

Organizational Development and Diagnosis in the Nigerian Hospitality Industry: A Check-Up on the Paradigms

Attama, Joseph Ikechukwu

Department of Management, University of Nigeria, Enugu Campus, Enugu, Nigeria

Email – ikechukwu.attama@unn.edu.ng

Abstract: The goal of this paper is to ascertain the extent to which organizational diagnosis is being carried out in Nigeria hospitality industry. Our research hypothesis was tested using Friedman chi-square test statistic to determine the extent to which organizational diagnosis is being carried out in Nigeria Hospitality Industry. With a computed chi-square of ($X_i=15.74$) against the tabulated chi-square value of ($X_i=31.41$) the alternate hypothesis was rejected resulting to the conclusion that proper organizational diagnosis is not being carried out in details in Nigeria Hospitality Industry. In relationship to this, Brown and Harver (2006:13) avers that the analysis phase and its requirements of organizational diagnosis and expertise documentation is the most critical phase of the performance improvement process and it is also the most poorly executed. Davidson (2002:3) maintains that the activity-oriented view of many, if not most, performance improvement interventions is driven by "feel good" or "compliance" concerns rather than a concern about improving performance. Program delivery in these cases-not performance outcomes-is in focus. The activity-oriented view, with its emphasis on delivery, disregards the importance of the analysis phase. It relegates analyses to superficial opinion survey, resulting in choosing interventions based on popularity ratings and reliance on rude job descriptions and task analysis (Brown and Haver, 2006) little, if anything, in the way of substantive performance diagnosis, process specification, and expertise documentation is pursued (Richard, 2009).

Key Words: Organizational Development; Diagnosis; Hospitality Industry

1. INTRODUCTION:

Organizations play major roles in our daily lives and therefore successful organizations are key elements for the development of a nation. Thus, many economists consider the organizations and institutions as a driving force in determining economic, social and political progress (Liviu, 2009:4). Organizations, on the other hand, achieve their objectives through the instrumentalities of their management. In some ways, structure and functioning of organizations can be compared to structure and functioning of the human system. Just as an organism has several subsystems, so do organizations. Effective functioning of the human subsystems depends on the effective functioning of all the constituent parts. When the human system is in trouble it is either due to problem in part that could be located or due to problems that affect the entire system (Rogers and Fong, 2000:5). Burke and Litwin (2001) posit that organizations can be perceived as a system composed of interrelated subsystems and thus, the impact of any factor in an organization such as structure, leadership, culture, etc. should not be considered independent of others.

Bell (2003), performing a diagnosis of potential problem areas requires that a manager focuses on a number of issues such as: determining the specific problems that require correction; deciding or considering the potential determinants or forces causing these problems, deciding what needs to be changed and when to change it to resolve the problems; and determining what the goals are for the change and how goal accomplishment will be measured. More so, Smith (2003) avers that in practice different kinds of methods, techniques, rules and heuristics, are combined with theories and theoretical concepts for diagnosis and solution of organizational problems.

However, with growing plethora of the social technologies and diagnostic tools available for use in organizational improvement efforts, it has become increasingly important for managers and organization development (OD) practitioners to have clearly articulated guiding framework for selecting appropriate diagnostic and intervention strategies. Managers and practitioners can no longer rely on intuition or personal attachment to a particular change technique and still be effective (Tichy, Hornstein and Nisberg 1999:2).

The management team often is changed or reconstituted to improve on the service performances in order to be more profitable. However, some of the managers take over these hotels without adequate diagnosis to find out the factors responsible for the apparent failure and the possible remedies. In haste they embark on changes without transformation. Even when they appear to have improved on their performances and returns, they are short lived and failure easily sets in after a while. Could it be that the first things were not done first or actions/strategies not based on diagnostics findings and recommendations? Hence, this study seeks to provide answers to the question in the context of the Nigerian hospitality industry.

2. LITERATURE REVIEW:

2.1 Conceptual Review

2.1.1 Concept of Organisational Development

With the changing of technology, market and environment faster and faster, an organization has to change the members' attitude, knowledge and its own framework in order to adapt to the various challenges and changes. Organization development is a process that promotes the changes (Siyi, 2006:1). Organization Development entails Collaborating with organizational leaders and their groups to create systemic change toward improving productivity and employee satisfaction through strengthening the human processes through which they get their work done. Organization development (OD) is a top management, supported, long-range effort to improve on organization's problem-solving and renewal processes, particularly through a more effective and collaborative diagnosis and management of organization culture-with the assistance of a consultant-facilitator and the use of the theory and technology of applied behavioral science, including action research (French and Bell, 1995:7).

