the way in which work is carried out and how employees behave. People who may be very able and efficient in their own right, but who nevertheless do not fit into the culture, for example because of the way they dress, will be unlikely to achieve long-term success in the organisation.

### Organisation Climate

The climate is the prevalent atmosphere in the organisation, encompassing the feelings and emotions of the people within it. It is their perception of what it is like to work there. As the employees' feelings and attitudes will clearly have an impact on the way they carry out their work, they are an important part of analyzing the organisation.

## Business Analysis

This business analysis section covers a number of different approaches to analyzing the organisation in its entirety, not just the individual elements of structure, processes and people. The term 'business' in this context also covers the public sector.

### Swot Analysis

'SWOT' stands for Strengths, Weaknesses, Opportunities and Threats.

**Strengths** may be described as those positive aspects of the organization like its unique attributes like skills of employees, technology, work practice culture, management practices etc. which may lead to further opportunities and which can therefore, be built on. What are the company's competitive advantages and unique profile.

**Weaknesses** are any deficiencies in the company's skills and resources, work practices technology levels performance management systems and style.

**Opportunities** are provided by external environment in terms of new possibilities, which may provide advantage. These are likely to arise from changes in technology, markets, products, legislation and so on.

**Threats** are dangers or problems that might undermine the position of the organisation, due to competition from other Organisations operating in the external environment, for example the introduction of a new product by a competitor, changes to safety standards, changing fashions, or problems with suppliers or customers.

Whereas strengths and weaknesses primarily concern the internal workings of the organisation, opportunities and threats arise primarily from the external environment.

### Organisation Analysis — Factors:

- Overall Organisational Objectives and business adopted including the monitoring and review process;
- The performance management system, performance measures and standards used by the organisation to ensure desirable levels of efficiency and performance. Balanced Score Card is one such mechanism;
- The budgetary and financial control procedures in use;
- Organization design and structure;
- Staffing levels
- Activity levels;
- Overhead costs; and
- Review of procedures and activities

### Financial Analysis

One of the most important aspect of undertaking Organisational analysis of any organisation is analyzing its financial stability. Most of the modern enterprises are dependent on long-term financial strength. Such analysis is usually carried out by working out various financial ratios and ROI's.

### Statistical Analysis

There are many statistical analysis that can be undertaken to diagnose organizational health. Many are those which relate to productivity. However, there are also a number of less obvious measures that can be used to determine how well the organization is performing.

These include the following:

- 1) **Rate of Employee turnover:** The number of employees expressed as a percentage leaving the organisation on account of various parameters.. It will vary between industries and will be affected by the current state of the economy. In a recession, when jobs are more difficult to find, the turnover rate would be expected to be relatively low. The turnover rate of software companies and service industry is high whereas turnover rate in brick and mortar companies is relatively low.

It has been seen that during the harvest season, the workers in production units go to their native states for harvesting. During these months absenteeism and lateness is high.

- 2) **Grievances and disputes:** It is perhaps self-evident that where a high number of disputes and grievances are raised by employees, there is likely to be low morale, with specific grievances perhaps being symptoms of a more deep seated problem. It is as well to remember that only the tip of what has been described as the 'organisational iceberg' is actually seen and there is a vast array of attitudes, fears and beliefs hidden beneath the surface.
- 3) **Employee attitudes:** Employees' attitude towards the work, and organisation is an indication of employee satisfaction and motivation. It is valuable to seek the views of employees about the organization, as it is important for them to be committed to its objectives if they are going to work effectively. Employee satisfaction is a very valuable parameter.

Though attitude survey can be conducted by the HR department in-house, attitude surveys can be conducted by an external agency to get appropriate feedback regarding adopting suitable measures to correct some of the existing maladies.

Some of more valuable attitude surveys are those that seek to measure employees' perceptions of organizational climate and leadership style. Their results will help managers determine whether or not messages about the organization's overall mission and objectives have been understood and acted on. They will also be strong indications of any actual or potential organizational problems.

### **Organization Development (OD) Exercises / Interventions**

Organizational development is a long term effort, led and supported by top management, to improve an organisation's visioning, empowerment, learning, and problem-solving processes, through an ongoing, collaborative management of organization culture with special emphasis on the culture of intact work teams and other team configurations, utilizing the consultants, facilitator role and the theory and technology of applied behavioural science, including action research.

