# THE FUTURE BUSINESS DIAGNOSTIC MODEL: THE CORE TO SUCCESSFUL BUSINESS SUSTAINABILITY IN THE 21ST CENTURY

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## ABSTRACT

The doctor's ability to diagnose the correct illness can determine life or death of a patient. Failure to do the right assessment only worsen the situation and reduce patient's chances of survival while application of the right diagnostic test gives hope and life. However, to get the correct results, the doctor not only needs the right knowledge, skill and experience or competencies, the proper tools must be used. Like a patient, organisations must do the right assessment and use the right tools or models to correctly identify and "treat" their "diseases". A corporate CEO must have the right tools and competency to guarantee corporate survival and sustainability. This paper examines the importance of diagnosis as a mean to assess corporate current situation and re-position the corporate to attain strategic competitiveness. The paper proposes a new Future Business Diagnostics Model which is based on decades of world-wide research of different models and applications. The Future Business Diagnostics Model is also based on current challenges facing businesses such as digital and technology, leadership and structural, and COVID-19 pandemic challenges. The paper argues that the future businesses must be driven by six pillars, namely Innovation and Creativity, Technology, Culture, People, and right Structure and Business Process, all steered by visionary Strategic Leadership.

**Keywords:** Diagnosis; diagnostics mode; future business models; strategic leadership; digitization.

## INTRODUCTION

The rate of corporate failure is alarming both for small and large organisations. Even the most promising businesses have become victims of failure leading to huge financial loses, disappointment to shareholders (investors, employees and customers). In fact, the popularized approach to business management through development of strategic plans has led 60% to 90% failure, thereby questioning the reality of such approach to business sustainability. The COVID-19 pandemic has made it worse and shattered the dreams and sound strategies of corporates. The key question among key practitioners and scholars is "why very promising corporates some which have been very successful for decades fail to perform as expected leading to their demise?" Besides much time spent developing strategies, doing market research and providing adequate financial muscles to secure smooth operations, thousands of businesses failure to survive while well positioned, flexible, competitive and strategically positioned companies continue to do well.

It is important to emphasis that strategically positioning a business does not just happen. It call for careful diagnosis of the corporate to establish its root causes of existing challenges and developing well grounded and lasting solutions. Unfortunately, for most businesses, diagnosis process and associated mechanisms only exists in management books, libraries and business magazines with few companies understanding what it is or how to implement it.

Research has established that unless corporates put much time and effort in the diagnosis process and implementation, the rate of failure will continue to claim thousands of businesses annually (Mcfillen, O'Neil, Balzer & Varney, 2013). Often most diagnosis are very superficial focusing on symptomatic aspects of the organisations while neglecting the real causes of problems, an approach that only results to blame game. Such approach doesn't add value to organisational operations but only worsen performance. According to the 3rd *Annual Summit on Building Organisation Development and Change as an Academic Discipline* held in 2007, the concept of organisational diagnosis is not well understood in organisations and there is need to do more research in the area (O'Neil, 2008). This argument is supported by Lundberg (2008) who noted that organisational diagnosis is poorly defined and understood. Even existing literature on the subject only offer variety of definitions but fails to give a specific and precise definition or how the whole diagnosis process should be carried out (Mcfillen, O'Neil, Balzer & Varney, 2013). This papers examines the concept of diagnosis, its importance, challenges and various models relating to it. The paper ends by proposing a future business diagnosis model of the 21st century.

**Background to Corporate Diagnosis**

Diagnosing the right problem and developing the right solutions based on sound information or facts is critical to good management and performance. The last two decades experienced numerous unforeseen and unpredictable challenges that led to both small and giant corporations getting to their knees and finally collapsing. To respond to this crisis, numerous approaches have been used or proposed ranging from call to redefine management functions; evaluating leadership as a driver to corporate performance and introduction of new models of management. Some of the existing models that gained momentum in the last few decades are Business Process Re-engineering (BPR), Bench marking, Porter Five Forces, and Total Quality Management (TQM), Downsizing, Out-sourcing, Economic Value analysis. As a results, models like BPR, Portal Five Forces and TQM became the redeeming gospel of reviving corporate growth, profitability and sustainability. Unfortunately, the application and implementation of the models was not always based on clear understanding of their impact and implications. For instance, TQM had its origin in the Japanese manufacturing industry but was hurriedly adopted by American industry without examining its foundation and relevancy resulting to its poor application and poor performance in the 1990s. As Carriio and Guimarâes (nd) observe, "indiscriminate use of pet solutions, focusing merely on formal organisations aspects, encounters unexpected social and environmental drawbacks and permits recurring dysfunctional situations." The authors further argue that organisations must find solutions to their problems based on consistent and judicious processes that allow for proper identification of problems (diagnosis), development, selection and implementation of best alternatives and solution. Without proper diagnosis, even the best and well thought-out solution will fail. A workable solution must be based on sound diagnosis process, reasoned information and implemented under relevant institutional structures. A failure in the process implementation leads to total business breakdown. It is this failure that has continually triggered the need for organizational diagnosis as the first step in solving organizational present and future defects.competencies