In agreement with this, Cumming and Worley (2001:3) posit that organization development is a process by which behavioral knowledge and practices are used to help organizations achieve greater effectiveness, including improved quality of life, increased productivity, and improved product and service quality. The focus is on improving the organization's ability to assess and to solve its own problems. Moreover, OD is oriented to improving the total system-the organization and its parts in the context of the larger environment that impacts upon them.

2.1.2 Trends in Organisational Development

Organization development includes any planned change intended to make an organization more effective. In theory, this means that OD covers almost every area of organization behaviour, as well as many aspects of strategic and human resource management. In practice, OD consultants have favored one perspective and level of process more than others at various periods in OD's history. When the field of organization development emerged in the 1940s and 1950s, OD practitioners focused almost exclusively on interpersonal and small groups dynamics. The field was equated with T-groups, encounter groups, and other forms of sensitivity training. Sensitivity training is an unstructured and agenda less session in which a small group of people meet face-to-face, often for a few days, to learn more about themselves and their relations with others, (Cummings and Huse, 1989), learning occurs as participants disclose information about themselves and receive feedback from others during the session. For OD activities were involved with macro-level, organization wide changes.

Today, the reverse is true (Church and Burke, 1995:45). OD processes now are aimed mostly at improvements in service quality, corporate restructuring, and organizational learning. They are typically organization wide, affecting organizational systems and structures, with less emphasis on individual emotions and values. OD practitioners are paying more attention to productivity, customer's service, product or service quality, and related business outcome (Church and Burke, 1995:8). Although surveys suggest that OD consultants still value their humanistic roots, there is also increasing awareness that the field's values have shifted to a more bottom-line focuses.

2.1.3 Approaches to Organisational Development

The basic approaches of Organisational Development are techno-structural approach and human processual approaches. Techno-structural approaches relates to theories of intervention into the technology and the structure of the organisation. They are rooted in the fields of engineering, sociology, psychology, economics and open system theory (Tichy, 1983:45). Human Processual Approach is focused on the organisational process as well as on the human participants. It is through these factors that they achieve their goals as well as organisational goals (Tichy, 1983:46).

2.2 Concept of Organisational Diagnosis

According to Brown and Harvey (2006), "Diagnosis is a cyclical process that involves data gathering, interpretation and identification of the problem areas and possible action programs". During the diagnosis process, it is important to look at both the environment and organisation. The environmental factors to be assessed will depend upon the nature of the organisation but will always include cultural factors (Bolton and Heap, 2002). Each organisational culture profile reflects underlying attributes including the management style, strategic plans, climate, reward system, leadership, and basic values of the organisation. So, changing the culture requires that these various elements of culture be identified and altered (Cameron and Quinn, 1999). Organisations try to achieve a sustainable competitive advantage by learning its environment through a scanning process as the environment is a determinant of human resource management (Bratton and Gold, 2002). Diagnosing the environment is an assessment process that focuses on determining the readiness of the target group to accept change (Werner and DeSimone, 2006). External environment (economic, social, political, technological, etc) and industry structure are key inputs affecting the strategic planning of an

organisation. The understanding of the way an organisation functions should be done by examining inputs and the alignment of these two components (Waddell et al, 2004). It is important to identify key stakeholders and their views about the organisation (Bolton and Heap, 2002).

The first area of diagnosis comprises the interacting sub-elements that compose the organisation, such as: departments, divisions, products and services and the relationship amongst them. The second area is the organizational processes, such as: internal and external communication networks, leadership styles, team conflict resolution, decision-making and planning methods (Brown and Harvey, 2006).

2.2.1 Application of Organizational Diagnosis

A conceptual organizational diagnosis model usually is the core of an organizational diagnosis instrument (Kaplan and Norton, 1996:59). The conceptual model is the most important element of an instrument, because it guides the research activities of a practitioner in certain directions. A conceptual model contains components (e.g. task, strategy, people, structure, culture, and technology) and their relationships. The components are directive for search activities. The relationships between these components can be grounded in chosen organizational theories.

