BMIH6013
Organisational Consultancy

Diagnosing Organisational Issues

Register

Lets Recap…

- **What are the 4 steps of effective consultancy:**

  Diagnosis, planning, implementation and evaluation
- **What are the future trends for consultancy in hospitality:**

  Technology, sustainability and employee wellbeing
- **What are the advantages of an external consultant over an internal consultant:**
  - Fresh perspective
  - Objectivity
  - Specialism

Today's Objectives

- Explain types of Organisational problems/issues
- Identify the relevance of organisational diagnosis
- Discuss the diagnosis process
- Discuss organisational diagnosis tools/models

Types of Organisational Problems

- **Structural**: e.g. unclear roles, siloed teams
- **Cultural**: e.g. toxic leadership, low trust
- **Process**: e.g. inefficient workflows, duplication
- **People**: e.g. low engagement, skills gaps
- **External**: e.g. regulation, market disruption

GROUP ACTIVITY (20 mins):

List as many organisational problems as you can.

Try and be specific, for example not just poor sales, but poor sales due to weak/ineffective sales training.

Categorise each of your issues into one of the following:
- Structural
- Cultural
- Process
- People
- External

Common Organisational Problems

Understanding the typical issues faced by organisations

Lack of Communication

Problems arising from ineffective communication channels

Poor Leadership

Issues caused by ineffective or inadequate leadership

Inefficient Processes

Challenges arising from outdated or flawed processes

Why Diagnose?

Distinguishes symptom vs root cause

Ensures solutions match the real problem

Builds credibility and insight before change is proposed

"Prescription without diagnosis is malpractice."

The Diagnostic Process (Overview)

1. Entry & Contracting
2. Data Collection
3. Data Analysis
4. Feedback & Recommendations
5. Planning Change (covered in next session)

Data Gathering Techniques

Methods for collecting information about organisational problems

01

Interviews and Surveys

Gathering insights through direct conversations and questionnaires

02

Observations and Job Shadowing

Collecting data by observing work processes and shadowing employees

03

Analysing Key Performance Indicators

Using KPIs to measure and identify problem areas

… and don’t forget secondary data: docs, reports, news, previous consultancy, etc.