The term organisational diagnosis has been defined differently by both traditional theorists and more recent studies. Lundberg (2008) further noted the different of conceptualisations of organisational diagnosis among practioners. Traditionally, organisational diagnosis was termed as an intervention aimed at providing information on diverse entities, subsystems, value chain process, policies and rules. The information received was used to improve organisational performance and sustainability. Janicijevic (2010:85) on the other hand observes that organisational diagnosis "is a method used for analyzing the organization in order to identify organisational shortcomings" and possible remedies. To this end, Beckhard (1975) defines organizational diagnosis as an intervention that provides information on the various subsystems and process of the organization with a goal to improve performance. Zhang, Schmidt and Li (2016) see organizational diagnosis as a management tool used to promote organizational development and change in order achieve desired sustainability. Harrison and Shirom (1999:7) have one of the most comprehensive definition of organisational diagnosis. To them, organisational diagnoses are "... Investigations that draw on concepts, models, and methods from behavioral sciences in order to examine an organisation's current state and help clients find ways to solve problems or enhance organisational effectiveness." Without a good and effective mechanism of carrying out organisational diagnosis, organisations become entities for processing information that may not be useful to organizational central needs. It is through diagnosis frameworks that organizations make sense of collected information and its usefulness. Spector (2007: 46-56) simply define diagnosis as "learning what needs to be changed and why," a process attained through data collection, dialogue of discovery, feedback and institutionalizing solutions. In summary, through diagnostic approach, the management is able to identify clearly, fast and comprehensively what is require to realize strategic solutions. According to Burke (1984), such diagnosis enriches understanding of organizational behavior and making appropriate decision.

**The Importance of Diagnosis in Today's Business**

The importance of skillfully and wisely determining the strategic direction in the midst of uncertain and diverse environmental changes cannot be overemphasized. The commonly used adage, "Survival for the fittest" among the animal kingdom has become a reality in modern businesses and corporate world. With intense global competition arising from different market dynamics and customer diverse tastes, both small and large corporation find it difficult to navigate and find suitable survival ground. In such a world, then, competition demands change of tactics and strategies to remain afloat. For instance, to respond and satisfy customer needs, businesses have resorted customization of their products and services. However, even in such customization, inability to do the right diagnosis can to leads to waste of resources, declined productive and overall organisational ineffectiveness. Through organisational diagnosis, the management is able to identify and understand existing problems, causes, effect and choose the correct interventions (Spector, 2007). The diagnosis also enables the organisational leadership to identify critical issues that require attention and take the right steps to provide appropriate solutions in response to very turbulent environmental challenges and developments. And according to Meaney and Pung (2008), diagnosis also enable organisations to assess their readiness-to-change or any other adjustment required for the organisations to remain stable and grow.

It is interesting to notice that a qualified health professional will never prescribe medication without proper diagnosis of the cause of sickness of their patients. They would carefully carry out the right tests and use the results to prescribe the right cause of action, whether out-patients or inpatient medication. Likewise, the patient we will not agree to a medication if not convinced that proper diagnosis has been done. Though we are very careful and sensitive to such treatment, the opposite is true for most organisations. We allow new CEOs to management and implement changes that we don't understand and not based on facts or core needs of the organisations. This leads to millions of dollars being invested in the wrong projects, activities and training. Like in hospital, improper diagnosis results in ill health, misuse of resources, poor management and demotivates staff. With appropriate models, the organizations are assured that the right process are used and right solutions developed (O'Neil, 2008).

Organisational diagnosis should be a continuous process to enable the organization capture all relevant data required to improve performance. It is organizations that practice and use the right tools that are assured of responding and adjusting to environmental challenges pertinently. Such organizations are not surprised when changes come since they are well prepared in advance and have the right solutions. The reality of COVID-19 has demonstrated the importance of proper diagnosis and having appropriate strategies in place to carter for emergencies and uncertainty.

**Diagnostic Models**

The debate on organisational diagnosis over the years has resulted to different models proposed and implemented. A diagnosis model aims to identify key components and their relationships in order to get desired results. The main goal of diagnosis models is to help understand organisations' reality and develop the right solutions (Janicijevic, 2010). Often models help organisations or individuals identify key variables at play and how they relate with each other. By identifying key variables, models help management identify key relationships and trends and predict expected future behaviour. The diagnosis models enable organisations to pick vital variables or components that need attention in order to achieve desirable results. O'Neil (2008:52) notes that creating diagnosis models or frameworks allow managers to "approach organisational issues purposefully and systematically" and make sense of a vast amount of information available in making the right decisions. Over the years, organizational diagnostic models have been found to be very effective in shaping organizational strategic directions and competitiveness. It should be emphasized that diagnosis models are not just tools but guides that should enable organisations identify improvement areas and make commitment to efficiently and effectively implement recommended actions.