In practice, different kinds of methods, techniques, rules, and heuristics, combined with theories and theoretical concepts are available for the recognition, diagnosis, and solution of problems in various Organizational contexts. Sometimes, management is not able to either carry out Organizational inquiry activities or interpret and respond to change signals. In these Circumstances, managers can be supported by management consultants (MCs). MCs usually apply theories, models, and theoretical concepts to problem situations in a Pragmatic way (O'Brien, 2002:5). Especially, those concepts used in the context of organizational diagnosis activities of MCs are interesting, because there seems to exist a difference between the management consultant practice and the conceptual literature in this field. For instance, Wichard (1994:32) showed that MCs (especially Turnaround and crisis managers) rely more on their previous experience than on formal models.

2.3 Measuring Performance in Hospitality Industry

Performance measurement can best be understood by considering the definitions of the words “performance” and “measurement” according to the Baldrige Criteria: Performance refers to the output results and their outcomes obtained from processes, products, services that permit evaluation and comparison relative to goals, standards, past results and other organizations. It could be expressed in financial and non-financial term. On the other hand measurement refers to numerical information that quantifies input, output and performance dimensions of processes, products, services and overall organization(outcomes). It might be simple (derived from one measurement) or composite (Tsia, 2005:6).

Alfred (2005) opines that the most quoted performance measurement definition is Neely et al's (2002:13) as “process of quantifying the efficiency and effectiveness of past actions”. All organizations measure performance to some extent. However, there is a large disparity among organizations in terms of which performance measure are used with many primarily focusing on financial measures. There has however, been a general move away from financial measurement since 1980's. This was accelerated in the 1990's and 2000's by the worldwide acceptance of business excellence models all stakeholders' needs.

In measuring performance in the hospitality industry scholars have identified the categorize that should be looked into to include: staff and employment KPI's, Kitchen management, Front of house and Restaurant management, Bar and Cellar management, Sales and marketing plus function management, Management of finance and administration. The major KPI's under staff Employment include labour turnover (number of staff in any one week or month) and average length of employment. Neville (2010) maintains that labour turnover could be measured by counting number of positions you have (A), then count the number of people who you have employed during a certain period (B). Divide B by A and you will get a labour turnover figure, sometimes expressed as a percentage ; and average length of employment is measured by adding up the total number of weeks your over all employees have worked for you and dividing it by total number of staff.

2.4 Theoretical Review

2.4.1 Open Systems Theory

Many of the organizational diagnostic models to be discussed rely upon the abstract notion of open systems theory as a basic assumption, thus, warranting a brief discussion of open systems theory. The premise of the theory is that organizations are social systems which are dependent upon the environment in which they exist for inputs (Katz and Kahn, 1978). Open systems theory allows for repeated cycles of input, transformation (i.e., throughputs), output, and renewed input within organizations. A feedback loop connects organizational outputs with renewed inputs.

Traditional organizational theories have viewed organizations as “closed” systems which are independent of the environment in which they exist (Katz and Kahn, 1978).

2.4.2 Weisbord's Six-Box Model

Weisbord (1976) proposes six broad categories in his model of organizational life, including purposes, structures, relationships, leadership, rewards, and helpful mechanisms. The purposes of an organization are the organization's mission and goals. Weisbord refers to structure as the way in which the organization is organized; this may be by function – where specialists work together—or by product, program, or project – where multi-skilled teams work together. The ways in which people and units interact is termed relationships. Also included in the box of relationships is the way in which people interact with technology in their work. Rewards are the intrinsic and extrinsic rewards people associate with their work. The leadership box refers to typical leadership tasks, including the balance between the other boxes. Finally, the helping mechanisms are the planning, controlling, budgeting, and information systems that serve to meet organizational goals. The external environment is also depicted in Weisbord's model, although it is not represented as a “box”.

3. Methodology and Data:

3.1 Tools for Data Analysis

Data obtained in a research work can be treated with any technique depending largely on the objective and nature of the study and data obtained. In this study, tables and percentages, simple regression and chi-square statistical tools were employed for analysis. Biographical information was analyzed with percentages, while our hypothesis was analyzed with chi-square statistical tool with the help of statistical package for social sciences(SPSS),

3.2 Population of the Study

The study population is made up of all the staff of the five selected hotels.

