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ORGANIZATIONAL DIAGNOSIS IN A BRAZILIAN SERVICE COMPANY THAT ASSISTS WITH RAILROAD ACCIDENTS

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ABSTRACT

The present study focuses on an organizational diagnosis in a Brazilian service company that assists with railroad accidents. The research was sent to the head management of the company, taking into account the evaluation of the organization from seven perspectives: structure, marketing, production, people, finance, knowledge, and society. Although the analysis (using the Average Ranking method) reached a reasonable general index ($n = 3.0$), the study allowed to conclude that the company has aspects that need more attention, such as "social responsibility" ($n = 1.8$) and "marketing communication" ($n = 1.9$), whose indexes were the lowest.

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INTRODUCTION

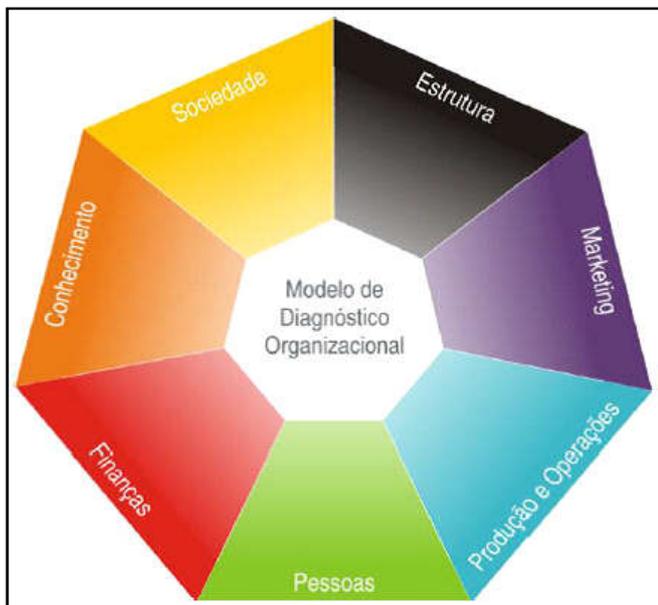
Business diagnosis is essential to contributes to the company's awareness of their own internal and external reality so they can better plan their activities and provide the manager with a systemic view of the processes and possible failures of the Organization. The most commo diagnostic approach in Brazil used to conduct organizational changes is based on estimates and established solutions (revenue limit), providing limits ranging from non-acceptance by the client to the ineffectiveness of the proposed solutions. It encourages a reactive attitude, emphasizes technical variables, and disregards human variables. However, it does not consider the specific reality of the client system, following integrated plans that assume that all organizations are identical (ARANTES, 1994). In this manner, the organizational diagnostic model proposed and adopted by the authors in the present study intends to complement the gaps left by previous models by analyzing the organization's management and then implementing strategic planning more effectively.

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MATERIALS AND METHODS

As to the approach, this research is qualitative, and as to the objectives, they are exploratory and descriptive. Regarding the procedures of data collection, this is a bibliographical, case study research. The study was limited to analyzing a family service company that assists with railroad accidents, headquartered in the city of Morretes, state of Paraná, Brazil. Field research was carried out by using the organizational diagnosis model proposed by Silva (2010) by means of a detailed and comprehensive analysis of the organization. The model was adapted by the authors on a Likert scale, totaling 617 questions sent to the company's head management. Data were analyzed using the Average Ranking (AR) method.

Theoretical reference: Organizational diagnosis presents specific fundamental premises that must be taken into account, such as: to analyze the environment and its relevant variables in which the organization is inserted; whether this environment provides opportunities that need to be enjoyed and threats that need to be avoided; science of the internal strengths and weaknesses in order to face the situation of the external environment; this process of analysis of internal (strengths and weaknesses) and external variables (opportunities and threats)



Source: Silva (2010)

Figure 1. Organizational Diagnostic Model proposed by Silva (2010)