Janicijevic (2010) observes that like all models, diagnosis models provide only certain perspectives. It is therefore important for organisations to explore and examine different models to establish the most applicable and relevant to prevailing industrial and environmental challenges. According to Appreciative Inquiry (AI) and other positive psychology approaches, a group opposed to problem-centered view of organizations, it is important to concentrate on the strengths of an organization through to positive inquiry and dialog in order to understand organizations history, best-practices, and what need to be improved. Their believe is that each organization is a character of uniqueness and must be seen as such (Cooperrider, Whitney, & Stavros, 2008) and models should not be prescriptive. This is important because any recommended diagnosis reflects the character, content and scope of associated model. A wrong model leads to wrong diagnosis performed, wrong results and poor implementation. It is the obligation of management to ensure only the right and most appropriate models are identified and applied. According to Baden-Fuller and Morgan (2010), business models serve three important purposes in a business. Firstly, models describe the kind and types of business operated. Secondly, models define how business and strategic fit. Lastly, models describe how a business plan function in an effort to remain relevant, grow and become profitable and sustainable.

During the last century, several models were developed by scholars and practioners in response to prevailing organisational challenges.The mostly popular models are those of Lewin's Force Force Field Analysis (1951), Leavitt's Model (1965), Likert System Analysis (1967), Weisbord's Six-Box Model (1976), Nadler and Tushman's Congruence Model (1977), McKinsey 7S Framework (1981-82), Galbraith's STAR Model (1982), Tichy's TPC Framework (1983), Nelson and Burns' High-Performance Programming (1984), Harrison's Diagnosing Individual and Group Behavior (1987), The Burke-Litwin Model (1992) and Falletta's Organizational Intelligence Model (2008). Organizational Intelligence Institute (2013) has explored and examined each model in details and summarized the key components of the models as shown in Table 1 below.

Table 1: Summary of Reviewed Models

| ***Model*** | ***Variable*** | ***Variable Inter-dependency*** | ***Major Premise(s)*** | ***Limitations*** |
|---|---|---|---|---|
| • **Lewin's Force Field Analysis (1951)** | • Driving forces and restraining forces | • Driving and restraining forces occur simultaneous ly | • Disequilibrium occurs during change; then is equilibrium reestablished | • Too simplistic for a system-wide diagnosis |
| • **Leavitt's Model (1965)** | • Task, structure, technological, and human variables | • The four variables are interdepende nt (i.e., a change in one affects the others) | • Change in the variables is undertaken to affect the task variable (i.e., products and services) | • External environment not represented in the model<br>• Too simplistic for a system-wide diagnosis |
| • **Likert's System Analysis (1967)** | • Motivation, communication, interaction, decision-making goal setting control, and performance | • The levels of variables are measured independentl y on a survey | • Four different types of management systems (i.e., participative, consultative, benevolent-authoritative, and exploitative-authoritative) are identified across the seven dimensions (i.e., variables) | • External environment not directly represented in the model<br>• Normative view in terms of change<br>• System levels too descriptive and assumes equal interval between the levels<br>• Survey response alternatives and scales are not |

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| | | | | standardized |
| • **Weisbord's Six-Box Model (1976)** | • Purposes, structure, relationships, leadership, rewards, and helpful mechanisms | • The interconnections between the boxes, or variables, are not explicit | • The larger the gap between the formal and informal systems within each variable, the less effective the organization | • The environment has an influence through organizational inputs and outputs<br>• Too simplistic |
| • **Nadler and Tushman's Congruence Model for Organization Analysis (1977)** | • Inputs: environment, resources, history, strategy; throughputs: task, individual, and formal organizational arrangements, informal organization; outputs: individual, group, and system | • Organizations are dynamic; interactions occur at the individual, group, and systems levels across the internal (i.e., throughput) variables | • Assumes open systems theory, formal and informal systems, and the fit or congruence between the internal variables | • Although fit and congruence can lead to improved effectiveness and efficiency, it can also promote resistance to change and adaptability<br>• Some of the variables and terms are too difficult to understand |
| • **McKinsey 7S Framework (1980)** | • Style, Staff, Systems, Strategy, Structure, Skills, and Shared Values | • Variables are interdependent; the illustration is termed the managerial molecule | • Variables must all change to become congruent as a system | • External environment not directly represented in the model<br>• Legitimacy derived largely from the McKinsey & Co brand and Tom Peters persona rather than through research<br>• Looks trendy (e.g. 7S) |
| • **Galbriath's STAR Model (1982)** | • Strategy, Structure, Processes, Rewards, and People | • Assuming alignment among the variables, there is some inter-dependency | • Variables in the model are considered organizational design elements that support an organization's strategy | • Model does not explicitly specify any behavior or performance outcomes, although recent revisions were made to make these outcomes explicit |
| • **Tichy's TPC Framework** | • Inputs: environment- | • All variables are | • All variables are analyzed from a | • Some of the variables and terms |