S/No	Name Of Enterprise	Number Of Staff
1.	Gold Value Hotels	70
2.	Mavis Hotels	70
3.	Ikenga Hotels ltd	74
4.	Connis Hotels	64
5.	Cytadels Hotels	58
6	Beemattz Hotels	64
	Total	400

Sources: Nigerian Tourism Development Cooperation

3.3 Sample Size Determination

The formula adopted in determining the sample size for this study is that propounded by Taro Yamane (1964). The mathematical formula is given as:

$$n = \frac{N}{1 + N(e)^2}$$

Where;

N = sample size

N = population size

E = maximum acceptable margin error (0.05)

Thus, applying this formula in determining the sample size for this study, we substitute as follows:

$$n = \frac{400}{1 + 400(0.05)^2}$$

$$n = 200$$

3.4 Allocation of samples to the organizations

Bowley's population allocation model would be adopted. The model is stated as:

$$Nh = \frac{nNh}{N}$$

$$1. \text{ Gold value} = \frac{200}{400} \times \frac{70}{1} = 34$$

$$2. \text{ Mavis Hotels} = \frac{200}{400} \times \frac{70}{1} = 35$$

$$3. \text{ Ikenga Hotels} = \frac{200}{400} \times \frac{74}{1} = 37$$

$$4. \text{ Connis Hotels} = \frac{200}{400} \times \frac{64}{1} = 32$$

$$5. \text{ Cytadel Hotel} = \frac{200}{400} \times \frac{58}{1} = 29$$

$$6. \text{ Beemattz Hotel} = \frac{200}{400} \times \frac{64}{1} = 33$$

To ensure appropriate coverage of the respondents the researcher stratified the sample and randomly selected respondents from each strata.

3.5 Reliability of Research Instrument

The reliability of the instrument was determined by a pilot study. Test-re-test was done using copies of the questionnaire administered to four (4) respondents from each of the selected hotels. All the copies of the questionnaire distributed were completed and returned. Using Karl Pearson product moment correlation coefficient, the items of the survey was found to be consistent because the correlation coefficient (r) was found to be high, (r = 0.84).

4. Results and Analysis:

Test of Hypothesis

Research Question: To what extent is organizational diagnosis carried out in Nigerian Hospitality Industry?

H₁: Organizational diagnosis is carried out in details in Nigeria Hospitality Industry.

Table 2: Organizational Diagnosis is carried out in details in Nigeria hospitality industry selected organizations cross tabulation

			Selected Organizations						Total
			GDV A	MH	IH	CH	CY H	BMIT	
Organization diagnosis is carried out in details in Nigeria hospitality industry	Strongly agree	Count Expected Count	12 10.4	9 10.3	8 9.7	11 9.1	8 8.8	11 10.8	59 59.0
	Agree	Count Expected Count	10 9.7	6 9.6	9 9.1	12 8.5	11 8.2	7 10.0	55 55.0
	Undecided	Count Expected Count	14 11.8	9 11.6	13 11.0	8 10.3	13 10.0	10 12.2	67 67.0
	Disagree	Count	32 37.2	41 36.8	40 35.0	30 32.7	24 31.6	45 38.7	212 212.0

		Expected Count							
	Strongly disagree	Count Expected Count	31 30.0	33 29.7	23 28.2	26 26.4	28 26.4	30 31.2	171 171.0
Total		Count Expected Count	99 99.0	98 98.0	93 93.0	87 87.0	84 84.0	103 103.0	564 564.0

Table 2 demonstrates the observed and expected frequencies of responses of strongly disagreed to strongly agreed. By careful observation of the descriptive statistic, respondents had an opposing view to the statement that organizational diagnosis is carried out in details in Nigeria hospitality.

Table 3: Chi-square Tests

	VALUE	DF	ASYMP. SIG. (2-SIDED)
Pearson Chi-square	15.741 ^a	20	.733
Likelihood Ratio	15.937	20	.721
Linear-by-linear Association	.001	1	.969
N of Valid Cases	564		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 8.19

Table 4.24 shows the chi-square test computed from the frequency distribution and sig values. The chi-square computed value $X^2_c = 15.741$ is less than chi-square table $X^2_t = 31.41$ with 20 degrees of freedom at 0.05 significant level.

