

ORGANISATIONAL DIAGNOSTICS AND PLANNED ORGANISATIONAL CHANGE

AN APPLICATION OF AN ADAPTED VERSION OF SOFT SYSTEM METHODOLOGY:

THE CASE FOR A PRIVATE HEALTHCARE INSTITUTION

Patricia Rita Nunis

Bachelor of Social Sciencee Universiti Sains Malaysia Penang 1979



Submitted to the Faculty of Business and Accountancy University of Malaya, in partial fulfilment of the requirements for the Degree of Master of Business Administration

ACKNOWLEGEMENT

A work like this would not be possible without the guidance and support of an interested mentor and I would like to express my thanks and gratitude to Dr. Mohd. Yusof Omar, my research supervisor, who pointed the way and cleared the cobwebs of confusion as I ploughed through the readings and task of making sense of the whole exercise. His firm stand in seeing a pattern and system in everything - from individuals to organisations, has given me a new perspective on the world and my interactions.

My sincere thanks also to my ex-colleagues and friends in SJMC, who shared with me eight years of working together, and broadened my understanding of organisations and the people who make them work.

My heartfelt thanks to my family, who have supported my efforts to complete this course on schedule despite the unexpected crises and obstacles that have come our way. Their understanding and support as I rushed deadlines and prepared for examinations, in the midst of countless rites of passage and life events, have made this journey possible.

Finally, my humble thanks to the Giver of Life, He who controls the universe, who has given humankind the ability to see, reflect and understand, and share in the wonderful work of spreading the light of knowledge, reason and truth to all who would receive it.

To Him be praise forever.

Patricia Nunis February 2002

EXECUTIVE SUMMARY

THE RESEARCH PROJECT

This is an exploratory, qualitative study that utilises an adapted version of Soft Systems Methodology developed by Dr Mohd. Yusof Omar, to conduct an organisational diagnosis and plan interventions for change for a complex organisation. The target of the study was the 15-member senior management team of Subang Jaya Medical Centre (SJMC). Data was collected over a period of 8 months (Jan-Aug 2001), via participant observation using the framework of action research

THE FINDINGS

It was determined that the organisation exhibited borderline capability to weather anticipated changes in the future, due to the composition of its current management team and their internal dynamics. It was recommended that the key intervention to be made was a facilitated process consultation to review the current gaps in the Quality System, and, flowing from there, to address the issues raised and agreed upon within the management team. The criterion for identification of gaps or critical success factors was the mean score of <4 on the diagnostic elements and their link to the Quality System. However the question remains as to whether the team members themselves would respond to such an initiative - given that they exhibit reluctance to change their way of inter-relating. To achieve a measure of success the initiative to change would require a champion - someone who would challenge the status quo, and act as a catalyst.

THE METHODOLOGY

The Model of Organisational Diagnosis and Planned Change developed by Mohd. Yusof Omar, involved the use of a Likert-based measurement instrument to assess the organisation on the following structures and systems:

- The Self Actuation Structure
- 2. The Individual Actor System
- The Group Actor System
- 4. The Dissipative Structure System and
- The Six Level Organisational Diagnostics

The findings of the diagnostics were then matched against the ISO 2000 system requirements, and, also the conceptual model of the Quality System currently implemented in SJMC. The gaps so identified were the critical areas that required intervention.

The intervention approaches were drawn from the intervention model developed by Cummings & Worley (2001). The selection of appropriate interventions and their implementation priority were done by the researcher based on the analysis of data, and her understanding of the cultural perspectives of the organisation.

The selected interventions were then scheduled on a Gantt chart Action Plan format for presentation to the organisation.

> Patricia Nunis February 2002

CONTENTS		PAGE

CO	MIEN12	PAGE
СН	APTER 1. INTRODUCTION.	
1.1	Purpose Of The Study	2
1.2	Significance Of The Study	5
1.3	The Research Question	
1.4	Scope Of The Study	
1.5	Limitations Of The Study	7
1.6	Organisation Of The Study	8
СНА	APTER 2. LITERATURE REVIEW	
2.1	Overview	9
2.2	Self Actuation Systems	
2.3	Actor Systems	
	2.3.1. Emergence 2.3.2. Development 2.3.3. Stabilization 2.3.4. Black Box	12 12 12
2.4	Dissipative Structures and Complex Systems	
	2.4.1. Edge of Chaos Paradox	15
	2.4.2. Emergence, Self-Organisation	15
2.5	The Conceptual Links	
2.6	Six-level Organisational Diagnostics – the Cummings Model	22
2.7	The ISO 2000 Management System – a Diagnostic Guide	
2.8.	The Cummings Intervention Model	24
2.9.	Action Research	25
	Participant Observation The Question of Privileged Access	

