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Capiz State University Accounting Department Organizational Diagnosis towards System Efficiency

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ABSTRACT

In terms of organizational development and change, organizational diagnosis is significant in excellent performance, productivity, and system efficiency by looking at the shortcomings of an organization. Thus, this descriptive research utilizes a sequential mixed-method approach aimed at exploring Capiz State University's (CAPSU's) Accounting Department through an adopted framework of the Galbraith Star Model. The diagnosis assesses the Accounting environment that focuses on systems efficiency through strategies, structures, processes, rewards, and people. Focus-Group Discussion (FGD) and a researcher-made questionnaire were utilized in gathering the needed data. According to the findings, the organization was impacted by substantial changes in government rules and regulations, which caused confusion and affected decision-making. The department was challenged in the implementation of the strategy as well as structure because of the nature of information, workflow, campus location, and stakeholder geography. The Accounting Department process emphasized innovation and implementation of the new Accounting System. When it comes to people, human resource development adhered to the Civil Service Commission (CSC) mandates. The rewards system was embedded in the University Code and adhered to CSC mandates which were performance-based; however, it needed enhancement and innovation.

Keywords: Accounting department, Organizational diagnosis, System, and Efficiency.

INTRODUCTION:

Organizational diagnosis is a very important issue in the field of organizational development and change. It is often the case in studies that organizational change management comes down in answering three questions such as why (the cause of change), how (the process of change), and what (the content of change) (cited by Janicijevic, 2010 in the study of Pettigrew, 1987). Organizational diagnosis is a method for analyzing the organization to identify organizational shortcomings so they would be neutralized through organizational change.

In short, it is a notion that focuses mostly on organizational analysis, which is required to distinguish between limitations and development.

Moreover, this organizational diagnosis is an appropriate method of examining an organization to find discrepancies between present and intended performance and how it might achieve its objectives. The goal of diagnostic is to detect organizational problems and uncover their roots so that management could

develop solutions. It is a potent consciousness-raising exercise in and of itself, with the main benefit being the action that it induces. The primary distinction of organizational analysis and organizational diagnosis is their purpose. The goal of organizational analysis is to understand the organization in order to explore it, whereas the goal of organizational diagnosis is to understand the organization in order to change and improve it (action). An organizational diagnosis could be defined as a type of organizational analysis that focuses on implementing organizational change to improve organizational performance (Hossain *et al.*, 2020).

Huge problems are experienced by different private and public organizations in achieving efficiency and excellence, especially in service-oriented organizations. These problems may affect the condition of every organization. These include limited resources required to carry out processes (lack of facilities, space, and logistics), insufficient information mechanism (insufficient software for control system), a dearth of competence of employees or managers (faculty and staff's poor work performance), insufficient human resource and management (lack of employees, insufficient education and training, poor motivation and employees' discontent, appraisal of poor performance) (non-transparency of the process, and poor discipline of participants in handling activities involved in the process).

Capiz State University (CAPSU) is an academic institution that offers advanced education and professional training in agriculture, fishing, forestry, science, technology, the arts, humanities, education, and other related subjects. Additionally, it conducts research, offers extension services, engages in production, and exhibits progressive leadership in its areas of expertise. The study's main goal was to investigate the University's Accounting Department using an organizational diagnosis approach to identify the department's flaws and performance in realizing the university's vision and system efficiency. The organizational diagnosis was limited to the area of organizational development and change, with three (3) main issues: the organizational diagnostic models development, the selection of procedures and data collection techniques in diagnosis, and the methods of processing data and drawing conclu-

sions. Organizational diagnosis is crucial to organizational reform initiatives that aim to apply the right interventions and increase the system's preparedness to change in today's climate of academic excellence.

METHODOLOGY:

Research Design

This study utilized a descriptive research using a sequential mixed-method approach. The study further used qualitative data to explore quantitative findings. This explanatory sequential design typically involves two phases: 1) an initial quantitative instrument phase; and 2) a qualitative data collection phase that draws directly on the quantitative phase's results. This design was used in conducting an organizational diagnosis of Capiz State University's Accounting Department.