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| **(1983)** | history, and resources; throughputs: mission/ strategy, tasks, prescribed networks, people, organizational processes, and emergent networks; outputs: performance, impact on people | interrelated, although some relationships are stronger and some are weaker (i.e., reciprocal) | technical, political, a cultural perspective (i.e., the strategic rope metaphor) | are too difficult to understand |
| • **Nelson and Burns' High-Performance Programming (1984)** | • Time frame, focus, planning, change mode, management, structure, perspective, motivation, development, communication, and leadership | • The levels of variables are measured independently on a survey (similar to Likert's system analysis) | • Four different levels of organizational performance are identified: high-performing, proactive, responsive, and reactive across 11 variables. These are associated with empowering, purposing, coaching, and enforcing leadership behaviors respectively | • External environment not directly represented in the model<br>• Normative view in terms of change<br>• System levels too descriptive and assumes equal interval between the levels |
| • **Harrison's Diagnosing Individual and Group Behavior Model (1987)** | • Inputs: resources, human resources; throughputs at the organizational, group, and individual levels; outputs: organizational, group, and individual effectiveness as well as QWL | • Main lines of influence and feedback loops; all relationships are directional with the exception of two reciprocal relationship between two variables | • Assumes open systems theory; emphasis on three levels of performance and effectiveness, including QWL and well-being outcomes | • Minimal boundaries between the organization and external environment<br>• Some of the variables have lengthy, complicated titles and appear to lack unidimensionality |

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| | and well- being outcomes | | | |
| • **The Burke-Litwin Causal Model of Organizational Performance and Change (1992)** | • Open systems model depicting 12 variables or factors | • All variables are interrelated, depicting reciprocal relationships. However, the model implies a top-down causal chain | • Assumes open systems theory; emphasis is on diagnosing transformational and as transactional dynamics<br>• The first model to assert causality | • Complex and intricate model with a lengthy, concomitant instrument (90 core items) |
| • **Falletta's Organizational Intelligence Model (2008)** | • Open systems model depicting 11 variables or factors | • The top part of the model depicts strategic factors that influence key indices which in turn drive employee engagement and performance.<br>• While the variables are interrelated, the model asserts a top-down causal chain | • It's not enough to measure employee engagement alone. The model serves as an system-wide conceptual framework to assess both the strategic factors (i.e., secondary drivers) as well as the primary drivers of employee engagement and performance | • The variables are clearly interrelated and depict a top-down causal chain. However, the relationship and directionality among the variables in the model are not clear (i.e., lines and arrows should be used to specify the nature of the relationship between the variables) |

(Source: Organizational Intelligence Institute, 2014:25-28)

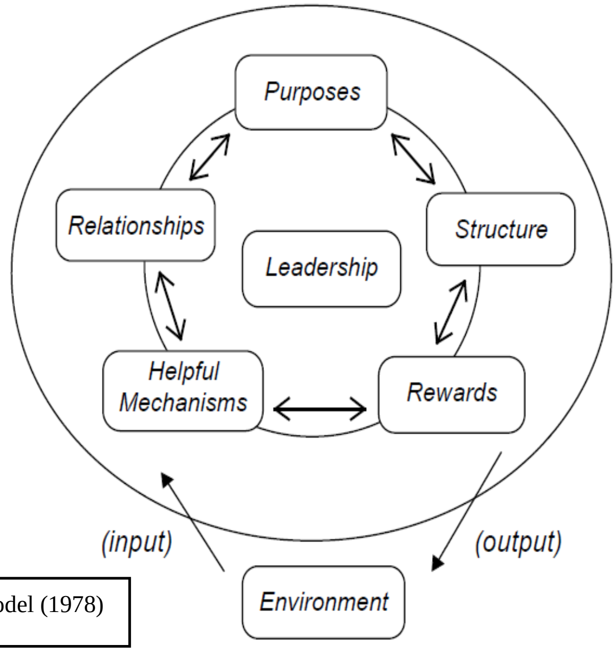
From Table 1, it is evidence that Organizational Intelligence Institute (2014) has done a good job of analysis and summarizing the models. The fact that all the models were developed in the last half of the 20th century where organisations faced basically the same challenges and environmental conditions can explain the many similarities and differences. To quote Organizational Intelligence Institute (2014:24)

…there are similarities and differences in the ways in which variables are represented in the organizational models. On the one hand, key variables are relatively broad and undefined in some models (e.g., Lewin's Force Field Analysis) while some models are normative and prescriptive (e.g., Likert's System Analysis and Nelson and Burn's High Performance Programming). In other models, the variables represent numerous clearly defined theoretical constructs (e.g., Nadler and Tushman's Congruence Model for Organizational Analysis and Tichy's TPC Framework). Some of the same constructs are represented across models, although they are termed differently.The nature of the relationships between the variables in the various models also differs. For example, some relationships between variables represent direct, one-way influences while other relationships between variables are considered to be reciprocal (i.e., two-way). One-way or two- way arrows are used in models to depict the nature of these relationships. In many of the models, it is not explicit whether variables are merely correlated or whether a cause and effect relationship between variables is thought to exist. Many of the models rely upon open systems theory as a basic assumption. Additionally, most of the models incorporated the external environment as a factor in organizational functioning. The models do differ in the factors considered vital to organizational functioning or effectiveness (e.g., leadership is considered important in Weisbord's model, whereas the quality of work life and individual well-being are considered most important in Harrison's model).