CHAPTER 3. RESEARCH METHODOLOGY

3.1	The Research Objective		
3.2	Sample Size	29	
3.3	Use of Mean as a Measurement Instrument		
3.4	Frequency and Its Implications		
3.5	Observation Period		
3.6	The Diagnostic Measures		
	3.6.1 The Self Actuation System Diagnostics 3.6.2 The Actor System Diagnostics 3.6.3 The Dissipative Structure Diagnostics 3.6.4 Cummings Six- Level Diagnostics 3.6.4.1 The Organisational Level 3.6.4.1.1 General Environment & Industry Structure 3.6.4.1.2 Industry Structure 3.6.4.1.3 Strategic Orientation 3.6.4.1 The Group Level 3.6.4.2 The Individual Level	33 34 35 36 37 38 38	
	Summary of Propositions APTER 4. ANALYSIS OF DATA Overview		
4.1	The Rich Picture of SJMC		
1.2	The Rich Picture Discussed	— ⁴⁴	
1.3	The Research Propositions		
	4.3.1 Self Actuation Diagnostic 4.3.2 Actor System – Individual Diagnostic 4.3.3 Actor System – Generic Diagnostic 4.3.4 Dissipative Structure System Diagnostic 4.3.5 The Cummings 6-level Diagnostic	50 53 55 57	
.4	Synthesis of Diagnostic Findings to build a Concept Model	62	
	4.4.1 Summary of Findings		
.5	The Conceptual Model of SJMC Quality System	— 64	
.6	Assessment of SJMC Quality System		
.7	Synthesis of Findings	69	

CHAPTER 5. RECOMMENDED INTERVENTIONS & CONCLUSION

5.1	Reco	mmended Interventions	70
	5.1.1	Phase A: Human Process Interventions for the Management Te	am
	540		_71
	5.1.2	Phase B: Strategic Interventions.	73
	5.1.3	Phase B: Strategic Interventions	_ 74
		5.1.3.1 Techno-structural Interventions	⁻ 75
		5.1.3.2 Human Resource Interventions	_76
	5.1.4	Summary of Interventions Recommended	_76
5.2.	Concl	usion	_79
	BIBLI	OGRAPHY	_81

APPENDICES

Exhibit 1:	Mohd. Yusof Omar's Organisational Diagnostics and Planned Change Model	9
Exhibit 2:	Graphic Representation of the Control Model	—9 10
Exhibit 3:	Comprehensive Model for Diagnosing Organisational Systems	
Exhibit 4:	Model of a process based quality system	- 53
Exhibit 5:	Cummings & Worley, Organisational Interventions	- 23
Exhibit 6:	Soft System Methodology – an adapted approach	- 29 29
Exhibit 7:	The Sample Group	- 30
Exhibit 8:	The Measurement Scale Self Actuation System Diagnostics	- 33
Exhibit 9:	Self Actuation System Diagnostics	- 32
Exhibit 10:		
Exhibit 11:	The Evolutionary Cycle Of Dissipative Structures.	$-\frac{33}{37}$
Exhibit 12:	Dissipative Structures Diagnostics	- 37
Exhibit 13:	The Rich Picture Of SJMC	31
Exhibit 14:	The Rich Picture Of SJMC	- 49
Exhibit 15:	Self Actuation System Diagnostics	-50
Exhibit 16:	Self Actuation System Diagnostics	- 53
Exhibit 17:	Frequency table of scores: Individual Actor System Diagnostic	- ₅₄
Exhibit 18:	Frequency Graph: Scores – Individual Actor System Diagnostic	- 54
Exhibit 19:	Group Dimensions: Actor System Diagnostics	55
Exhibit 20:	Group Actor System Diagnostics –Frequency of Scores	— 56
Exhibit 21:	Graph of Frequency of Scores- Group Actor Systems	56
Exhibit 22:	Dissipative Structure Diagnostics -Group Means	58
Exhibit 23:	Dissipative Structures: Frequency Scores	58
Exhibit 24:	Dissipative Structures: Frequency Graph	— ₅₉
Exhibit 25:	Comparison of Means & Confirmation of Propositions	61
Exhibit 26:	Main Findings	-62
Exhibit 27:	Conceptual Model of Quality System at SJMC	64
Exhibit 28a:	Assessment of SJMC Quality System – part 1 Assessment of SJMC Quality System – part 2	67
Exhibit 28b:	Assessment of SJMC Quality System – part 2	— 68
Exhibit 29:	Relationship between Critical Success Factors and Quality Issues	
	to be addressed	69
Exhibit 30:	Human Process Interventions	72
Exhibit 31:	Strategic Interventions	73
Exhibit 32a:	lechno-structural Interventions	74
Exhibit 32b:	Human Resource Interventions	7.5
Exhibit 33 :	Summary Table of Selected Interventions	 77
Exhibit 34:	Proposed Action Plan for SJMC	78

ORGANISATIONAL DIAGNOSTICS AND PLANNED ORGANISATIONAL CHANGE:

AN APPLICATION OF AN ADAPTED VERSION OF SOFT SYSTEM METHODOLOGY

THE CASE FOR A PRIVATE HEALTHCARE INSTITUTION