The Locale

This was conducted in the Accounting Department in the Central Office of Capiz State University in Roxas City.

The Subject

This research utilized the Accounting Department's strategy, structure, process, reward and people as the subject. As to strategy, the department head is the person who sets the direction for decision-making and attainment of the department's vision. As to structure, the department was under the supervision of the Vice President of Finance and the Chief Administrative Officer for Finance in which the head of the Accounting Department was the Chief Accountant and the campuses like Roxas Main, Burias, Pontevedra, and Sigma had their own accountants too. The Government Accounting Manual (GAM) for National Government Agencies guided the process of the department as prescribed by the Commission on Audit (COA). At present, the department has no accounting system and all transactions are being processed manually. As to communication, the Records Section was tasked with receiving all memoranda, office orders, circulars, as well as other papers, which were subsequently forwarded to the appropriate offices and campuses. The Information Technology (IT) services were unavailable, causing delays in information sharing.

There were no monetary rewards available in the department, only intangible benefits. Employees were

being honored for their efforts, and the department head would treat them to lunch outside as a token of appreciation for their efforts and collaboration in achieving the department's vision. The reward system was imbedded in the University Code. Most of the personnel in the department was non-permanent. In the Central Office, there were two (2) Certified Public Accountants who assisted the Chief Accountant in achieving the department's vision. There were other four (4) Accountants assigned in different campuses who process their own transactions, but if they have concerns, they always ask the opinion of the Chief Accountant.

The Respondents

The research's respondents were the 23 accounting personnel of which 12 were from Central Office, 4 from Roxas Main Campus, 2 from Burias Campus, 3 from Pontevedra Campus, and 2 from Sigma Campus. There were 11 permanent employees and 12 non-permanent employees. Thirty-five (35) percent were males and sixty-five (65) percent were females. Fifty-two (52) percent ages 21-33 years old, 26 percent ages 34-46 years old, and 22 percent ages 47-60 years old. Thirty-nine (39) percent of respondents were single, 52 percent were married, and nine (9) percent were widowed. The highest percentage of the respondents was college graduates with 44 percent, followed by with units in Master's degree with 31 percent, Master's degree holders with 17 percent, with units in Doctorate with four (4) percent, and Doctorate degree holders with also four (4) percent. The highest percentage of 54 percent were non-permanent employees, ten (10) percent were Administrative Officer IV and the rest got four (4) percent were Chief Accountant Designate, Accountant I, Administrative Officer V, Administrative Officer II, Instructor I/Accountant, Assistant Internal Auditor, Administrative Aide VI, Administrative Aide II and Administrative Aide I. Seventeen (17) percent of the respondents were 1 year and below, 65 percent were 2-10 years, nine (9) percent were 11-17 years, and nine (9) percent were 18 years and above in the university.

The Key Informants

The research's key informants in the Focus Group Discussion were the five (5) Certified Public Accountants (CPAs) of Capiz State University: one (1) from UniversePG | www.universepg.com

Central Office and four (4) from different campuses, namely: Roxas Main Campus, Burias, Pontevedra, and Sigma (also the respondents). The Chief Administrative Officer (CAO) for Finance was a key informant since the Accounting Department is under its supervision. The researcher also invited the Vice President for Administration and Finance, but was not able to attend during the scheduled FGD. A total of six (6) key informants participated during the FGD who were permanent employees. There was only one male and others were females. The accountants were all designated except for the Sigma Campus. Four (4) key informants were married, one (1) was widowed, and one (1) was single. For highest educational attainment, four (4) key informants were Master's degree holders, the other one was with units in doctorate, and one key informant was a Doctorate degree holder. When it comes to the number of years in Capiz State University, one (1) key informant served for more than 25 years, one (1) served for ten (10) years, and four (4) who served for five years and below.