Interviews and Surveys

Collecting insights through direct conversations and questionnaires

Direct Conversations

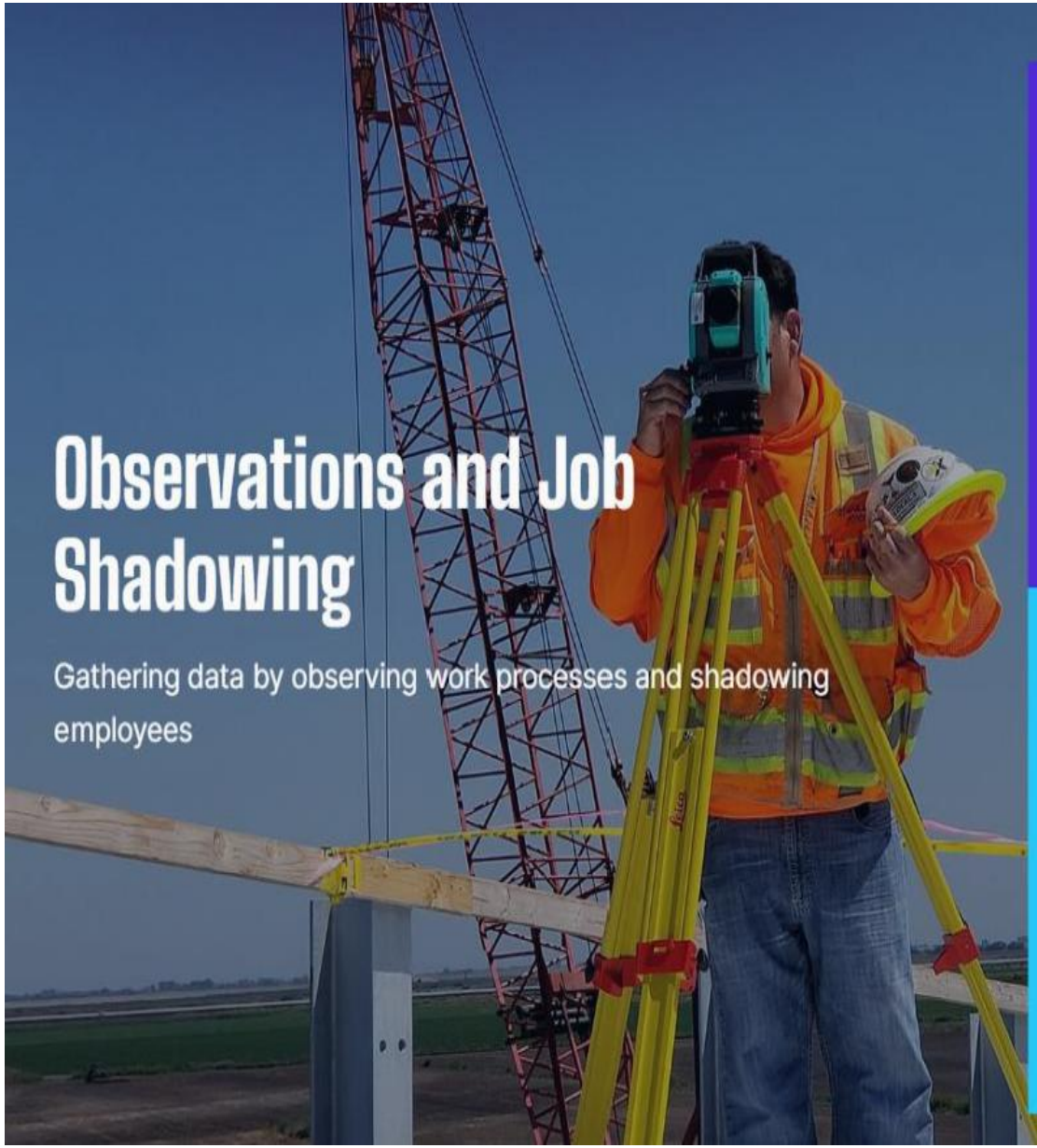
Engaging in one-on-one interviews with employees and stakeholders

Questionnaires

Creating surveys to gather feedback and opinions

Why Employee Feedback Matters

Employee feedback is a **valuable resource** for organizations. It provides insights into employee satisfaction, engagement, and areas for improvement. By leveraging feedback surveys, companies can **identify trends** and make data-driven decisions to enhance the overall employee experience.



