

ORGANIZATIONAL DIAGNOSIS ASSESSMENT AND INTERVENTION

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Abstract:

The paper proposes a case study regarding the diagnostic analysis in a plant department - The Hard Rolling Mill. The intervention is motivated by the modifications at the staff's level due to an imminent restructuring process, also related to the technological refurbishment and to the creation of new branches. The diagnostic analysis has considered the following aspects: the communication relationships, the factors of work satisfaction, and other aspects of the organizational climate. The conclusions represent coordinates to improve the working climate.

Key words: *organizational climate, diagnosis, work satisfaction*

JEL classification: *L*

Introduction

"The organizational diagnosis represents a stage of a program / changing process / organizational development, which consists in a collaboration between the members of the organization and a consultant or a team of external consultants who gather and analyses the relevant information regarding a problem /a set problems in order to identify the strengths / weaknesses of the examined area, to highlight their causes and to design solutions that will lead to an improvement of the situation and of the activity in the organization"(Dodu, Sandor, Tripon, 2004).

The diagnosis stages (Burdus, 2000):

1. Preparing the diagnostic analysis - the demarcation of the study area;
2. The investigation and analysis of the following sub-stages:
 - gathering information and organizing it;
 - highlighting significant symptoms;
 - highlight the strengths, the weaknesses and the causes generating them;
 - making recommendations for eliminating malfunctions;
 - the post-diagnosis, consisting of: completing the editing of the study, discussing issues, finalizing recommendations, making the implementation program.

The organizational diagnosis - case study

The assessed plant was in a complex restructuring process aiming the technologies, the costs and the employees. The restructuring program involves significant investments to modernize the technologies without dismissing the personnel in the next 10 years. The reorganization also consists in separating some activities, without separating the capital, and in creating subsidiaries. The subsidiaries creation aims to increase the flexibility and capacity of the enterprise to meet the requirements of the new market (both quantitatively and qualitatively).

Consequently to the discussions with representatives of the company, the following issues resulted:

1. Communication deficiencies at the level of the foremen which represent a filter for the vertical communication from the top down and bottom up.
2. The staff's reaction to the restructuring efforts determined by the creation of subsidiaries.
3. The staff's reaction to the new technologies.
4. The staff's reaction to the implementation of the different assessment procedures.

To gather the information necessary to the diagnosis, the institution representatives decided to choose The Heavy Rolling Mills department.

The following activities took place:

1. A meeting with the management representatives of the institution (restructuring-privatization, vocational training and professional re-conversion, normalization, evaluation, norm setting, communication office) during which the activities and the problems specific to each department were briefly presented.
2. A meeting with a representative of the Board of Trade Union.
3. A visit at the department during the production flow: heavy rolling mills.
4. Interviews with 10 people from different hierarchical levels of each visited department.
5. Discussions with the heads of the four departments to clarify two issues: *the possibilities of motivating the staff other than payment and the need for specific criteria to assess the work performance.*
6. Meeting the representatives of the institution for additional information.

Methodology

The diagnostic analysis was exploratory in nature. The unit of analysis was the department inside which we gathered the information from different hierarchical levels.

The methods of gathering information were:

- semi-structured interview;
- questionnaire;
- the analysis of statistical data regarding the staff;
- non-systematic observation;
- focused discussion.

The structure of the participants to interviews was:

- the department management (the head of department and head of the shift);
- 2 persons from the operation department;
- 2 person from the maintenance department;
- 2 foremen;
- 2 workers.

The observed issues (during the interview and the questionnaire application):

- The communication relationships: the upward, downward and horizontal communication.
- The factors regarding work satisfaction. The most important factors leading to job satisfaction are: mentally challenging work, balanced results, pleasant working conditions and supportive colleagues.
- Other issues related to work. In addition to the above issues, other several aspects were pursued such as those related to the work nature: dangerous work and the level of risk assumed by the execution of the tasks. Also the fair and equitable allocation of benefits was considered.

Results:

1. Communication

The group of engineers (Head of department + engineers)

- It assesses the level of communication within the department as good.
- The hierarchical levels are respected in communication, in the way that a problem is reported to the immediate higher hierarchical level and not directly to the head of department or to the director of the plant, thus ensuring an efficient communication.
- Daily meetings are held to receive information from higher levels and to communicate information to the immediate lower hierarchical level, represented by the foremen.
- At this level, it was underlined the necessity that the higher hierarchical levels should provide better information regarding the way contracts are concluded. Secondly, the workers should be better informed regarding the products destination, the costs involved in case of damage, in order to increase their responsibility towards the quality of their work.

The group of workers (foremen + workers)

- The foremen have an essential role in communicating the information received from higher levels, so their role is considered more difficult.
- Communication between foremen and workers is estimated to be good, they “represent a kind of parents”, having the ability to resolve the conflicts that may occur.
- At this level the desire to get more information from higher hierarchical levels was expressed. For instance, the workers would like to be given information regarding future of the institution, its prospects, the possibilities of acquiring new technology and, implicitly, of improving the working conditions. This type of information contributes to the motivation of the workers. Otherwise, they may get information only from rumours, which can lead to misinterpretations. In other words, by providing better information to workers, the sense of their importance to the institution is increased, which could be a motivating factor.

Therefore, at the communication level, the following aspects were noted:

1. The communication in the department is good.
2. The communication between departments is more difficult.
3. There is a deficit of communication (meaning more information is needed) from the upper hierarchical levels, which are found above the plant manager (information particularly related to the prospects of the institution).