The above observation demonstrates the importance of critically examining each model before its application in an organization. The models applications also differ depending with industries and organisational needs. However, it important to emphasis that no model can singly apply to all organisations. A combinations of different modes can be found applicable in one organisations or sector. For instance, according to a study by Jones and Brazzel (2006), some of the common used past models included Weisbord's Six Box Model, the 7S, the STAR and the Congruence models. In the study, Weisbord's Six Box models was found to be the most popular and used by 25% of companies understudy followed by 7S with 19% implementation. Both STAR and the Congruence models were used by 10% of the respondents. Another study by Lok and Crawford (2000) conducted in two organisations in Australia, found that Weisbord (Six Box Model), Nadler and Tushman (Congruence Model for Organization Analysis), Tichy (TPC Framework) and Burke and Litwin (Causal Model of Organizational Performance and Change) to be the common models used by organisations practitioners.

From numerous studies, Weisbord's Six Box Model is the most used by organisations. In their study, Saleem and Ghani (2013) applied Weisbord's Model within the banking industry and found the model to be relevant. There are also other studies that have used Weisbord's Model as their basis of studies. This include a study done in United Kingdom that aimed at identifying strategic options in commercial bank (Heracleous & DeVoge, 1998). The model has also been used by non-governmental organisations in India (Nair & Vohra, 2011) while in Serbia the use of the model and among middle managers within the banking industry was studied (Kontić, 2012).

Supporting the use of Weisbord's model, Stegerean, Gavrea and Marin (2010) have termed the model as widely used in practice and empirical studies because it lacks complexity. The model six variables (purpose, structure, relationships, leadership, rewards and mechanisms) have strong relationship and interdependence. The fact that this model put leadership at the center of all other variables emphasis the importance of leadership as instrumental to organizational performance and sustainability (Stegerean, Gavrea & Marin, 2010).




Weisbord's Six Box Model (1978)

From the prevailing discussion, modern organisations have continued to use past models with Weisbord's Six Box Model appearing the most preferred (Heracleous & DeVoge, 1998; Jones & Brazzel, 1999), Lok & Crawford, 2000; Kontić, 2012; Nair & Vohra, 2011;Saleem & Ghani. 2013; Stegerean, Gavrea & Marin, 2010). In supporting use of old models, Mintzberg, Ahlstrand and Lampel (1998:8) emphasis that, "sometimes, like good wine, some of the best models are the older ones."

**A Future Business Model**

As noted, the use of past business models has dominated modern organisations world, both business and non-business. However, this does not rule out the importance of new models that reflect both internal and external challenges facing modern businesses. Temkin (2009) observes that, "the business world has changed. And while all of those models provide valuable insights, they don't fully capture what makes companies successful *today*."

In another article, Viscio and Pasternack (1996) question whether the classical business model of the 19th Century which forms the foundation of modern business had outlived its usefulness. To answer the question, Viscio and Pasternack (1996) argued that new research have suggested alternative models which allow for flexibility and growth for the whole business. A further research by Lucier and Asin (1996) further noted that it is become increasingly difficulty for businesses and other organisations worldwide to deliver promised values, attain profitability and growth leading to high level of failure. The failure is associated with dramatic and increased complexity in running and managing business arising from uncertainty and sometimes irreversible occurrences that are beyond business ability to adjust. This challenges, according to

Viscio and Pasternack (1996) can only be handled by developing new business models able to help businesses attain efficient and effective operations subsequently leading to future stability.

To succeed, modern organisations must shift from their present thinking and look into the future and imagine and actualize how to operate and achieve competitive edge over competition. It is important to recognise that the modern organisations must be run and operated based on models that reflect changing environment challenges which often make it difficult to survive in volatile and uncertain situations. It is notable that the environment is expected to become even more unpredictable and hostile to businesses.

To survive and remain competitive, future business will need to invent different techniques of operation and sustainability. The future companies must clearly redefine their missions, objectives and strategic direction, become more agile, and focus on building customer value. The main foundation of a future organisations would be based on key pillars of support without which no business will survive. Some of these pillars are integration of technology (digitization) in business, focus on human cognition and competency, structure, strategy, leadership, cultural values and being ecological sensitive (Tollman, Reeves, Wallenstein, Cook,.& Berriman, 2020). The models must also be flexible enough to enable businesses adopt to major technological, economical, political, social-cultural changes and unpredictable calamities. In fact, according to Levy (2001:1), the business models of the future demand a corporate enterprise and business mindset. This will take the form of "new dimensions of product and service delivery, new models of partner and customer relationships, and new methods of strategy and value creation."