Research Instrument

This study used an interview guide and a survey questionnaire as its instruments. The survey questionnaire was the accounting personnel's perceived assessment of the Capiz State University Accounting Department's strategy, structure, process, reward, and people. During the FGD, an interview guide adapted from the survey questionnaire was employed.

Data Gathering Procedure

Permission to conduct the study was secured from the Dean's Office of the College of Management of CAPSU – Main Campus. A separate letter was sent to the President of CAPSU to request permission to perform the study which was required prior to the conduct of the study. The researcher administered the survey instrument to the 11 permanent and 12 non-permanent employees of the Accounting Department for the Central Office and four (4) campuses with a total of 23 personnel. For FGD, the researcher sent a letter of invitation to the Administration and Finance's Vice President, Chief Administrative Officer for Finance, Chief Accountant and Accountants of the four (4) campuses. There was a total of six (6) key informants. During the focus group, participants signed the consent for photography, video, and audio recording, as well as

the waiver, indemnification, and release form. A thematic analysis was done to collect important information about the variables and validate the informants' claims.

Data Analysis Procedure

Upon retrieval of the questionnaires, the data were tallied and processed using the Statistical Package for Social Sciences (SPSS) version 25 computer program for Windows. For Focus Group Discussion results, a thematic analysis was utilized in emphasizing, identifying, and analyzing patterns of meaning within the data.

RESULTS AND DISCUSSION:

The organizational diagnostic of the Accounting Department's overall mean is displayed in **Table 1** with a grand mean of 3.87 and a verbal interpretation of "Very Good." As further shown in the table among the organizational departments, strategy got the uppermost mean of 4.11, verbally interpreted as "Very Good"; followed by people with a mean of 3.96, verbally interpreted as "Very Good"; process with 3.93, verbally interpreted as "Very Good"; structure with a mean of 3.91, verbally interpreted as "Very Good"; and reward having the lowest mean of 3.44, verbally interpreted as "Very Good". As to strategy, the Accounting Department's organizational diagnosis utilizing the adapted framework did not cause employee confusion, and the department's decision-making was unaffected. Because of the organization's size and the quick changes in government laws and directives, the department's strategies and day-to-day operations were also affected. The department also based their approach on the organization's and the department's commitments, vision, leadership, and best practices. Concerning structure, the difficulties encountered during strategy implementation had an impact on the department's structure, notably on information, decision-making, workflow, campus location, and stakeholder geography. On the contrary, the department highly needed innovation and the adoption of the new Accounting System. This system would enable the department to generate a report and collate transactions on time to provide transparency, accuracy, and quality service to its stakeholders. Hence, the communication process was also highlighted to prevent problems among employees and throughout the department. As to reward, the organization had a reward system in place

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imbedded in the University Code and CSC guidelines on qualifications and performance, and inclusions of alternative intangible benefits present in the department. However, the employees were hoping for additional incentive plan in the department. Whereby on the people, the standards were mandated by the policies of the Civil Service Commission (CSC). Due to bureaucracy and scarcity of government's funding, it had affected the employees in the Accounting Department because most of them were non-permanent. The result implies that among the Accounting Department's components, the reward system is perceived to be not so perfect by the employees working under it. This result accords to the finding of Hamid, (2011) that the Accounting Department diagnosis is not perfect and needs some changes which can help improve the organization's future performance and development. However, it considers all aspects and reveals the whole picture on the strategies, structure shortcomings, processes, lapses, sustainability of rewards, and development of people. The organization's reward system is embedded in the University Code (University Code, 2015) of Capiz State University and Civil Service Commission (CSC) guidelines, based on the employee's performance and qualification. Since reward got the lowest mean, the reward system may be modified so that employees will be encouraged to stay and be motivated. This finding is backed by the findings of Fischer and Montalbano, (2014) that employees who are rewarded for their creative engagement and accomplishments by recognition and intra-organization advancement are more innovative. At present, no monetary rewards are available in the Accounting Department, which means that employees only have intangible benefits. This would be a challenge for the University to innovate a reward system for continuous improvement. Moreover, Immordino's findings (2010) agree with the current research's finding that, to remain effective, organizations of all kinds must continually improve themselves in response to the challenges that they face, especially those in the public sectors.