Some of the main technique, or interventions, coming under the OD umbrella are the following:

- i) Role analysis
- ii) TQM (Total Quality Management)
- iii) Quality circles
- iv) Assessment / development centers
- v) Re-engineering
- vi) Large-scale-systems change
- vii) MBO (Management by Objectives)
- viii) Team building
- ix) T groups (also called encounter groups and sensitivity training)
- x) Work re-design and job enrichment

- xi) Survey research and feedback
- xii) Third party interventions
- xiii) Quality of work life projects
- xiv) Grid training
- xv) Action research

### **Action research**

Action research (Developed by Kurt Levin in 1947) is a core component of organisation development and an important tool of organisational analysis.

It is a process of systematically collecting research data relating to a specific goal, objective or need of the organisation, feeding the results back to the sources of the original data and planning further action based on discussion of the results obtained.

This may be regarded as an interactive process whereby the data is obtained, discussed and further refined before actions are jointly planned to meet the original objectives of the review. The key feature of action research is that it is a process that is continually being applied and re-tested until the desired results are obtained.

### **Organisation Structure Analysis**

There are a number of techniques that may be used to analyse the structure of organisations. The fundamental aim of the analysis are to determine whether:

- The existing structure is appropriate to the needs of the organisation;
- The existing structure supports the mission and strategy;
- It provides the most logical and cost-effective grouping of functions;
- The structure maximizes the people strengths in the organisation.

Some of the main techniques for assessing these factors are given below.

### **Organisation design criteria**

An organisation design criterion is a basic principle or characteristic of an organisation, which will help it to achieve its strategic objectives and meet its critical success factors.

To analyse a structure on this basis it is necessary:

- to determine which criteria are of central importance to the organisation – for example, the desire to provide a strong, locally based customer support service might suggest a geographically based structure, whereas a need for an effective corporate approach and tight cost control might suggest a more centralised structure;
- to measure their impact on the previously identified critical success factors.
- to weight these criteria both in terms of their current importance to the organisation and also in terms of the impact they would be likely to have on organisation strategy;
- to rank these criteria and test them against different organisational types – examples of organisation design criteria are given below, and a completed rating worksheet (as used by Hay Management Consultants) is shown below:

**Table 1: Examples of organisation design criteria for a Global company**

- |   |
|---|
| <ol style="list-style-type: none"> <li>1. Maintain a healthy work environment and culture</li> <li>2. Integrates all activities across board the Organisation to ensure conformity to corporate strategy</li> <li>3. The Organisational policies are employee friendly and induce motivation</li> <li>4. Provides for rapid and effective decision-making at the point closest to the customer</li> <li>5. Provides effective communications Channels in the company</li> <li>6. Focus on result orientation</li> <li>7. Ensures effective employee relations</li> <li>8. Encourages the development of highly skilled managers/employees through appropriate Training and Development Practices</li> <li>9. Proactive response to market opportunities on a global scale being a global player.</li> </ol> |
|---|

To conduct the Organisational analysis, the following steps may be taken:

- 1) List the criteria on which analysis is to be conducted
- 2) Rate criteria as currently perceived
- 3) Estimate the impact on strategy
- 4) Rate the impact on previously identified critical success factors (CSFs).
- 5) Calculate current rating + strategic impact + number of times it relates to a CSF.
- 6) Rank the criteria based on the total scores.

The overall issue to be considered in reviewing the organisation design criteria is what the organisation structure is to achieve. Once it is known what direction to take, it is much easier to decide on the appropriate route.

### **Job Analysis**

Job analysis is an important part of organisational analysis. In particular, jobs should be reviewed to determine any overlaps in tasks and accountabilities, both vertically with subordinates or superiors and horizontally with colleagues across the organization structure.

To be effective, an analysis of the kind described must:

- Be supported by accurate and agreed job descriptions;
- Have regard to previously identified strategic objectives and action steps;
- Be analysed by teams which include those holding the key posts covering the accountabilities described, otherwise incorrect assumptions might be made about where a particular accountability lies.

It should be noted that this kind of analysis can be extended beyond individual jobs to include particular organisational units and various kinds of activities carried out so that, in the final analysis, there is no misunderstanding about who is accountable for what. The analysis explain above can be replicated in all units and departments in the organisation in order to rule out any duplication.