Observations and Job Shadowing

Gathering data by observing work processes and shadowing employees

Work Process Observations

Closely observing how tasks are performed and identifying inefficiencies

Employee Shadowing

Spending time with employees to understand their roles and challenges

Analysing Key Performance Indicators

Using KPIs to measure and identify problem areas

Defining Relevant KPIs

Identifying and selecting key metrics that reflect organisational performance

Analysing KPI Data

Examining KPI data to uncover areas of improvement or concern

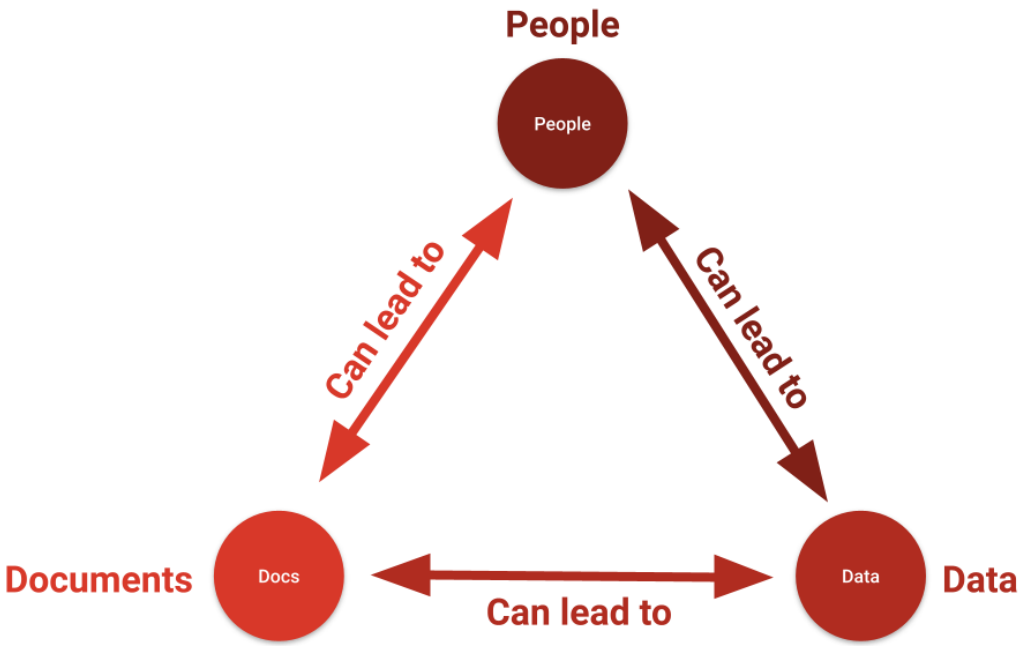
Secondary Sources:

- Online reports
- Customer data from reviews
- Company reports
- Investor relations reports
- Industry/trade organisations
- Blogs & forums
- Experts (Either employees or LinkedIn)