The current result further implies that nowadays, technological innovations, especially on organizational structure, are essential for achieving the Accounting Department's objective and adjusting to societal trends. This is again supported by the statement of Hamid,

(2011) that the university must be one step ahead of other institutions and has the quality by which it can improve the quality of other organizational environments. Boyne *et al.* (2009) also agrees that all levels of governments, including the academe, are under constant pressure to improve their efficacy, responsiveness, and productivity.

Since strategy got the highest mean of the components, it follows that employees understand the Accounting Department's vision for achieving department's efficiency. The employees are aware of the department's aims, which are efficiency-related. The Accounting Department will create the organization's goals, strategy, and vision in addition to directing and controlling the organization's future. Additionally, it will merit on what to be accomplished and define the strategies that do not match the structures (Johnson *et al.*, 2008). The strategies do not create confusion among employees

because each one had their own duties and responsibilities in the goals' achievement. Hence, effective leadership and communication are essential to implementing strategies, and employees must be involved in the process (Neis *et al.*, 2010).

The department head encouraged employee participation and empowerment to establish good working environment among employees. This is consistent with Berger and Meng's, (2010) study, which found that their efforts boosted the importance of public relations, company efficiency, and effect on the organizational decision-making process, all of which contributed to the department's goals being achieved. This conclusion supports Akinnusi's, (2006) findings that a flexible organization necessitates flexible people. Effective management of human resources has become vital to the fulfillment of individual and organizational goals and objectives.

Table 1: The Accounting Department's organizational diagnosis as a whole.

Accounting Department's Organizational Diagnosis	Mean	Verbal Interpretation
Strategy	4.11	Very Good
Structure	3.91	Very Good
Process	3.93	Very Good
Reward	3.44	Very Good
People	3.96	Very Good
Grand Mean	3.87	Very Good

5.00-4.21= Outstanding; 4.20-3.41=Very Good; 3.30-2.61=Average; 2.60-1.80=Poor; 1.81-1.00= Very Poor

Insights Drawn for System Efficiency

The Accounting Department's organizational diagnosis was done through the adoption of the Star Model Framework by Galbraith 1973. The researcher presented the insights from the findings to achieve system efficiency in the Accounting

Department. The insights were anchored on several study narratives to complement and address the Accounting Department's gaps. The insights will be used for the University's future decision-making and policy formulation. These insights will help the department to formulate strategies, improve the structures, enhance the processes, innovate rewards system and develop and engage employees towards productivity and efficiency. According to Robbins, (2000) the most prevalent measurements of organizational success are effectiveness and efficiency. The main focus is the achievement of the organization's mission, vision, and goals.

The research incorporates system thinking as well, which means that various organizational levels will execute different tasks. To meet the needs of the users, it is crucial to comprehend the precise tasks or objectives the organization expects the system to complete (Stone and Good, 2002).

Hence, strategy, structure, process, reward, and people will be continuously per-formed and enhanced by the Administration and Finance Department and Human Resource Department, which is aligned to the mandates of the Com-mission on Higher Education (CHED), Department of Budget and Management (DBM), Commission on Audit (COA), and other organization's partner-agencies. In terms of strategy, the University and the Accounting Department will collaborate to ensure that the strategies are aligned to improve the structure. To develop a strategy that is based on the department's structure, work will nonetheless begin on

improving the structure for modifications and recommendations for any change.

Moreover, according to the researcher's analysis, the process must be changed for the Department to attain system efficiency. The Government Accounting Manual (GAM), COA, and DBM must all be in alignment with and approve of any process innovation, particularly those that affect the accounting system. The Central Administration may allot budget on the procurement of the proposed Accounting System for process innovation. According to Profiroiu, (2001), performance in the public sector implies a connection between goals, strategies, and outcomes; as a result, performance is the end result of pursuing productivity, efficacy, and a commensurate budget all at once. The department and the University may, however, first turn to the system thinking method to address their current issues. The Accounting Department will make sure to regularly assess and monitor the Accounting System's implementation to achieve efficiency as it relates to process innovation. The various laws and regulations of the regulatory agencies will be taken into account during the evaluation and monitoring.