Decision

Since the chi-square calculated $X^2_t = 31.41$ is less than chi-square tabulated $X^2_c = 15.741$, the alternate hypotheses should be rejected. Therefore, organizational diagnosis is not carried out in details in Nigeria hospitality.

5. Discussion and Conclusion:

Our research hypothesis was tested using Friedman chi-square test statistic to determine the extent to which organizational diagnosis is being carried out in Nigeria Hospitality Industry. With a computed chi-square of ($X_t=15.74$) against the tabulated chi-sqaure value of ($X_c=31.41$) the alternate hypothesis was rejected resulting to the conclusion that proper organizational diagnosis is not being carried out in details in Nigeria Hospitality Industry. In relationship to this, Brown and Harver (2006:13) avers that the analysis phase and its requirements of organizational diagnosis and expertise documentation is the most critical phase of the performance improvement process and it is also the most poorly executed. Davidson (2002:3) maintains that the activity-oriented view of many, if not most, performance improvement interventions is driven by “feel good” or “compliance” concerns rather than a concern about improving performance. Program delivery in these cases-not performance outcomes-is in focus. The activity-oriented view, with its emphasis on delivery, disregards the importance of the analysis phase. It relegates analyses to superficial opinion survey, resulting in choosing interventions based on popularity ratings and reliance on rude job descriptions and task analysis (Brown and Haver,2006) little, if anything, in the way of substantive performance diagnosis, process specification, and expertise documentation is pursued (Richard, 2009).

REFERENCES:

1. Agu, O. (2011), *The Relationship between Job satisfaction and Organizational Commitment among Secondary Schools Teachers in Enugu* (Unpublished).
2. Asika N. (2004), *Research Methodology in Behavioural Sciences*, Lagos: Longman.
3. Baba, C. Cherches, R, Ticlau, T. and Mora C. (2009), *Organizational Diagnosis, A management Tool for change. Case study in statu make county hospital, Transywanian Review of Administration Sciences* (online) available at http://www.rtsa.rolenfiles/tras-25E-2009-3_Baba-cherecles-Ticlau-mora.pdf. Assessed on 29th, August, 2011 at 11:23pm
4. Badham, R. J.(2006), ‘*Mudanças Not Removalists: Rethinking the Management of Organizational Change*’, *Human Factors and Ergonomics in Manufacturing*, vol. 169(3).