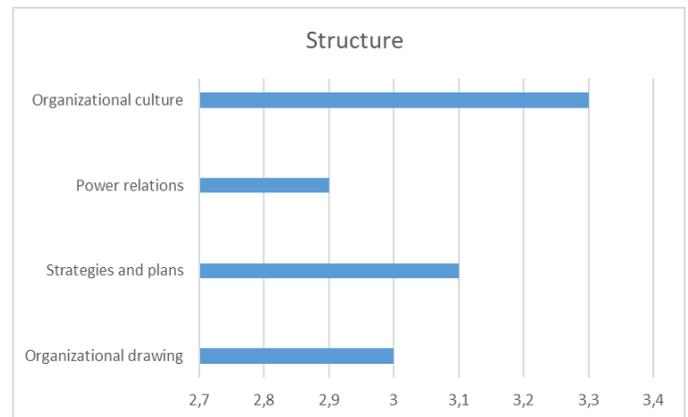
must be integrated, continuous, evolutionary, systemic and evaluated (Oliveira, 2009). The organizational diagnosis thus demonstrates the current situation of the organization, enabling the definition of the desired strategies and goals (Gobe and Moreira, 2004). Strategy, in turn, is the standard or plan that aggregates the major goals, objectives and policies into a set of actions of a company in a cohesive unit. A well-established strategy helps to order and allocate the resources of the organization to a viable attitude, based on their skills and internal needs (Mintezberg and Quinn, 2005). As a diagnostic process develops, skills and competences are developed; leading to a way of reflection about the object of study, and the process becomes an intuitive part by means of which the nature of the character of organizational life is judged (Morgan, 2009).

DISCUSSION

We present as follows the results achieved in the first major axis of the model called "structure". The Likert scale presents items in the form of statements about a category of analysis on which respondents are asked to state their position. Concerning the analysis of the answers of the questionnaires, the method of Average Ranking (AR) was used, which measured the degree of agreement of the respondent subjects. The results with mean < 3 imply an evaluation that is below the reasonable in the research question (weak point). Results with mean = 3 imply a reasonable evaluation, with potential for improvement (neutral point). From another perspective, the index with a mean = 3 (depending on the case) in a short period of time may become a weak point. Therefore, the index with mean = 3 should be considered as a warning signal. Results with mean > 3 imply a good and above average (strong point) evaluation. To obtain the values, we initially considered the weighted average $WA = \text{sum}(\text{frequencies of the answers} \times \text{indicated scales})$ and then we calculated the Average Ranking, expressed by $AR = WA / \Sigma \text{frequencies of the answers}$.

As seen in Graph 1, the researched company has as its strong point the "organizational culture" (n = 3.3). The organizational culture brings together beliefs, ethical and moral values, habits, behaviors and everything that involves the internal and

external policies of the company. Organizational culture refers to the way employees see their own business and how they should act within it. The above-average index (n = 3.3) shows that the organizational culture in the company surveyed can motivate employees and help them develop with the organization. However, it is important for the company to work towards aligning the values, visions and ideas to all employees, thus ensuring the direct involvement of everyone in the objectives of the organization.



Source: Elaborated by the authors.

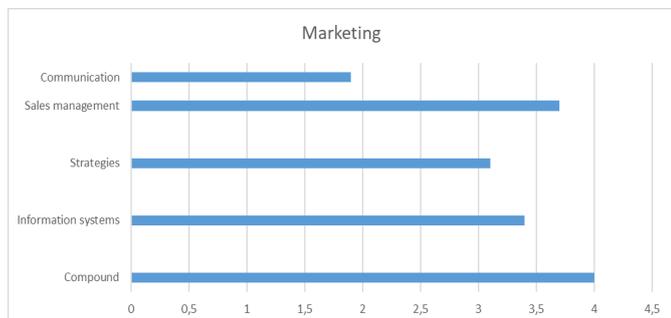
Graph 1. Big block - structure

The researched company also has as its strong "strategies and plans" (n = 3.1), and according to Oliveira (2009), planning is one of the major functions of the administrative process and whose function is to indicate the direction to be consolidated by the company. For Lacombe (2009), planning is the conscious determination of courses of action, and encompasses decisions based on objectives, facts and estimates of what would occur in each available alternative. The present study demonstrates that the researched organization has established a direction to be followed in order to achieve its goals. Therefore, the probability of success in decision-making may be greater, providing the company with greater competitiveness, since in Chiavenato's (2003) conception, planning consists of making decisions about what to do before the action is taken, that is, to simulate the desired future and establish in advance the necessary courses of action and the appropriate means to fulfill the goals.

