



TenStep Supplemental Paper

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Organizational Health

Organizational health is the latest buzzword in business circles. It involves corporate culture, commitment, ethics, employee morale and organizational stress. In healthy organizations, managers find committed and loyal employees with high morale. In other words, healthy organizations are those where people like to come to work and that they are proud to be a part of.

Diagnosing ill health

The following is a checklist of symptoms:

- Declining profits and productivity
- Increasing absenteeism
- Decision-making by the top management
- Disregard for organizational reputation and ethical behavior
- Low employee morale and motivation
- Barriers to communication
- Lack of commitment and trust among employees, goal setting, mentoring and development programs

Assessing health

To assess health, first collect employee perceptions and then perform a critical examination of these eleven organizational dimensions:

1. **Communication.** Adequate communication typifies a healthy organization. Facilitating communication among co-workers and between managers and subordinates is essential. The communication process needs to be friendly, two-way and across all levels of the organization. Apart from written documents, personal interaction needs to be encouraged.
2. **Participation and involvement.** Employees at all levels should be involved in the decision-making process. Employee ownership in decisions aids the efficient implementation of measures.
3. **Commitment.** Trust cultivates organizational health. A sense of organizational pride among employees results in commitment. This, in turn, leads to a willingness to attend work-related meetings.
4. **Morale.** Employee morale is reflected in a friendly atmosphere where employees interact with each other, both professionally and personally. This gives them enough motivation to perform their jobs enthusiastically.



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5. **Organizational reputation.** A positive reputation is a reflection of organizational health. Employee involvement in improving relationships with the community is critical for such a reputation.
6. **Ethics.** Positive ethical behavior can be facilitated by an employee-developed code of ethics.
7. **Performance recognition.** When employees are encouraged and supported to attain their potential, they feel valued and appreciated.
8. **Goal alignment.** Departmental goals are usually achieved in a healthy organization. Employees should identify the focus of their departments and set goals accordingly.
9. **Leadership.** Leaders have good working relationships with people at the top, peers and subordinates. They are generally friendly and approachable and contribute significantly to organizational health.
10. **Development.** Employee development is an essential component of organizational health. Formal development and training programs are mandatory. Accordingly, planning, execution and participation need to be facilitated.
11. **Resource utilization.** Appropriate use of resources, and employee perceptions of the fairness of resource allocation, is a measure of organizational health.

Summary

Managers who are well-trained to assess employee perception should be able to identify the specific areas that require improvement for optimal organizational health. This exercise enables employees to enjoy a healthy organizational environment and help the company to prosper.