### **Process Analysis**

While a review of organisation structure is an essential component of improving the effectiveness of an organisation, it is also vital to examine the process by which activities are carried out and managed. Many of these will cut across functional or departmental boundaries and it is important, therefore, to ensure



**Table 2: Responsibility and Accountability**

Areas of Responsibility and Accountability	Position			
	Finance Director	Operations Director	HR Director	Sales Director (Marketing)
1. Developing business plan for the Organization	J	J	J	J
2. Develop incentive reward strategy	C	C	C	C
3. Devise Company Policy	C	J	P	J
4. Develop Performance Management System	C	C	P	C

P = prime responsibility & accountability for results

J = Joint responsibility & accountability for results

C = contributes to result but not directly accountable

*An inter-accountability matrix (Hay)*

that there is effective management horizontally within the organisation. This may often be seen, for example, in the shape of project teams composed of people from a range of disciplines brought together to achieve one specific objective or programme. However, a classic organisation problem occurs when different functions such as sales, marketing, production, and research and development all have completely different priorities, resulting in internal conflict and a less effective service to the customer (*Table 2*). Processes should be designed to ensure that they support corporate objectives and provide the required quality and types of products and services.

Approaches for analyzing the organisation's processes are considered below.

### **Business Process Re-engineering**

This relatively new approach developed by Davenport and Hammer (1992) and Champy (1993) which is also called business process improvement or value chain analysis, reviews the overall horizontal workflows and processes in the organisation, not just to improve them but to fundamentally re-examine them.

The approach:

- Examines the processes that are critical to the success of the organisation;
- Determines those processes which are priorities in terms of giving the company competitive advantage;
- Determines the types of change or new investment required to ensure the maximum efficiency and effectiveness of these processes;
- Determines what changes to aspects of the company's strategy and structure may be necessary
- Reviews managerial accountabilities and redefines jobs as required ensuring that the processes can be optimized where possible.

### **Activity Profiling**

Activity profiling is a methodology developed by Price Waterhouse Urwich to analyse the relative contribution made by different activities to the achievement of organizational objectives. In these analysis essential activities and the costs of those activities, including manpower costs, resource usage, opportunity costs and so on, as well as any cash outlay, is compared and ratios produced. From this information, it is possible to compare the cost of the activity with the contribution that activity makes towards the achievement of core objectives.

Clearly there will be some activities, which are fundamental to the organisation and essential, whereas others may be discretionary. Information can be gathered about these two types of activity and the relative contribution measured against the cost. Decisions can they by made about how resources could be allocated in the future.

### Benchmarking

Benchmarking is a process of comparing the performance levels and associated business practices and processes of an organisation with others to enable that organisation to set performance targets of its own that are competitive with those others. This can also include adopting, where possible, those working methods that will help in the achievement of these targets. The benchmarking process is also used to compare performance and processes internally.

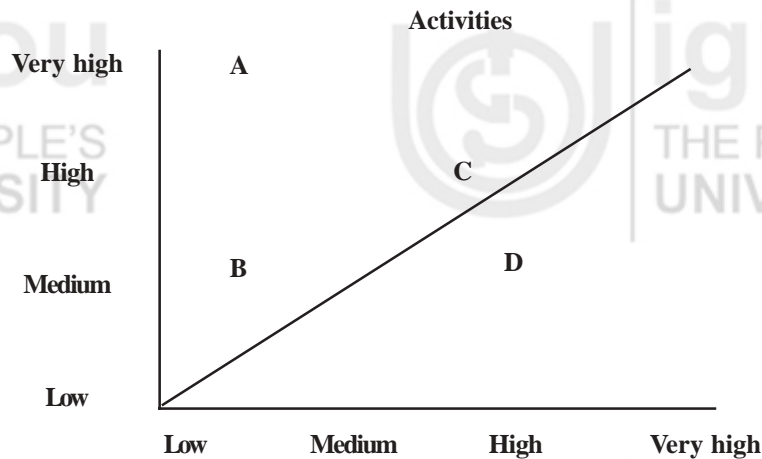


Figure 3: Benchmarking Activities

#### Relative contribution

A = *very high cost, low contribution*

B = *Medium cost, low contribution*

C = *High cost, high contribution*

D = *Medium cost, high contribution*

The main stages involved in carrying out a benchmarking exercise is as follows:

- 1) Identify the core performance issues to be addressed and the key performance indicators to be used for comparison purpose. These may be a mixture of unmet customer needs, obvious performance gaps, the need to gain a competitive advantage, problem areas etc.
- 2) Collect internal data, which may also reveal the need for improvements to internal processes.
- 3) Identify external organisations to form the basis for comparison.
- 4) Obtain relevant data from comparative organisations, major improvement opportunities.
- 5) Compare and contrast this with own organisation data to identify major improvement opportunities.
- 6) Review the processes and procedures used by comparative organisations to determine what improvements can be translated to own organisation.
- 7) Implement the new processes
  - i) Getting the data from competitors being sensitive
  - ii) Translate the data, gathered to one's own organisation
  - iii) Possibility of dispute with the competitor

## **Zero-based budgeting**

There has always been a tendency in large organisations to base the figures for the current year's budgets on what was spent in the previous year, with an allowance for inflation. The zero-based budgeting (ZBB) approach required that every activity with a separate budget head must first of all justify its existence, and then indicate what level of spending is required to meet likely needs.

ZBB works on a 'bottom-up' basis with individual budget holders having to justify their budget projections and with each activity being ranked according to priority. The budget projections are then reviewed at different levels in the organisation. Finally, top level decisions may be made about priorities and service provision.

## **Work Measurement**

The techniques of work measurement are well established, particularly in the case of work study methodology for manual and craft jobs. In such jobs, and also for routine clerical tasks, it is possible to measure relatively accurately the time taken to produce certain levels of output.

There are also a large number of jobs for which the techniques of work measurement are inappropriate. These include, for example, jobs where it is the quality of thinking rather than any tangible output that is the important consideration. This would apply to most professional and managerial jobs, where the measures have to be based more on customer satisfaction and competencies.

## **Effective Communication Processes**

There would probably be little disagreement that effective communication is vital to organisational success and there is, therefore, a strong case for trying to measure the processes of communication. Although the organisation chart will show the formal lines of communication, there are of course many informal links and these may be the more important sources of information. Everyone knows about the power of the grapevine.

Measuring communication in an organisation can be achieved using socio-grams which map the number of interactions occurring between different members of a particular work group. In this way those who are central communication links, and those who are peripheral, can easily be identified. This in turn has implications for the organisation's structure and the roles carried out by certain posts.

## **People Analysis**

While reviews of organisations frequently concentrate on structure and processes, it is vital to review the organisation's human resources as they will make the structure and processes work. Efficient and well-motivated employees will overcome the deficiencies of poor structure and processes, while the best structure and processes will not work without employees' full co-operation.

## **Psychometric Tests and Assessment Centers**

Two broad approaches which are increasingly being used are psychometric tests and assessment centres. Psychometric tests are structured questionnaires, presented in written form, or computer generated. They are aimed usually at assessing measures of ability, such as numerical reasoning, or capacities, such as building and developing relationship, leadership, team building etc.

Whereas tests are typically wholly objective and produce fairly hard numerical outputs, assessment centres are based on observation of performance.

A number of tasks are undertaken either individually or in groups and observed by assessors who then classify the behaviour in relation to its strength on a range of dimensions of skills or competence.

Assessment centres are particularly powerful in determining fit to future roles that may not have been experienced before. The exercises undertaken are simulations of such roles but do not require specific knowledge of them. For instance, an analytical planning exercise might be given to assess the person's capability for dealing practically with numbers and making sound business judgments, but particular knowledge of the industry concerned will not be required.

Assessment centres can also be classed as 'development centres'. In these the emphasis is not so much on identifying suitability for a particular job but areas for further growth and development.

### **Right sizing**

There are a number of methodologies in existence designed to establish the optimum number of employees required by an organisation. It is designed to help the organisation change the level of the resources allocated to a particular activity, either upwards or downwards, to meet the requirements of markets, competition, or economic and other constraints.

### **Attitude Surveys**

The use of employee attitude survey can be considerable value, particularly to determine how the informal structure of the organisation works, to ascertain the climate and culture of the organisation and to gain views about the prevalent management style (which is part of the organization culture).