2. Satisfaction

The group of engineers (Head of Department + engineers)

- The satisfaction concerning remuneration is relatively low, but it was noted that compared to other jobs, the payment is still satisfactory.
- The working conditions are assessed as satisfactory, although efforts are made for maintaining and improving them (a new locker room, painting different places, etc.).
- The opportunities of getting a promotion are viewed as low.
- The department in itself is assessed as having great importance within the institution, but the dissatisfaction with the insufficiency of contracts is notable. This forces the department to operate under its actual production capacity. In this context, the idea of the possibility to import the rest of the necessary steel was expressed (which would have a lower cost comparing to the produced one).
- The fact that the salaries are differentially given is assessed as a positive aspect.

The group of workers (foremen + workers)

- There is a great dissatisfaction with regard to remuneration, which is viewed as being very low, comparing to the hard work and the conditions in which it takes place.
- The working conditions are considered particularly difficult, since a lot of physical effort is involved and the equipment is very old, implying risks of accidents. However, comparing to other departments, this one is ranked as a sector with a low risk of accidents.
- The main dissatisfaction is caused by not granting the salary differentially, depending on the individual performance. The salary differentiation stops at the level of the team and that is because, in order to reward someone, another team member should be paid less (a difficult aspect because of the issues related to the poor living standards, and the relationship between the team members; therefore such a differentiation could lead to a break up in the cohesion of the team). For this reason it is considered that it would be more appropriate to have an additional fund from which to reward the best, without involving the penalty of the other members.
- Another relevant aspect determining dissatisfaction refers to the fact that, in some cases (for example, in the case of athletes or of persons with poor health), the team members must cover the norm of one or more members of the team. As a possible solution to the case above, it was suggested that those activating in various sports clubs to receive a fix salary, without being part of a team. For those with poor health it was suggested to remove them from production and to employ them in places with a lower degree of risk (dressing room).

3. Technological refurbishment

The group of engineers (Head of Department + engineers)

- It is largely accepted.
- They are well informed about the possibilities of technological refurbishment.
- At this level there is no resistance against this issue, on the contrary, the technological refurbishment is expected with enthusiasm.

The group of workers (foremen + workers)

- There is also a positive perception of the process of technological refurbishment as it would involve, firstly, the improvement of the working conditions and, secondly, an increased production.
- The working staff has some data on the possible technological refurbishment, but they would like to be better and more accurately informed.
- In connection with the retraining process required by the new technology no resistance was expressed. The workers are willing to be properly trained. In other words the technological refurbishment is not a negative stress factor.

4. Employment issues

The group of engineers (Head of Department + engineers)

- The most important aspect is related to the staff fluctuation, which hampers the production process. This situation is due to shortage of staff.

The group of workers (foremen + workers)

- At this level, also the fluctuation is presented as a negative factor, restraining productivity. Furthermore, the staff is moved from one job to another, which requires an adjustment period. Also the level of specialization in certain jobs is lower, which also lowers the work efficiency.
- At this level, no reference was made to grant wage increases according to the level of danger, though the necessity of a better differentiation in this matter had become obvious.

Conclusions

- Within the department there is a communication problem. A possible improvement of the communication is needed between departments and between the department and the upper levels of the management board.
- The necessity of salary differentiation has become obvious; it can be based on specific criteria operating within the team and, if possible, by providing additional funds or other facilities.
- The staff fluctuation is seen as a negative factor by all the members of the department, hindering the production process.

In this department the communication is determined to be generally good. The hierarchical levels are commonly respected in communication, in the way that a problem is reported to the immediate higher hierarchical level and not directly to the head of department or to the plant director. The communication is assessed to be good both by the management department representatives and the by the workers' representatives. The foremen's position appears to be the most difficult, as they represent the buffer zone between the workers and management board. However, the relationship between them was positively described, both by workers and management representatives. The latter also referred to the foremen's ability of solving various occurred conflicts.

Job satisfaction has generally got a negative assessment regarding both working conditions and salary. The staff in this department considers its work particularly hard, in terms of physical strain. However, the sector is estimated to be a section of great importance to the institution, the staff having the satisfaction of seeing the finished product. The biggest complaint is related to the payment and not necessarily to its value (which is estimated to be higher than in other jobs), but to the impossibility of granting the payment differently according to the performance of team members. For this reason, workers consider they are not properly valorized, according to their efficiency. They consider that there is no differential stimulation, which causes a state of under-motivation. For instance, there are cases in which the new employees of the department are equally paid to people working here for a long time, although their efficiency is significantly different. In other cases, some members of a team activate in sports groups, which is why that team should also cover their norm. Another source of dissatisfaction is the lack of an adequate wage differentiation according to level of risk involved by an activity developed under certain conditions.

The technological change is viewed with enthusiasm and interest by the entire personnel of the department as it would mean the improvement of the working conditions. Both the staff management and working personnel were informed about a possible technological improvement in this department. There is no resistance on the part of the staff in this regard and it is willing to be trained.

In connection with the development of the production process, the main emphasized issue was the necessity of increasing productivity, since the sector is operating below its production capacity. One of the problems in this sense refers to the poor information the department staff gets with regard to the way contracts are concluded. Secondly, the workers should be better informed regarding the products destination, the costs involved in case of damages, in order to increase their responsibility. Another specific problem of this department is the staff's fluctuation; this aspect was underlined both by the board members and by the workers as it hinders the good pace of the productive process.

As a conclusion to those stated before, in this department the main issues are not related to communication, but to the fact that the salaries are not differentiated according to specific criteria of evaluation, and to the large fluctuation of the staff, due to a lack of personnel and inadequate working conditions.

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