Organizational Diagnostic Models

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Organizational diagnosis serves as the basis for initiating changes within an organization by contributing to readiness to change and choosing the necessary interventions within the company. In the case of JAKKS, the company's decision to conduct an organizational diagnosis is important since it will enable JAKKS to figure out the gaps between the desired and current performance and how to close these gaps to achieve the organization's targets. Nonetheless, the organizational diagnosis should be regarded as an organic process that needs to be effectively carried out step by step by focusing on the structures of the organization and what it does and does not do, then looking at the performance of the company as the change begins. An effective organizational diagnosis will ensure that the company recognizes the important issues and develop ways of tackling the problems for the benefit of the company. Organizational models serve as an effective means of facilitating the diagnosis of companies by offering a clear representation of the company to enhance understanding of the observations within the organization. Models are also useful in interpreting information about a company, categorizing the information, and enabling the executives to understand the behavior of the company (Falletta, 2005). Owing to the effectiveness of the models, this essay seeks to discuss six potential organizational models that can be applied at JAKKS and the most effective model to be implemented for analyzing and tackling issues in the company.

Organizational Models

McKinsey 7S Model

The model was designed by Tom Peters and Robert Waterman, who both worked as consultants at the McKinsey & Company (Nejad, Rehbodi & Ravanfar, 2015). The model consists of seven variables, which have been used in over seventy corporations (Nejad, Rehbodi

& Ravanfar, 2015). According to the graphical shape of the McKinsey 7S, all the variables depend on each other and are regarded as being crucial for practitioners and managers (Nejad, Rehbodi & Ravanfar, 2015). The variables comprise of systems, strategy, and structure, which are regarded as hard variables, whereas shared values, skills, staff, and style are regarded as soft variables.

The strength of the Mckinsey 7S model lies in its application as an analytical framework. The broadness of the analysis enables it to cover the important characteristics of the company by combining both emotional and soft elements with hard and rational elements. The model allows for a cross- analysis, which can be used to assess the effects of change in the company. Since all the variables are linked and interdependent, it is also easy to figure out the strengths and weaknesses of the firm between the specific variables since each of them is a relative measure of strength and weakness within the company.

The weakness of the model is in its use as a framework for researching excellent companies. Waterman and Peters applied the model in 62 companies, and these companies showed similar attributes, which included lean staff, productivity through people, bias for action, simultaneous tight-loose properties, among others (Nejad, Rehbodi & Ravanfar, 2015). However, the companies failed to survive during the 1990s, and for this reason, various speculations arose regarding the effectiveness of the model. Part of the reason why the model can prove to be challenging is the need for leaders to comprehend the relationship between the variables since any change in one variable will mean a transformation in the entire system, and detecting these changes can be quite difficult.

The Congruence Model

This model was designed by Nadler and Tushman and suggests that a better

understanding of an organization's performance requires individuals to view and understand the

company as a system that comprises of the basic elements (Meccer Delta, 2003). These elements

include the input, transformational process, strategy, and output. The input is as a result of

internal and external sources. Strategy is necessary for enabling the organization to convert its

vision into a set of discussions concerning how and where to complete. Output involves the

services and products created to fulfill the objectives of the strategy, while transformation

process involves the collaboration of individuals working within the setting of informal and

formal arrangements to transform input into output (Meccer Delta, 2003).

The strength of the model is its ability to provide a framework for analyzing complex

company issues. More so, the model does not put restrictions on organization leaders, which

makes it a proper tool for analyzing the weaknesses within the company. However, the model

fails to offer guidelines on how to handle the weaknesses once they have been identified. Also,

the model puts more focus on the internal activities that occur in the company.

Force Field Analysis Model

This OD model analyses the change process within the organization as well as the

obstacles and driving forces when introducing the desired change. The model also defines the

goals for balancing the obstacles and driving forces to achieve the overall goals of the company

(Kumar, 1999).

The strength of the model is its provision of a visual summary, which relates to all the

factors that act as obstacles and driving forces to the change. The model's weakness is its ability

to make room for assumptions, which can negatively affect the final results. More so, the results

might dwindle because of the dynamic nature of the driving and opposing factors, which are dependent on each other.