One of the more useful ways of classifying organisation culture is that proposed by Harrison (1972) who describes the different types as follows:

- 1) **Power Culture:** in which there is a central power source which exercises strong control over the organisation. It is characterized by few rules and procedures, little bureaucracy and by decisions being achieved more by influence than on purely logical grounds.
- 2) **Role Culture:** in which there are formal roles and procedures, with work being allocated logically according to the tasks to be undertaken. In this culture, the position becomes more important than the personality of the individual.
- 3) **Task culture:** in which most of the emphasis is on getting the job done and the organisation is therefore, structured to bring together the appropriate resources and people to achieve results. The matrix organisation is a typical example of this kind of culture, which encourages team working.
- 4) **Person culture:** which exists mainly to serve the people within it? Examples are partnerships, social groups and some small consulting firms.

Analyzing the culture of the organisation is important for determining whether it is appropriate to the circumstances and whether the people within the organisation subscribe to it.

## The 7S Framework

One of the more recent tools for analyzing culture and climate was developed by Peters and Waterman and the McKinsey Company in the 1980s and is known as the McKinsey 7S Framework. This comprises seven elements all beginning with the letter 'S' which can be used as a basis for analyzing that organisation, particularly its climate, culture and organisational health. The elements in question are:

- **Strategy;**
- **Skills:** the corporate strengths of the organisations;
- **Shared values:** the guiding beliefs of the people in the organisation i.e. its values and culture;
- **Staff:** the people of the organisation;
- **Systems:** the technical systems and procedures relating to accounting, personnel and the carrying out of the organisation's jobs;
- **Style:** the way things are done within the organisation, particularly in respect of management style;
- **Structures:** the organisation chart and associated project teams, committees and *ad hoc* working parties.

When the seven S's are fitting together well the organisation should be operating successfully but that where any of these are out of step with the others, there are likely to be organisational problems that need to be addressed.

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## 8.9 SUMMARY

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There are many different ways of analysing organisations. The various approaches, used with discretion, are valuable for assessing organisational effectiveness and for determining where improvements can be made. They are, therefore important elements in the design of organisations for achieving high motivation and morale among employees.

In this unit we understood that organisational diagnosis is a method which analyses an organisation, its structures, subsystems and processes, in order to identify their strengths and weaknesses and to improve the effectiveness of the organisation. Perspectives which could be used for analysing an organisation and different methods by which an organisation could be analysed were discussed.

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## 8.10 SELF ASSESSMENT QUESTIONS

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- 1) Explain what is organisational analysis and organisational diagnosis. Why are they necessary?
- 2) In order to analyse an organisation what should one identify in an organisation?
- 3) What are the different perspectives of an organisation analysis? Discuss.
- 4) What are the different methods of an organisational analysis? Discuss.

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## 8.11 FURTHER READINGS

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## Organizational Analysis

## A. GOVERNANCE

<b>1. Board</b>	
a. Board devises overall policy direction and handles boundary management	
b. Is accountability and credibility a Board function and if so what is the degree	(0) (1) (2) (3) (4) (5) (6)
c. What are the overall number of Board Members.	(0) (1) (2) (3) (4) (5) (6)
d. Are the Board Members committed to safeguard the interest of stakeholders.	(0) (1) (2) (3) (4) (5) (6)
e. Feedback of stakeholders react the Board members & action is taken on them	(0) (1) (2) (3) (4) (5) (6)
f. Board executes its role of advocate for the community. Does the Board contribute towards the social upliftment of the community?	(0) (1) (2) (3) (4) (5) (6)
<b>2. Mission/goals</b>	
a. The Organization has devised clearly articulated mission & goals	(0) (1) (2) (3) (4) (5) (6)
b. The employees are aware of the mission. State of the company	(0) (1) (2) (3) (4) (5) (6)
c. Corporate strategies are devised based on company mission	(0) (1) (2) (3) (4) (5) (6)
d. Corporate strategies are clearly understood and have clear linkages to objectives	(0) (1) (2) (3) (4) (5) (6)
e. Action plans to achieve corporate strategies are worked out jointly by management & employees	(0) (1) (2) (3) (4) (5) (6)
<b>3. Stakeholders</b>	
a. There is clear cut accountability towards the key stakeholders	(0) (1) (2) (3) (4) (5) (6)
b. Stakeholders are given due weightage and are treated like partners	(0) (1) (2) (3) (4) (5) (6)
c. Feedback from stakeholders are given due weightage and is built into the strategic planning process.	(0) (1) (2) (3) (4) (5) (6)
d. Are stakeholders involved in the process of devising Mission & strategies.	(0) (1) (2) (3) (4) (5) (6)