The approach to business will differ significantly from industrial models of the past and will be driven by network and digitization, integrated partnership and value creation and "continuous alignment of business objectives with corporate ideology." Firstly, the changes in business practice in the last fifty years has been momentum and untimely. From simple manual service deliveries to sophisticated business processes, the importance of technologically driven business has been gradual and steady. From the 1950s and 1960s where most businesses from car industry to aerospace were manually driven to the millennium practices where complex and sophisticated business processes are applied, the role of business digitization has been progressive and consequential. In fact, today, digitization or technologically driven business has become essential and prerequisite for business success. The more technologically driven, the more chances of success. The effect of technology is felt in all industries from agriculture, health care, transportation, media,food-chain and education sector. From people management systems, production processes, financial management to assets and data management, the role of technology has become a necessity rather than an option (Hounshell, 2018). This explains why organisations must pay and invest heavily in the most current technology and digitize their organisations. The digitization process means that using technology in all aspects of business, from employee' management, production process and delivery systems to customer management systems. And with the introduction and implementation of internet interactive systems in all business and social systems, the future survival of business is dependent on use of technology in management and marketing of products. The customer has also become digitized leading to behavior change, from online search, ordering, purchasing and product delivery, the traditional methods of doing business has totally changed. The digital era has brought a revolution which has forced businesses to adjust accordingly. The future of business is digital and new approach to business defines future success or failure.

The future businesses will not succeed without well thought-out innovative and creative process driven by idea champions. Such champions must capture the latest customer tastes and promoted superior quality and customer responsiveness. Emphasizing the importance of business model clearly define the customers. Magretta (2002) and Drucker (1994) have agreed that a good business model must clearly define who the customer of the business is and expected value addition.

Performance based on profitability, production, resource utilisation, growth and accountability arched on corporate financial success and return on investment though important need to be realigned to people needs. This implies that the future business must build its core values on people and their competencies. And besides just thinking about continues improvement, the business will focus on continues reinvention and innovation where all business process and operations will need to be aligned with high level of people performance. Unlike the past practices which were geared towards building a strong business enterprise in terms of assets, capital base and being competitive, the future business must put the customer and employees at the center of operations and strategic thinking. Such business will be characterized by integration of key stakeholders in all aspects business orientation, namely, customers, suppliers, employees and investors.

Like the modern business enterprise, the future business must have the right leadership in place. The business will demand leaders who are flexible and vision carrier. Leaders able to empower and develop their people (in terms of knowledge creation, capabilities, competencies), strategic thinkers, talent manager, efficient and effective resource manager and driven by integrity, accountable, transparent and strong personality and emotional intelligence. As Abraham (2013) noted, the better the leader, the better and more able to ride the organisation collectively through challenges arising during turmoil. This is further supported by a research by Bersin & Associates in a study on *High-Impact Leadership Development* (2008). The study noted that effective leaders especially those focusing on leadership development leads to 84% effectiveness in raising quality leadership, 73% rise in employee retention, 67% improvement in achieving work collaboration and overall improvement in the organization's results (66%). Another study highlighted by Kolzow (2014) cited 2008 IBM Global Human Capital Study which concluded that 75 percent of participants singled out building leadership talent and capabilities as the main challenge facing organisations today. The study terms leadership as an " endangered species", signifying the critical role of leaders in building lasting corporations and businesses able to withstand the dynamics and uncertainty environment of the 21st century. The importance of leadership is summarised by a Harvard Professor Rosabeth Kanter who says that leadership is "the art of mastering change . . . the ability to mobilize others' efforts in new directions,"(in Willax, 2002:61) virtues that corporates will be greatly valued in the future. Kolzow (2014) has concluded that for leaders to be effective, then, they must possess certain traits, namely intelligence, creativity, self-confidence, self-drive, task-relevant knowledge, credibility (honesty, trustworthiness, reliable), motivation and flexible, and ability to build and sustain culture of excellence.

Successful organisation both now and in the future must have a firm and well grounded culture. The culture which is composition of beliefs, values, norms, rules, practices, common meanings, customs and rituals define the workers' behavior, communication patterns, attitude to authority and work, performance, change and desire for innovation or lack of it (Bryson & Crosby, 1992). The organisational culture stems from the history of the organisation often rooted in the beliefs of the founders or senior management. It is the culture that determines whether the organisation will survive or die based on its mindset to adapt to changing environmental factors. Good leadership, strategy implementation, innovation and management have their foundation on strong and well established culture. According to Blunt (2009), "…culture is the fine sand that can destroy the gears of change, gradually grinding to a halt any effort to make things better." It is the glue that binds all organisational elements together to a complete whole. This shows that without nurturing culture, organizations become dysfunctional and rarely attain competitive leadership and competitiveness. In emphasizing the importance of culture, the management guru, Peter Drucker, quoted Mark Fields,who stated that "culture eats strategy for breakfast". It is a phrase that has been given more attention by modern scholars and rephrased as *"Organizational culture eats strategy for breakfast, lunch and dinner"*(Rick, 2020). It shows culture is and will continue to be a major determinant of organisational success or failure. As the foundation of any organisation, culture is the root from which the a tree grows, develop branches and bear fruits (good or bad). When the root is not firmly grounded or there is lack of appropriate minerals and water, the tree slow dries and ceases to exists. An organisation culture that is not well founded and grounded will eventually lead to a shaky foundation that results to collapse of the whole organisation. It is therefore important that management understands culture and its role in determining organisational stability and performance. It the types of culture developed by an organisation that determines the types of opportunities to identify and pursue, the types of customers to serve and products to produce, production process, markets and quality of delivery services.