Information Collection

Triangulation: multiple methods increase depth and validity

REMEMBER: Ethics: *Consent, confidentiality, transparency*



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Take a break…

Organisational Diagnosis Tools/Models

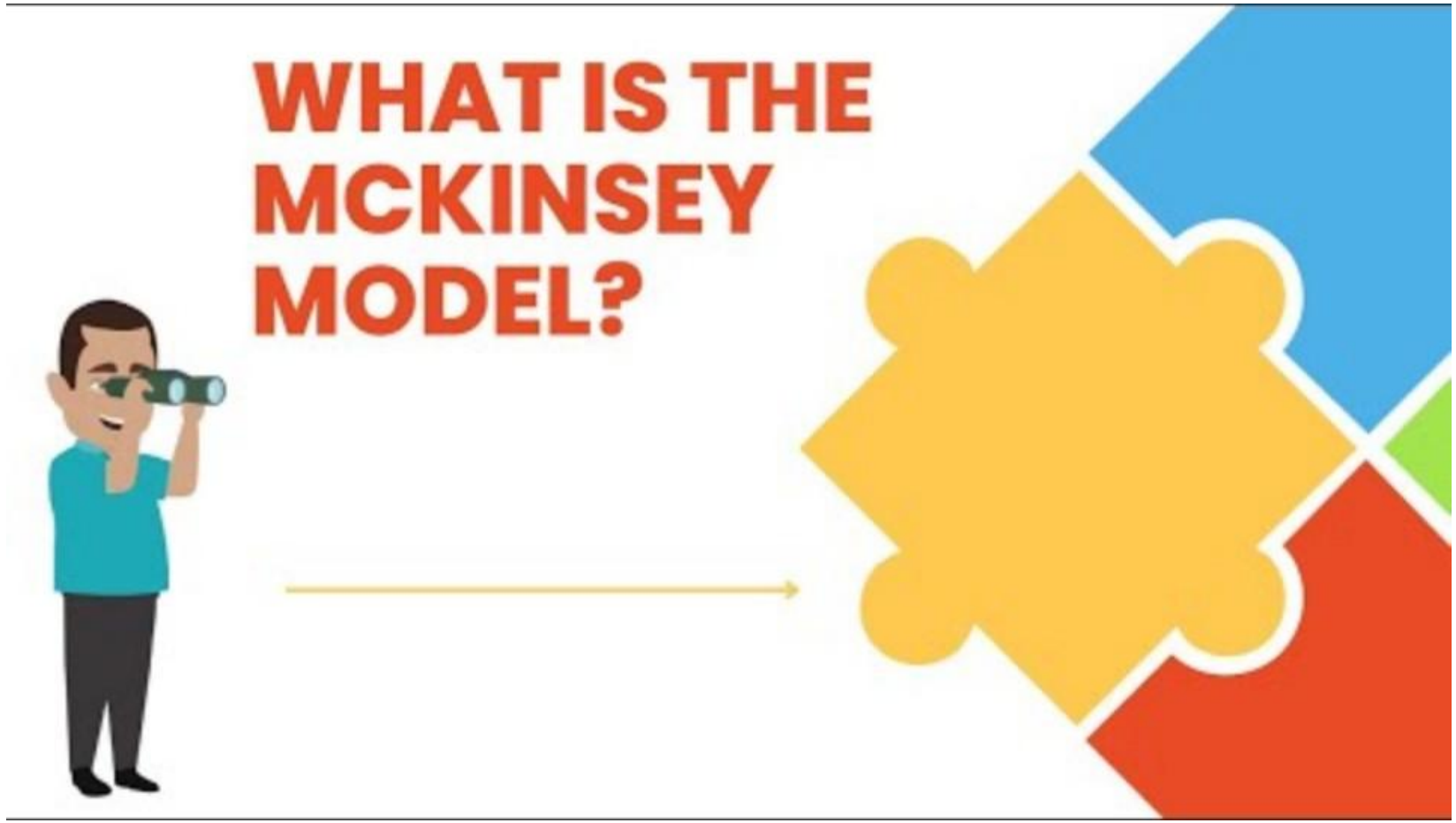
Model / Tool / Framework	Primary Topic / Purpose	Key Use
5 Whys	Diagnosis	Root cause analysis of simple or isolated issues
McKinsey 7S	Diagnosis & Strategic Planning	Internal alignment across structure, systems, etc.
Star Model	Diagnosis & Strategic Planning	Organisational design & interdependent levers
SWOT	Strategic Planning	Assessing internal strengths/weaknesses + context
TOWS	Strategic Planning	Strategy formulation from SWOT output
PESTLE / STEEPLED	Strategic Planning	Analysing external macro-environment
Six Sigma (DMAIC)	Diagnosis / Implementation	Process improvement and efficiency
Force Field Analysis	Change Management	Mapping driving and restraining forces
Stakeholder Mapping	Communication / Implementation	Identifying and analysing key stakeholders
Kotter's 8 Steps	Change Management	Structured model for leading change
Lewin's Change Model	Change Management	Unfreeze–Change–Refreeze model
Balanced Scorecard	Monitoring & Evaluation	Measuring performance across multiple dimensions
360 Feedback	Evaluation / Ethics	Multi-source performance appraisal
Ethical Decision Models	Ethics	Guiding ethical choices during consultancy

Diagnostic Models (Overview)

- **7S**: Alignment across organisational elements
- **Star Model**: Design focus – strategy, structure, people
- **5 Whys**: Simple root cause tool
- **Six Sigma** DMAIC (Define/Measure): Process improvement

These are internal diagnosis tools which are more commonly the starting point to consultancy. However, external tools can be used at this stage to gather a wider view (e.g. PESTLE)