e. The top management follow the dictum of healthy corporate governance.	0	1	2	3	4	5	6
<b>4. Leadership</b>							
a. Senior management have a clear understanding of their respective roles and responsibilities as providers of overall direction.	0	1	2	3	4	5	6
b. Leadership style of senior management is participatory.	0	1	2	3	4	5	6
c. Senior management is accountable to key stakeholders	0	1	2	3	4	5	6
d. Leadership qualities are visible in the Managers.	0	1	2	3	4	5	6

**B. MANAGEMENT PRACTICES**

<b>1. Organization Culture</b>							
a. Corporate polices have been devised keeping in view the organizational objectives	0	1	2	3	4	5	6
b. Corporate polices take into account the resources, environment, nature of operation of the organization and human resources.	0	1	2	3	4	5	6
c. Organization culture supports the strategic vision of the organization.	0	1	2	3	4	5	6
d. Culture is reflected in work ethos & work practices.	0	1	2	3	4	5	6
e. Generally the employee satisfaction level is good.	0	1	2	3	4	5	6
f. Systems are in place to ensure proper execution of jobs.	0	1	2	3	4	5	6
g. The policies & procedures are well defined and clear understanding exists in the minds.	0	1	2	3	4	5	6
<b>2. Strategic Planning</b>							
a. Inputs from external environment in the form of feedback is taken from all stakeholders and is built into the strategic planning process.	0	1	2	3	4	5	6
b. There is appropriate sharing and joint development of strategy by management & employees.	0	1	2	3	4	5	6
c. Strategic intent is explicit & visible employees.	0	1	2	3	4	5	6
d. Strategic delivery of various plan is achieved by total involvement of employees at all levels.	0	1	2	3	4	5	6



<b>3. Business Development</b>	
a. Environment scanning is an ongoing process in the organization.	(0) (1) (2) (3) (4) (5) (6)
b. Market research exercise is conducted periodically.	(0) (1) (2) (3) (4) (5) (6)
c. Does the company utilize the services of the consultants to conduct surveys in the industry segment for providing information on various indices.	(0) (1) (2) (3) (4) (5) (6)
d. Information regarding various financial ratios is calculated.	(0) (1) (2) (3) (4) (5) (6)
e. Business plans are developed various industry trends.	(0) (1) (2) (3) (4) (5) (6)
f. Analytical tools like supply chain & value chain analysis is used to identify competitive edge of the company.	(0) (1) (2) (3) (4) (5) (6)
<b>4. Personnel</b>	
a. Human Resource Planning exercise is carried out to devise various HR plans.	(0) (1) (2) (3) (4) (5) (6)
b. Appropriate recruitment & selection procedures are used for hiring the right kind of personnel.	(0) (1) (2) (3) (4) (5) (6)
c. Policy for intake of people from internal & external sources has been well devised and well accepted.	(0) (1) (2) (3) (4) (5) (6)
d. Job analysis exercise is conducted without fail	(0) (1) (2) (3) (4) (5) (6)
e. Clearcut job descriptions are available.	(0) (1) (2) (3) (4) (5) (6)
f. Employees clearly understand their individual roles.	(0) (1) (2) (3) (4) (5) (6)
g. Right-fit between the employees and the jobs assigned is ensured	(0) (1) (2) (3) (4) (5) (6)
<b>5. Administrative procedures</b>	
a. Administrative procedures and manual exist	(0) (1) (2) (3) (4) (5) (6)
b. Administrative procedures are adhered to	(0) (1) (2) (3) (4) (5) (6)
c. Procedures and operating manuals are updated regularly	(0) (1) (2) (3) (4) (5) (6)
<b>6. Audit Management</b>	
a. Systems are in place to minimize organizational malpractices	(0) (1) (2) (3) (4) (5) (6)
b. Regular audit of inventory is conducted	(0) (1) (2) (3) (4) (5) (6)
c. Annual external audit reports include a review of management practices	(0) (1) (2) (3) (4) (5) (6)