The company surveyed has as a neutral point: "organizational design" (n = 3.0). The organizational design addresses the configuration of the organizational structure of the company and the processes used to make it work and achieve results. Organizational design involves defining the basic structure of the company and how administrative courses of action is divided and assigned between departments, divisions, units, teams, and positions. The present research considers that the company, by means of organizational design, is able to define how the organization works and how its resources is distributed and applied. If the research company chooses to improve aspects related to organizational design, it will be gathering and conciliating the four characteristics that involve this process - differentiation, formalization, centralization and integration.

The company has as negative point: The question "power relations" (n = 2.9). According to Bertero (1989), organizations are characterized by situations of uncertainty. Therefore, the analysis of the decision-making process shows different

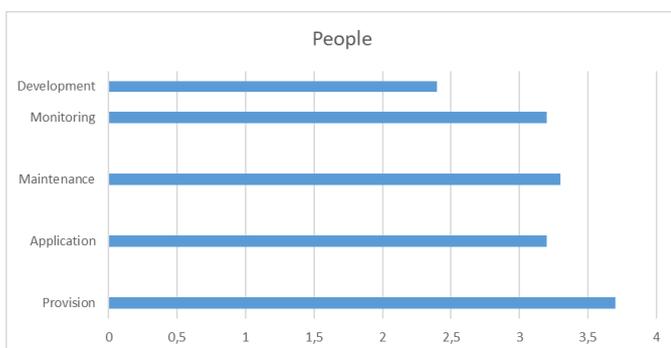
manifestations of power and politics and their analogies with the culture of organizations. For the author, the analysis reveals who decides, what process, who loses and who wins. Because unbalance of forces is a characteristic of power relations, it is imperative that the company researched seeks to identify the "bottlenecks" that may exist and be hidden, and that may lead to divergent conflicts of interest.



Source: Elaborated by the authors.

Graph 2. Big block - Marketing

As observed in Graph 2, the research company has as its strong point "the marketing compound" (n = 4.0). The four major areas (price, point, product, and promotion) that form the set of marketing compound strategies seek to meet the needs of consumers. In what concerns "Market Information System" (n = 3.4), we observe that the company's major concerns are the accounts payable and the accounts receivable, as well as the market oscillations and the risks that it may bring. With regard to "Strategies and Positioning of the Company" (n = 3.1), it is clear the organization's concern in providing a quality service and greater customer satisfaction. Although the company does not rely on a marketing manager who in theory could assist the sales manager, "sales management" (n = 3.7) is a strong point. This positive index is a result of a monitoring carried out by the sales manager, who is able to carry out sales forecasts and customer feedback on the services provided. A weak point detected in the marketing block refers to "marketing communication" (n = 1.9). Advertising is loss-making, since there is only website, and it is not updated. However, the company has partnerships of the same segment for disclosure, and also sponsorships strategically invested in the same segment of the company.

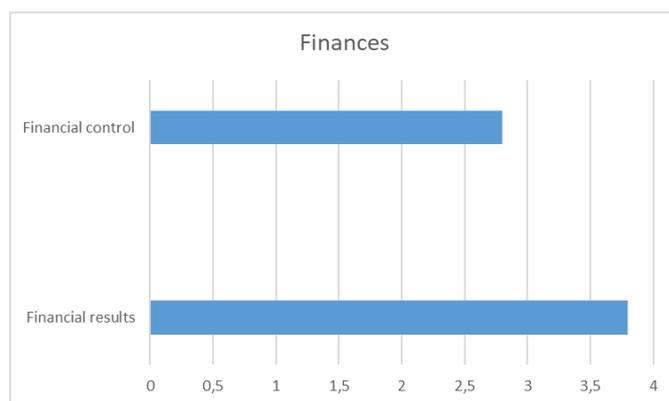


Source: Elaborated by the authors.

Graph 3. Big block – People

The "people" block refers to the practices adopted by the company in face of internal and external collaborators, promoting a mix with society and how it is affected by the Organization. As seen in Graph 3, the company surveyed has "provision" as a strong point (n = 3.7), which demonstrates efficiency in basic people management issues, such as