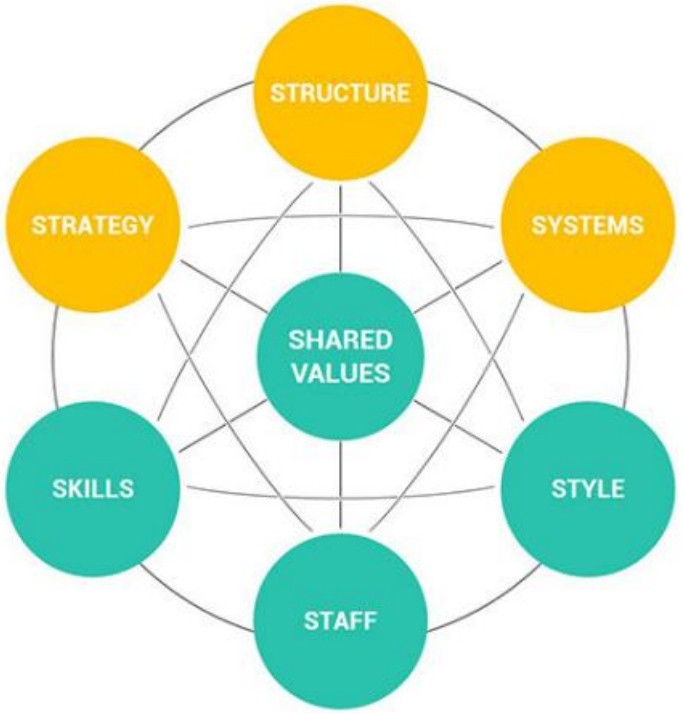
Focus on McKinsey 7S



Focus on McKinsey 7S

'HARD'	'SOFT'
STRATEGY: THE DECLARED PURPOSE AND DIRECTION OF THE ORGANISATION	SHARED VALUES: THE CORE VALUES AND UNDERPINNING CULTURE
STRUCTURE: THE RIGHT FRAMEWORK TO OPTIMISE THE ORGANISATION	STYLE: THE OVERARCHING STYLE OF LEADERSHIP
SYSTEMS: THE SUPPORTING PROCESSES FOR CUSTOMERS, PRODUCTION, INFORMATION, FINANCE, RESOURCES.	STAFF: THE NUMBER AND TYPES OF EMPLOYEE
	SKILLS: THE SKILLS, CAPABILITIES AND POTENTIAL OF THE WORKFORCE

ACTIVITY – On the chat board:

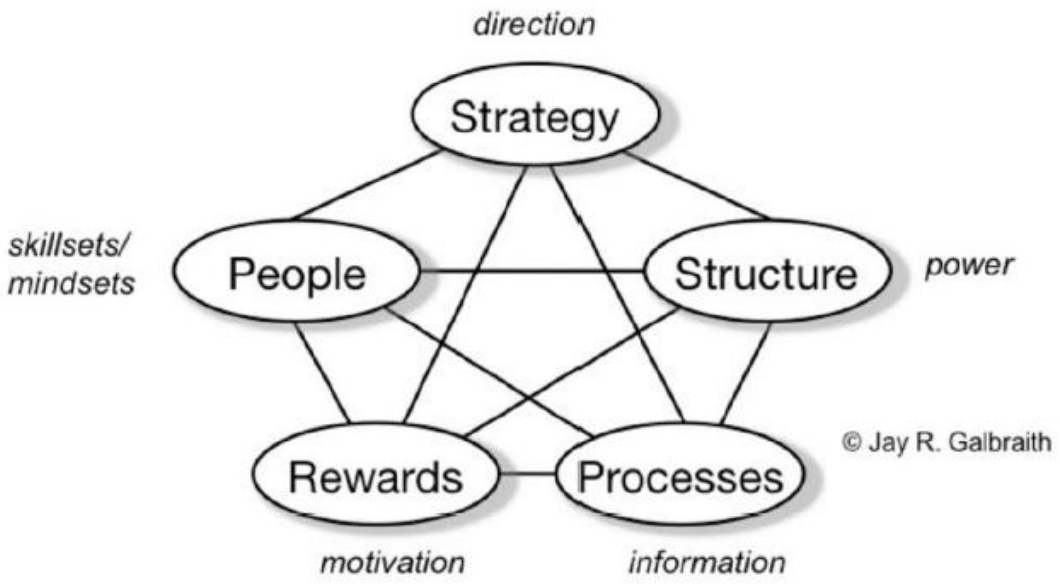


Pick **one** of the 7S elements. Write a **one-sentence example** of how it could impact a hotel's performance — either positively or negatively.