Likert System Analysis

This OD model framework includes elements such as performance, motivation and communication, interaction, decision making, goal setting, and control. The model considers various organizational dimensions such as participative group, consultative, benevolent-authoritative and exploitative authoritative.

There are various advantages of the model that act as its strength. Organizations that incorporate the model are able to measure soft areas, which are linked to the management such as trust and communication. Also, the model allows for the quantification of results obtained by the company for improving the dynamics of the group. Despite that, the model considers an individual's perception, which might provide room for bias. This acts as its weakness.

Burke-Litwin Model

The model was developed by Litwin and other authors but was refined by Burke. The model includes a clear description of the direction and nature of the influence of organizational variables, the twelve theoretical constructs, a distinction between organizational culture and climate, and a comparison between transactional and transformational dynamics (Falletta, 2005). The theoretical constructs discussed in the model include organizational and individual performance, individual values and needs, motivation, individual skills and task requirements, work unit climate, systems, management practice, structure, organizational culture, leadership, mission and strategy, and external environment (Falleta, 2005). Since the Burke Litwin model is an open system, the external environment acts as the system input, whereas the output is represented by the individual and organizational performance.

The Burke Litwin model has several strengths. The model considers the external environment as compared to the Mckinsey 7S model. The model also provides a distinction between the set of variables that influence the organizational climate.

The complexity of the model as well as the ability of other internal factors to influence the organizational changes rather than the external environment act as the model's weakness.

Weisbord's Six-Box Theory

This model pays attention to an organization's internal issues by airing diagnostic queries, which concentrate on matters of 'what is' and 'what should be' (Falletta, 2005). The questions are based on OD practice rather than the model.

The strength of the model is that it is diagnostic. Weisbord displays the important components of the organization and the possible weaknesses using six blips on the screen. The centrally located leadership box also acts as a strength since it represents a coordinating function. The weakness of the model is that it cannot be used for a more complicated diagnosis since the six boxes are insufficient.

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Issues Facing JAKKS

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Out of the many issues that JAKKS faces, the two main challenges include low prospects for revenue growth and low-interest coverage ratio. JAKKS has experienced a shortage in revenue generation for the past few years, despite its products doing quite well in the market. The company's revenue has dropped from $115,000 million in 2015 to $93,000 in 2018 (Nasdaq, 2018). The issue of low revenue is as a result of the fierce competition from other companies as well as a lack of inconsistency, which is brought about by individual variables such as staff performance. The low-interest coverage ratio has also been brought about by the large debts that the company has accumulated over the years. JAKKS has accumulated massive amounts of debts

over the years and has been unable to pay the debts, and these accumulations have increased the company's probability of becoming bankrupt.

Recommendations

From the set of OD models described by Falletta, the most useful include Mckinsey 7S model, the congruence, Force Field, Burke Litwin model, Likert and Six-Box model. However, the model I think is best for JAKKS would be the Six-Box Model by Weisbord. Falletta (2005) explains that the model uses six categories to conduct organizational diagnosis, which includes the purpose, helpful mechanisms, leadership, rewards, relationship, and structure. The model also explains that similar individuals must work together in identifying and solving problems in a symmetrical manner so as to learn from their own situation and find ways to improve (Hamid et al., 2011). The model focuses on looking at what is and what ought to be in the organization. The issues of revenue growth and low-interest coverage ratio in JAKKS are mainly brought about by fierce competition and inconsistency in the company. By applying the model, the company will be able to identify the potential gaps that are leading to inconsistencies and make plans for actions. These gaps can be analyzed based on the components of the six boxes pattern, which include leadership, helpful mechanisms, rewards, relations, structure, and purpose. The incorporation of leadership as a component is important since management highly determines the company's performance. Binder (1995) as well as Al-Jammal, Khasawneh, and Hamadat, (2015), acknowledge that the degree of authority that the staff feel for a manager displays the efficacy of the leader. Therefore, the Six-Box model by Weisbord will be most useful in providing an OD analysis for JAKKS.

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