The organisational culture is housed in the structure. A structure is the framework in which an organisation is confined (*Business Process*, 2017). One accusation of the past structure (still in use today), is rigidity and inflexible bureaucracy. The past and modern organisational structure defined the size, breath and hierarchical level. It is this hierarchy that define reporting and authority in organisations. Mostly top down hierarchy is favoured by authoritarian and autocratic leadership while more flexible leadership prefer for flat structures. However, the organisation of the future cannot afford to practice rigidity and authoritarian leadership. Unlike in the past, today employees and customers demands flexibility and openness. The corporation of the future must remain open to new ideas, approach to businesses and maintain open systems and structures.

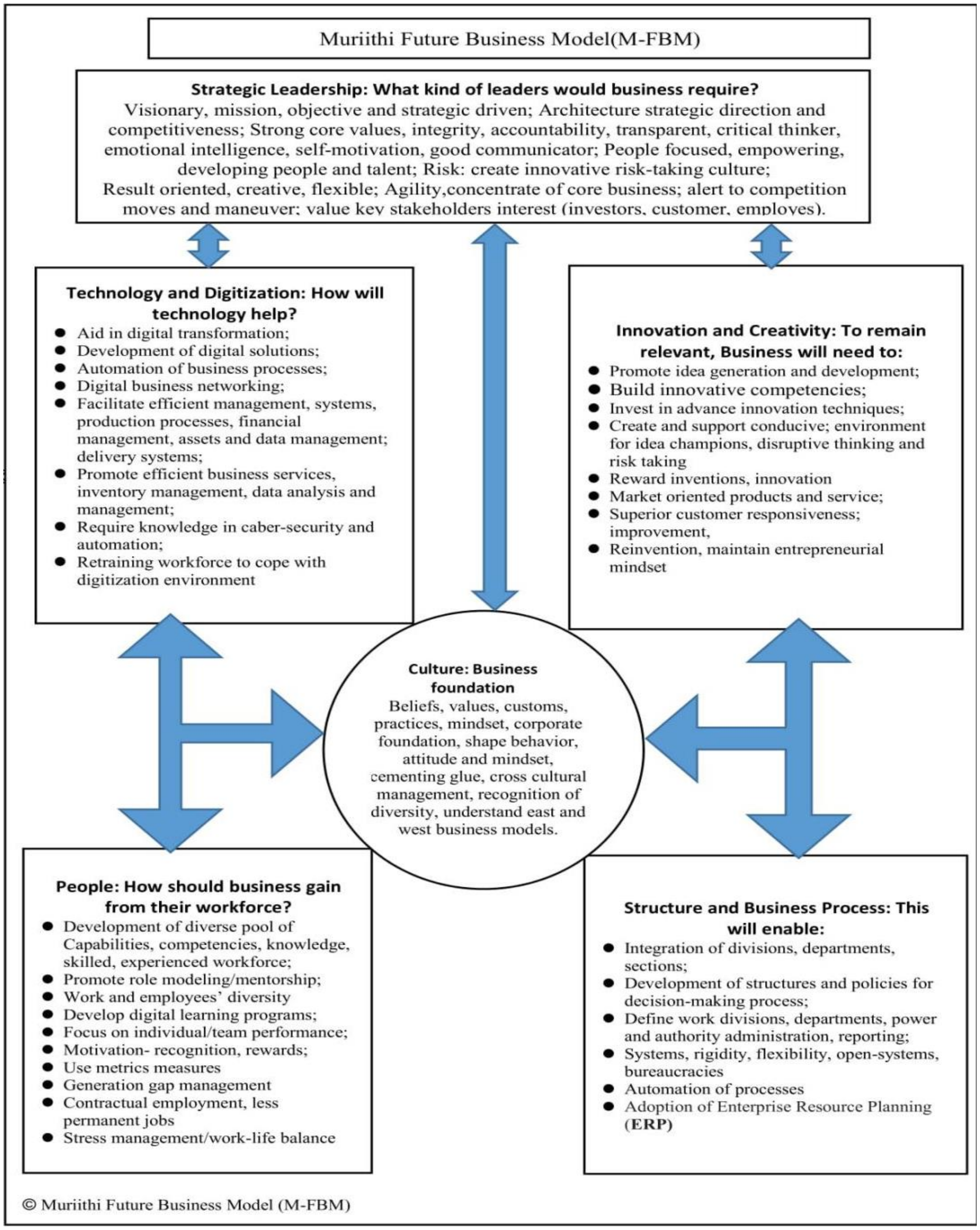
The prevailing discussion denotes a demand for well thought-out approach to business. The key ingredients or pillars of such business are summarized in the below.