E.g: ***Structure*** *– "If there's no clear chain of command, guest complaints may not be handled quickly."*

Focus on the Star Model

The **Star Model** of organisational design is a framework developed by **Jay Galbraith**. It helps organisations align their structure and strategy effectively. It focuses on five key elements, all of which must work together for optimal performance:

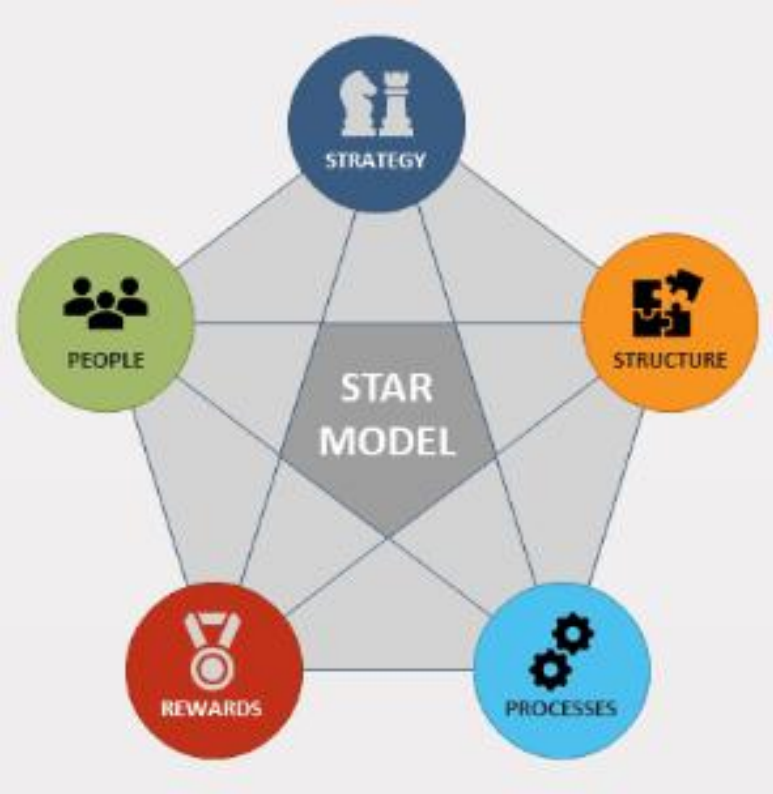


Focus on the Star Model

- **Strategy** – Defines the direction and goals of the organisation. It drives the choices in the other four areas.
- **Structure** – Refers to how the organization is arranged (e.g., departments, reporting lines, hierarchies).
- **Processes** – Includes the flow of information and decision-making (e.g., how work gets done, collaboration methods).
- **Rewards** – How performance is measured and compensated (e.g., pay, recognition, promotion).
- **People** – The skills, mindset, and capabilities of employees (e.g., recruitment, development, culture).

The idea is that all five areas must be aligned with the strategy for the organisation to function effectively — like points of a star all connected to the centre.

ACTIVITY – On the chat board:



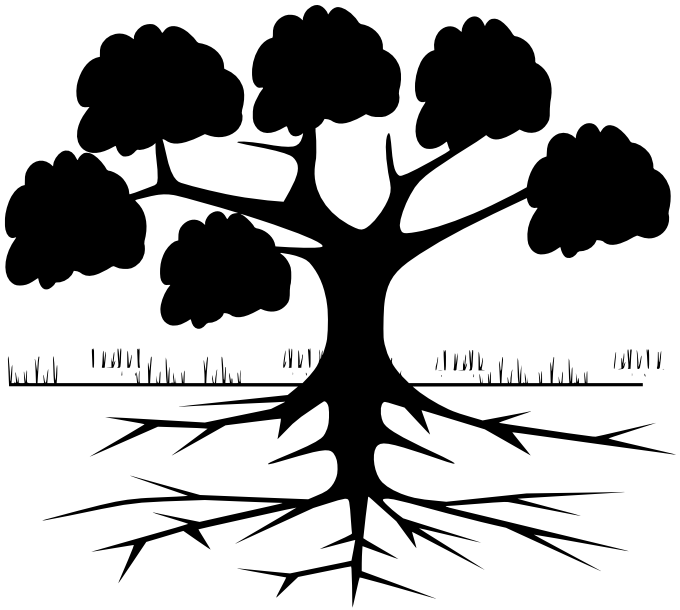
Pick **one** of the Star Model elements. Give a **one-sentence** example of how it could affect a hotel's success.