5. Bartol K. Martin D, Mathew G and Tein M. (2005), *Management: A Peace in Focus*, 4th ed, Hong Kong; McGraw Hills.
6. Cameron, K. S. and Quinn, R. E. (1999), *Diagnosing and Changing Organizational Culture- Based on the Competing Values Framework*.
7. Cummings, T. and Worley, G (2001), *Organizational Development and Change*, New York: West Publishing Company.
8. Cummings, T.G and Huse, E.F. (1989), *Organizational Development and Change*, New York: West Publishing Company.
9. David, C (2010), *Assessing and Improving your Organization, Symptoms, Diagnosis and Cures*. Available online at www.organizedchange.com/lassess.htm. Assessed on 2nd August, 2011 at 2:12am.
10. Falletta, S.V (2008), *Organizational Intelligence Surveys*, Journal of Training and Development, 252-58.
11. Fordyce, J.K & Weil, R. (1993), *Methods for Finding out What's Going on*, In W.L French, C.H. Bell, and R.A Zawacki (Eds) *Organization Development: Theory, Practice, and Research* (PP.124-132) Plano: Business Publications.
12. French, W.L. and Bell, C.H (1995), *Organizational Development, Behavioral Science Interventions for Organization improvement*, Englewood: Prentice Hall.
13. Funham, A and Gunter, B. C (1993), *Corporate Assessment, Auditing a Company's Personality*, London: Routledge.
14. Fuqua, D & Kurpius, D. (1993) *Conceptual Models in Organizational Consultation*, Journal of Counseling and Development, 71(6)
15. Goulielmos, M. 2005, 'Applying the organizational failure diagnosis model to the study of information systems failure', Disaster Prevention and Management, vol. 14, no. 3,
16. Harrison, M.I (1987), *Diagnosis Organizations: Methods, Modes and Processes*, Newbury Park: CA: Sage.
17. Harrison, R. (1987), *How to Describe your Organization*, Harvard Business Review.
18. Herbert, S. 2009, *Three Diagnostic Methods*, viewed 4/9/20, [ht://www.heberts.net/Jthrccedia2nistic-models/](http://www.heberts.net/Jthrccedia2nistic-models/) <
19. Hill, R. and Stewart, J. (2000), 'Human resource development in small organizations', Journal of European industrial Training, Vol. 24, (2/3/4)
20. Hofstede, G. Neuijen, B., Ohayu, D and Sanders, G. (1990), Measuring *Organizational Culture, A Qualitative and Quantitative Study Across Twenty Cases*; Administrative Science quarterly, Vol.35
21. Howard, A. (2003), *Diagnosis for Organizational Change, Methods and Models*, New York: The Guilford Press.
22. Johnston, R. W. (1997), 'Starting and Organization Development Effort from Scratch... Seven Steps to Whole Organization Development', Training and Development Journal, Vol 5(2).
23. Justo, A. (2009), *Organizational Development*, (available on line) at <<http://llarmandojusto.blogspot.com/2009/04/competency-profile.html>>, assessed on 25th July, 2011.
24. Kaplan and Norton (1996), *Putting the Balanced Scorecard*, to Work. Harvard Business Review, Sept-Oct P.134.
25. Katz, D. and Kahn, R. (1978), *The Social Psychology of Organizations*, New-York: Wiley.
26. Kaye, M. and Dyason, M. 1998, 'Training and Development: Harnessing human resources to achieve business excellence', The TQM Magazine, vol. 10(5)
27. Kham et al (2008) *Impact of goal clarity or organizational commitment in Telecommunication organizations of Pakistan*, available online on <http://www.wbiconpro.com/707-ibtisum.pdf>. Assessed on 8th Sept., 2011 at 11:46pm
28. Likert, R. (1967), *New Patterns of Management*, New York: McGraw Hill.
29. Loftin, R.D. and Moosbrucker, J.M. (1982), 'Organization Development Methods in the Management of the Information Systems Function', MIS Quarterly, Vol 2(2)
30. Lok, P. and Crawford, J. (2000), 'The application of a diagnostic model and surveys in organizational development', Journal of Managerial Psychology, vol. 15 (2)
31. Lowman, R. (2005), *Importance of diagnosis in organizational assessment*, the psychologist manager journal, 8(1).
32. Mabey, C., Salaman, G., Storey J (2007) "Organizational structuring and Restructuring" in Salaman, G ed. Understanding Business organizations. London: Routledge.
33. Manzini, A.O (2000), *Organizational Diagnosis: A Practical Approach to Problem Solving and Growth*, New York: American Management Association.
34. McMillan, E (2000) *Considering organization structure and Design form a complexity paradigm perspective* available online at <http://www.ifem.eng.com.ac.Uk>. Assessed on 9th Sept., 2011 at 12.23am

35. Mcmillan, E (2000) *Using self organizing principles to create effective project team as part of an organizational change intervention. A case study of the Open University in complexity and complex systems in industry*, McCarthy, I and Rakotobe, Joel, T. eds university of Warwick, United Kingdom.
36. Roxana, S, Corina, G and Anamaria, M. (2010), *The application of a diagnostic mode: An empirical study*, available online at www.studia.ubbcluj.ro/download/pdgf/542.pdf. Assessed on 24th june, 2012 at 11:23pm.
37. Schalk, C. (1999), *Organizational Diagnosis of Churches*, (on line) available at www.nednet.blogs.com. Assessed on 12th June, 2011 at 12:10am
38. Senior, B (2002) *Organizational Change*, London: Ashford Colour Press.
39. Smith, F.J(2003) *Organizational Surveys. The Diagnosis and Betterment of Organizations through Their Members*, London: LEA.
40. Stephens, J.R and Haslett ,T(2002), ‘*Viable Systems Diagnosis and Organisational Learning*’, Working paper 8/02, Monash University, Faculty of Business and Economics.
41. Tichy, N.M (1983), *Managing Strategic Change, Technical, Political and Cultural Dynamics*, New York: John Wiley