d. Recommendations on management practices in annual external audit reports are implemented.	(0) (1) (2) (3) (4) (5) (6)
<b>7. Management Information System</b>	
a. Systems exist to collect, analyze and report data and information.	(0) (1) (2) (3) (4) (5) (6)
b. Trained personnel are in place to manage information systems	(0) (1) (2) (3) (4) (5) (6)
c. Systems are used process, disseminate and ensure feedback of information all sources.	(0) (1) (2) (3) (4) (5) (6)
d. The Human Resource Information System (HRIS) is place.	(0) (1) (2) (3) (4) (5) (6)
e. Reports are generated through MIS for admission management	(0) (1) (2) (3) (4) (5) (6)
<b>8. Management Reporting</b>	
a. Management Reporting appropriate reports are generated through ERP or SAP or the likes.	(0) (1) (2) (3) (4) (5) (6)
b. Regular activity reports are prepared & viz. Project Report etc. presented to management.	(0) (1) (2) (3) (4) (5) (6)
c. Various evaluation reports are prepared regularly	(0) (1) (2) (3) (4) (5) (6)
d. There is practice of publishing and disseminating information on its operations.	(0) (1) (2) (3) (4) (5) (6)
e. Report formats are flexible, varied and respond to stakeholder information requirements. Reports generated are customized and flexible for optimum reporting	(0) (1) (2) (3) (4) (5) (6)

**C. HUMAN RESOURCES**

<b>1. Human Resources Development</b>	
a. Human Resource Information system (HRIS) is being practiced	(0) (1) (2) (3) (4) (5) (6)
b. Human resources development planning is in place	(0) (1) (2) (3) (4) (5) (6)
c. Training & Development is based on capacity, needs and strategic objectives	(0) (1) (2) (3) (4) (5) (6)
d. Opportunities exist to integrate skills acquired in training into the work environment	(0) (1) (2) (3) (4) (5) (6)

contd...

e. A Proper performance management system exists. Job appraisals are performance based and equitable.	0	1	2	3	4	5	6
f. Upgradation/promotions are performance based ad equitable	0	1	2	3	4	5	6
g. Personnel policies provide	0	1	2	3	4	5	6
<b>2. Human resources management</b>	0	1	2	3	4	5	6
a. Job analysis is carried out	0	1	2	3	4	5	6
b. Job descriptions are documented and updated	0	1	2	3	4	5	6
c. Roles are clearly defined	0	1	2	3	4	5	6
d. The employees possess requisite skills	0	1	2	3	4	5	6
e. Salaries are clearly structured and competitive	0	1	2	3	4	5	6
f. Incentives/Rewards policy is documented and implemented	0	1	2	3	4	5	6
g. The company follows standard labour legislation policy	0	1	2	3	4	5	6
h. Grievance redressal policy exists and is used when required.	0	1	2	3	4	5	6
i. Employee welfare policy is in place	0	1	2	3	4	5	6
<b>3. Work Organization</b>							
a. Departmental meetings are held regulalry	0	1	2	3	4	5	6
b. Management decisions are implemented regularly.	0	1	2	3	4	5	6
c. Team work is in vague	0	1	2	3	4	5	6
d. Information sharing is prevalent among employees.	0	1	2	3	4	5	6
e. Employees are encouraged to take initiative and be self-motivated	0	1	2	3	4	5	6
<b>4. Diversity</b>							
a. Employee diversity is valued and equitable benefits are provided.	0	1	2	3	4	5	6

contd...

## D. FINANCIAL RESOURCES

<b>1. Accounting</b>	
a. Financial procedures and reporting systems are in place.	0 1 2 3 4 5 6
b. Latest Account tools are used for generating reports for stakeholders.	0 1 2 3 4 5 6
<b>2. Budgeting</b>	
a. Budgeting process is integrated into annual implementation plans	0 1 2 3 4 5 6
b. Financial unit responsible for the preparation, management and implementation of the annual budget exists.	0 1 2 3 4 5 6
c. Annual financial projections are made	0 1 2 3 4 5 6
d. Annual budget is implemented	0 1 2 3 4 5 6
e. Budget is controlled on an ongoing basis	0 1 2 3 4 5 6