Example: ***Rewards*** *– "If front desk staff are recognised for excellent service, guest satisfaction is likely to improve."*

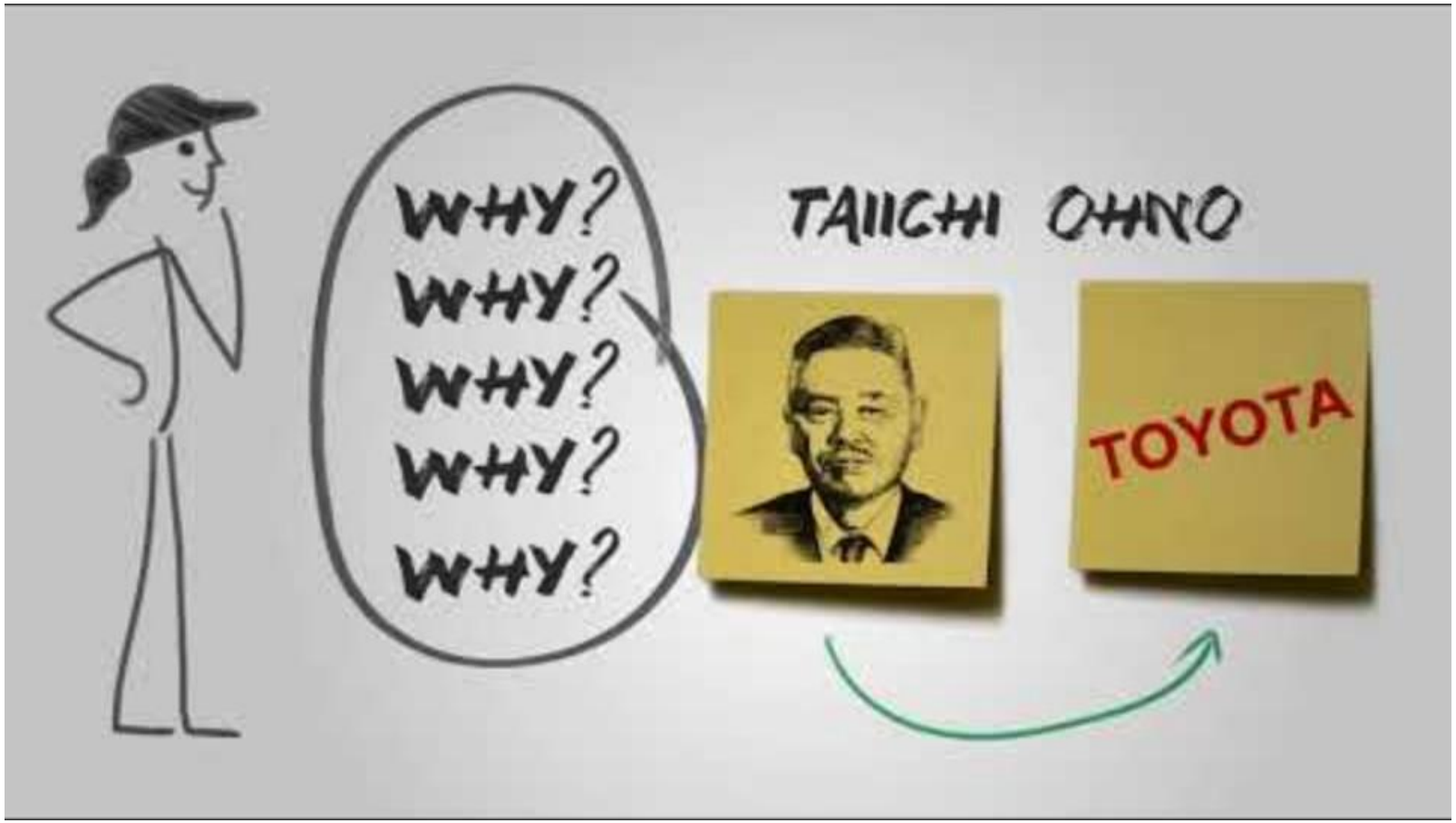
‘Getting to the root of the problem’