recruitment and selection. However, with regard to selection, the company does not use specific techniques such as aptitude tests, group interviews, psychological tests and other techniques that assist in the employee's integration and in the macro understanding of how the company works. It is also highlighted as a strong point in the item "provision" the offer of vacancies for employees who already work in the company as a way of professional growth in it. The sub-block "Application" (n = 3.2), shows that the company is concerned with the expenditure of the activity performed. Employees have the freedom to flex their work better without losing their understanding of the tasks. However, the company must implement a formal process of performance evaluation, focusing on the individual production flow, thus potentializing potential failures in the production process. The sub-block "maintenance" (n = 3.3) demonstrates the company's guarantees to its employees (bonus hours and benefits), union participation, equipment maintenance and safety care. Employees' safety, such as the use of PPE (personal protective equipment) and CPE (collective protection equipment) is a priority, resulting in low rates of work-related accidents. The negative point is the lack of a mediator for conflict management. The "monitoring" sub-block (n = 3.2) refers to formal employee-system data that allows monitoring for eventual HR consultation and evaluation. It is possible to observe that data referring to pre-employment and routine check-ups are discriminated in a database, allowing consultations and scheduling. However, as long as the HR sector works with trained professionals, internal auditing and oversight should occur more frequently and effectively. A weak point detected in the "people" block is the item "development" (n = 2.4), which refers to training, course opportunities and innovation stimulation. There is no agenda for the practice of training and when it occurs, since it is offered only when extremely necessary. This lack of training makes the employees, in some cases, disoriented in simple practices. However, there is a stimulus for creativity by encouraging freedom to speak up and innovate.

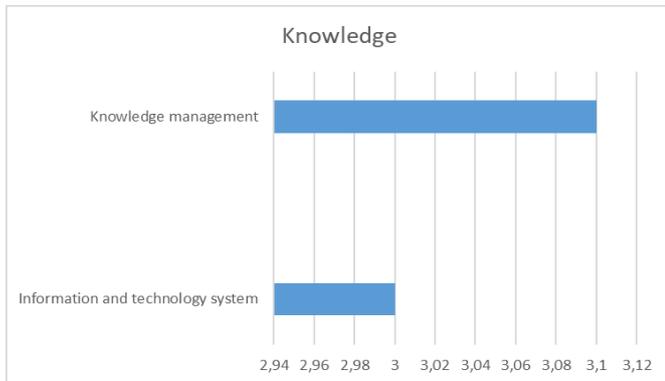


Source: Elaborated by the authors.

Graph 4. Big block - Finances

Graph 4 shows that the company surveyed has "financial results" as a strong point (n = 3.8). This positive scenario is the result of the elaboration of short-term goals that generate a certain degree of controlled indebtedness. Another factor that contributes to the positive financial result is the operating profit margin that has been gradually increasing, in addition to an increase in the demand for services. Despite the good financial result, the item "financial control" (n = 2.8) has an unsatisfactory evaluation. One of the reasons is the lack of more effective and reliable financial control, such as accounts payable and receivable, purchases, and cash flow. The lack of

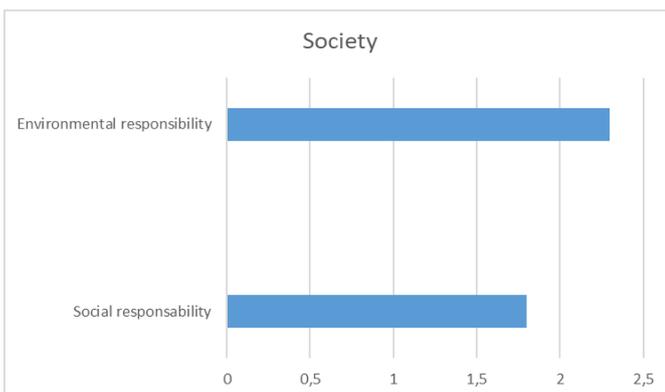
more effective inventory control, for example, has resulted in emergency purchases with no prior analysis of amounts to be paid (lower price choice) and longer payment terms. The lack of a financial plan that analyzes all areas of the company in a global way also makes it difficult to make better decisions regarding investments and greater profitability of the company.



Source: Elaborated by the authors.