| **Business Pillars/Drivers** | **Attributes/Character** | **Scholarly supports** |
|---|---|---|
| 1. Technology | Digitization, networking; technology; digital business relationships; technologically driven; management systems, production processes; financial management; assets and data management; the role of technology; digitization process; delivery systems; customer management systems; online search; product delivery | BCG(2020); **Hounshell** (2018); Magretta (2002); |
| 2. Innovation and Value creation | New ideas, idea champions; research; market oriented; superior responsiveness; diverse products and services; continuous improvement, continuous reinvention, entrepreneurial mindset; customer relationship; customer knowledge, flexible products and services; Service delivery; continues improvement; ideology | BCG, (2020); Bryson & Crosby (1992); Deloitte (2016); Drucker (1994); Levy (2000); Magretta (2002); Willax (2002); |
| 3. People | Development of diverse pool of Capabilities, competencies, knowledge, skilled, experienced workforce; promote role modeling, mentorship; develop digital learning programs; focus on individual/team performance; use of metrics measures of performance; recognition, rewards; promotion; career development | BCG(2020); Deloitte (2016); Kolzow (2014); McKinsey (1980**);** Sundhei (2013); |
| 4. Strategic Leadership | Vision, mission, planning, efficiency and effectiveness, internal operations, market oriented partnership; strategy strong core values; integrity and accountability, transparent, strong personality (positive mindset); critical thinker, emotional intelligence; empowering and developing people (knowledge creation, | Pasternack & Viscio (1998)**;** Sundhei (2013)**;** Bersin & Associates, (2008)**;** Bryson and Crosby, (1992); Kolzow (2014)**;** Lucier and Asin (1996); Levy (2000) McKinsey (1980**);** Willax (2002)**;** Viscio and Pasternack (1996); Weisbord (1976), |

| | | |
|---|---|---|
| | capabilities, competencies), strategic thinking, resource allocation and talent management, global focused, result oriented, think creatively, confidence, result-oriented, self-motivation, flexible and agility, good communicator and listener, team player, empower employees, ability to build strong culture of excellence. | |
| 5. Culture | Beliefs, values, customs, practices, mindset, rituals, historical development, corporate foundation, shape behavior, attitude and mindset, cementing glue. | Blunt (2009); Denison (1984); Denison (1990); Denison (2001); Schein (1992); (Rick, 2020); |
| 6. Structure | Integration of divisions, departments, sections; set structures and policies for decision-making process; define work-divisions, departments, power, authority, reporting; Business framework; hierarchical levels, authority administration, power dissemination, rigidity, flexibility, open-systems, bureaucracies | Business process(2018); Dracker (1994); Leavitt (1965); Weisbord (1976); McKinsey (1980) |

Muriithi Future Business Model (M-FBM)

The above model will become the basis of the future organisational diagnosis as advocated in this study. The model is represented graphically as follow:




## CONCLUSION

The future corporation will be embedded in environments comprising of business hostility, resource scarcity, lean management and structure, uncertain domains and growth patterns and complex work dynamics (work diversity, generation gaps and flexible work schedules) (Dutton & Duncan, 1987; Kennedy, 2020). These changes and uncertainty to the organisational operations and survival make organisational diagnosis not only critical but a must for progressing future organisations. According to Kennedy (2020), 91% of companies are not ready for the future and in danger of collapsing unless they change the way they operate. This prediction has come true with COVID-19 pandemic which has led to demise of millions of businesses that were not prepared for such an eventuality. Effective diagnosis will distinguish between successful and unsuccessful future corporate. While those who practice effective diagnosis and implement the findings will excel, those who fail to carry out diagnosis of their organisations will *die*. It must however be emphasized that there is no superior or better model than another. In fact Burke (1994) has caution managers, consultants and other practitioners against being rigidly trapped in using a single model without considering the context, situation environment and specific industry under scrutiny. Being trapped and stubbornly insisting on a model without assessing its relevancy blindly lead an organization into doomed decision and regrettable future consequences. To be effective a diagnosis tool must capture key ingredients that define an organization strategic position, namely structure, people, leadership, strategy and culture. It is the ability to identify the relationship and interdependence of these factors and making the appropriate decisions that makes a diagnostic tool effective (Church et al., 1995; Hendry, 1994). That is, to ensure the right model is selected, the model must adhere to the culture of the organization, must address all key internal factors, and within available or foreseeable resources (tangible and intangible) and relevant and applicable to the industry. Such model must also be readily customized to the mission, cultures and structural systems and subsystems of a given organization if it will enable the organization to be well positioned and attained strategic competitiveness. Unforeseen calamities like COVID-19 must be planned for and appropriate mechanisms put in place.

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