All diagnosis tools should endeavour to get the root cause of a problem or issue – referred to as root cause analysis.

Effective consultancy should distinguish between surface level symptoms and root causes. Failing to do so risks reoccurrence of the problem in the future.



Lets discuss the 5 Whys



5 Whys

A focussed ‘Root Cause' analysis tool. A simple process of asking "Why?" repeatedly until the core issue emerges.

Example:

1. Why are guests complaining about slow check-in?→ Because the front desk takes too long to process each guest.
2. Why does it take too long to process each guest?→ Because staff need to manually enter information and look up booking details.
3. Why do they need to enter details manually?→ Because the booking system doesn’t sync properly with the front desk system.
4. Why doesn’t the system sync properly?→ Because the hotel is using outdated software that isn't integrated.
5. Why is the hotel using outdated software?→ Because management delayed the IT upgrade to save on costs.

Focus on Six Sigma

Focus on Six Sigma

Six Sigma is a data-driven methodology used to improve processes by reducing errors, defects, and variation. Its goal is to make processes more efficient, consistent, and customer-focused.

Origin: Developed by Motorola in the 1980s and later popularised by companies such as General Electric (GE).

Goal: Achieve near-perfect quality — no more than 3.4 defects per million opportunities.

Focus on Six Sigma

The DMAIC cycle:

Define – the problem and requirements
Measure – current performance
Analyse – root causes of defects or issues
Improve – the process with targeted solutions
Control – maintain improvements over time

Tools: *Statistical analysis, control charts, process mapping, root cause analysis, etc.*

Focus on Six Sigma

The DMAIC cycle:

Define – the problem and customer requirements
Measure – current performance
Analyse – root causes of defects o
Improve – the process with target
Control – maintain improvements

Tools: Includes statistical analysis, control
process mapping, root cause analysis, etc.

Only 'Define & Measure' at diagnosis stage!

Focus on Six Sigma

Example:

Define: Problem is high number of guest complaints about room cleanliness. Goal is to reduce complaints by 50% in 3 months.

Measure: Collect data on number of complaints per day, time spent cleaning each room and housekeeping checklist completion rates

Analyse: Find patterns in certain staff members or shifts that have higher complaint rates, checklist items often missed (e.g., under beds, bathrooms)

Improve: Provide targeted training, implement mobile checklists, add random room inspections

Control: Weekly audits, track trends in complaints, maintain training refreshers every quarter.

DESIRED OUTCOME = Complaints drop significantly, and guest satisfaction scores rise.

Diagnostic Scenario Group Activity:

Harmony Hotels is a mid-sized hotel chain aiming to offer a "seamless luxury experience" across all its properties. However, customer feedback shows inconsistencies in service quality between locations. Some teams upsell premium services actively; others don't mention them. Staff turnover is high, and internal communication varies between branches.

TASK:

- Choose **McKinsey 7S** *or* **Star Model**.
- Identify **2–3 elements** in the model that may be misaligned (e.g., strategy vs. systems, structure vs. people).
- Suggest **one data source** you would use to confirm your thinking (e.g., exit interviews, customer reviews).
- Prepare a **1–2 minute summary** to share with the class.

SUMMARY:

- Diagnosis is critical to effective change
- Structured tools ensure thorough analysis
- Always dig deeper: symptoms may mask deeper causes

Any Questions?

Next Week…

Theories of Organisational Change

Thank You

For

Joining

See you next week!