Graph 5. Big block - Knowledge

Although the "knowledge" block does not reproduce, in a more elaborate way, every aspect that it should contain and not only technology and knowledge management, the latter being able to form a separate block, for methodological reasons, we decided to follow closely what was proposed by Silva (2010). Despite this limitation, we highlight the positive result of this block, both in terms of "technology" (n = 3.0) and "knowledge management" (n = 3.1). In the "Information and Technology System" (n = 3.0), although the company has modern computer machines and an internal server to guarantee agility in processes and greater security, the company does not have an information system department. Existing software is used only for inventory management and financial control. The company has a website, but it is outdated. In the sub-block "Knowledge Management" (n = 3.1), we highlight the company's concern to maintain a positive image towards its employees, seeking to guide them in relation to personal problems of daily life that can impact on their work. Encouraging teamwork is another factor valued by the organization. Important emphasis should be given to the company's networking composed by suppliers and customers. As a negative point, the lack of record of the best ideas and/or practices that performed d well in the company stands out. However, the freedom given to employees in terms of ideas and suggestions for best practices is highlighted, resulting in an atmosphere of trust between employees and the organization.



Source: Elaborated by the authors.

Graph 6. Big block – Society

As seen in Graph 6 ("society"), the result was not satisfactory both in terms of "social responsibility" (n = 1.8) and "environmental responsibility" (n = 2.3). Social responsibility refers to the company's commitment to issues involving attitudes, behavior and actions that promote the well-being of its internal and external public. According to Dias (2012), social responsibility refers to the organization's good governance, ethical and sustainable management, and the voluntary commitments that an organization takes to manage its social, environmental and economic impacts on society. The unsatisfactory result on "social responsibility" (n = 1.8) demonstrates the lack of commitment in the implementation of processes based on transparent and solidary relations of the company with all the public affected by its activities. Another negative point concerns the issue of "environmental responsibility" (n = 2.3). Environmental responsibility is connected to actions that respect the environment and policies whose one of their major objectives sustainability. Due to the unsatisfactory result in the area of "social responsibility", the company should seek to develop projects aimed at environmental compensation by the use of natural resources and the impact caused by its activities. It is up to the company to support and develop campaigns and educational programs for the employees, the community and other targets, besides being involved in initiatives to strengthen environmental education within the society as a whole.

Table 1 Classification of the sub-blocks in decreasing order

Classification of the sub-blocks in decreasing order	RM = MP / Σ	Result	Point
Compound (Marketing)	n=4	> 3	strong
Financial results (Finances)	n=3,8	> 3	strong
Sales management (Marketing)	n=3,7	> 3	strong
Provision (People)	n=3,7	> 3	strong
Information systems (Marketing)	n=3,4	> 3	strong
Organizational culture (Structure)	n=3,3	> 3	strong
Maintenance (People)	n=3,3	> 3	strong
Application (People)	n=3,2	> 3	strong
Monitoring (People)	n=3,2	> 3	strong
Strategies and plans (Structure)	n=3,1	> 3	strong
Strategies (Marketing)	n=3,1	> 3	strong
Knowledge management (Knowledge)	n=3,1	> 3	strong
Organizational drawing (Structure)	n=3	= 3	alert
Information and technology system (Knowledge)	n=3	= 3	alert
Power relations (Structure)	n=2,9	< 3	weak
Financial control (Finances)	n=2,8	< 3	weak
Development (People)	n=2,4	< 3	weak
Environmental responsibility (Society)	n=2,3	< 3	weak
Communication (Marketing)	n=1,9	< 3	weak
Social responsibility (Society)	n=1,8	< 3	weak

Source: Elaborated by the authors.

The analysis in Table 1 shows that it was possible to detect that "Social responsibility" (n = 1.8), "marketing communication" (n = 1.9), "Environmental responsibility" (n = 2.3), "developing people" (n = 2.4), "Financial control" (n = 2.8) and "Power relations" are weak points of the company (< 3) and, if not corrected, may (in the short term) lead to serious problems for the organization. Therefore, the company should plan actions and set goals to turn its limitations into opportunities.

Final considerations: The analysis performed by applying the organizational diagnostic model proposed by Silva (2010) and adapted by the authors with the Likert scale and data analysis through the method of Average Ranking (AR), it is possible to state that the present proposal of diagnosis complements other models through a more detailed appreciation of the organization. Therefore, this model of diagnosis comes, in fact, to give subsidies for a future diagnosis, before the implementation of

the strategic planning. According to the analysis carried out in the company researched, and taking into account the index of all blocks and sub-blocks for the effective diagnosis, a reasonable general index (n = 3.0) is reached. It is concluded, therefore, the need for improvements in the most different areas of the company. The areas of "social responsibility" (n = 1.8) and "marketing communication" (n = 1.9) are highlighted.

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