As to the reward, the University may innovate and implement a new reward system for permanent and non-permanent employees as Human Resource Development Plan's part. A consideration of an innovative intrinsic and extrinsic rewards for employee's satisfaction must be carefully crafted. To keep employees happy and motivated, the HRD needs to be aware of their preferences for rewards and recognition. Literature shows that success or failure of an organization depend upon motivation and job satisfaction of employees (Zeb *et al.*, 2009).

Whereby, people in the University will be given priority and establish the Human Resource Development Plan where employees are given the chance to grow and engage them for self-actualization and organizational long-term goals and vision achievement with their performance and attitudes (Bartuseviciene & Sakalyte, 2013). The company receives staff commitment as a consequence of the high level of employee's participation in organizational activities, which lowers turnover and the cost of the hiring and training processes (Demartini, 2011). Additionally, employees

who are devoted to the organization are well aware of necessary knowledge, skills, and experience to provide quality service (Harris, 2000). The Accounting Department's diagnosis will unleash the creativity and innovation of the University to come up with a plan for excellent service delivery and satisfaction of its stakeholders. The creativity and innovation will prioritize on the University's intangible and tangible infrastructures. The University will look into different inputs, outputs, and outcomes which also simultaneously in the pursuit of efficacy, efficiency, and allocated budget (Mandl *et al.*, 2008). Contrarily, it is anticipated in the context of Capiz State University, which according to Mihaiu *et al.* (2010), efficiency is a challenge which most of the government agencies have to face. It is as a result of the constraints placed on government funding as well as the norms and rules of the many regulatory agencies. The government also has to adapt technological advancements and societal changes in pursuance to public service (Manzoor, 2014). **Fig. 1** shows the system efficiency levels framework of Capiz State University for excellent service delivery and stakeholder's satisfaction.

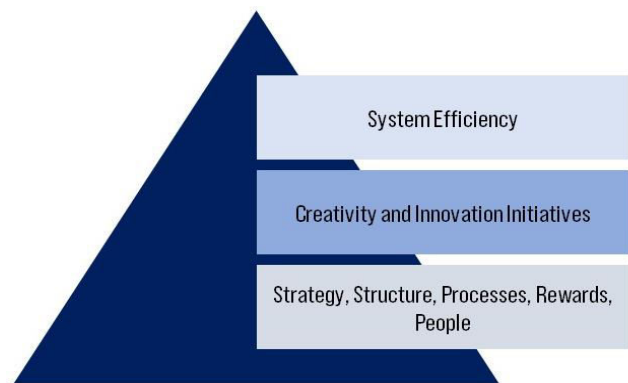


Fig. 1: The system efficiency framework of Capiz State University Accounting Department for excellent delivery of services and stakeholder's satisfaction.

CONCLUSION:

The management's developed strategies are affected by the University's size when they are put into practice. Its commitments, vision, and leadership style are also affected by the new policies passed by different regulatory agencies. Strategies are also in line to the present Accounting Department's structure. The structure is centralized because most of the decision-making comes from the top management. The present

structure was also affected by the rapid changes of government policies and the diverse culture being practiced by the different campuses. As to process, communication and technological innovations are the great challenges faced by the department. The department already took an initiative to apply and comply the proposed system's technical resources to be approved by the Commission on Audit. As to reward, the organization's present system present is recognized on the qualification and performance. But because of the initiatives of the management, some intangible benefits are implemented. Employees will be motivated if additional monetary rewards are given owing to the department's heavy workload. As to people, hiring a regular employee in the Accounting Department is a problem because of the government's financial resources affecting the department's productivity, transparency, and performance for most of the hired employees are non-permanent who have no organizational tenure and accountability.

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CONFLICTS OF INTEREST:

Author declares no conflicting interests.

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