

# What's Health Got to Do with It?

Improving Organizational Health  
to Gain a Competitive Advantage



## Why does organizational health matter?

Health enables execution, facilitates adaptation, and reduces risk. This axiom applies to both individuals and organizations. Healthy workers are more productive. “Healthy” organizations are more successful. Intuitively, these statements resonate, and there is plenty of research to support these contentions.

But, what does this mean to HR professionals? Does a healthy workforce create a healthy organization or vice versa? Or like most organizational dynamics, are the two inextricably linked? And, how do we measure the “health” of the organization?

## What does “organizational health” look like?

CCA EVP, Tom Diamante, Ph.D., defines organizational health as:

*The strategic integration of business, interpersonal, and individual needs to optimize overall human and organizational well-being.<sup>1</sup>*

The physical health of the workforce is just one of many components. Healthy organizations also promote, encourage, and support the overall well-being, not just the physical health status, of their workforce. The well-being of the workforce fuels the health of the organization; organizational health reinforces workforce well-being.

In the organizational context, “healthy” encompasses a wide range of elements that add up to an innovative, flexible, responsive, resilient organization that can respond to changing market conditions, withstand adversity, and drive performance.

It's simple:

**Healthy** organizations are adaptive.

Adaptive organizations are competitive.

Competitive organizations are **successful**.

The good news for HR is that healthy organizations manifest certain identifiable characteristics and practices that can be evaluated. The relative significance of these elements vary by organization, but the most successful enterprises demonstrate a baseline competency in every area and excellence in specific areas that support their objectives.

## Measuring organizational health

The first step in any improvement initiative is to establish a baseline. HR should assess the current status of the organization's health and identify any “unhealthy” areas: elements that fall below an acceptable standard and, therefore, put the organization at risk.

To help HR evaluate the situation, CCA developed an organizational health scorecard<sup>2</sup> that identifies critical elements of a healthy organization based on empirical research. Published by Jossey-Bass, the scorecard distills this research into evidence-based elements that support the well-being of the organization itself.

HR professionals can use CCA's organizational health scorecard to identify areas of strength, weakness, and risk

HR professionals can use the scorecard to open an organizational health dialogue with leadership. It offers the HR team a tool to assess the organization: identify areas of strength, weakness, and risk; and present these findings to leadership in a digestible form.

The scorecard explores seven (7) categories:

- Culture
- Workforce Development
- Management Practices
- Environment and Safety
- Leadership
- Communication
- Work Itself

While many of the criteria in the scorecard represent essential elements for any healthy organization, certain elements must be customized to reflect the organization's competitive landscape and specific challenges. In a simple example, the critical Environment & Safety elements will look significantly different for a manufacturing firm than for a professional services firm. Even within the organization, certain departments, teams, or locations may require that the scorecard be adjusted.

HR's challenge is to determine whether the critical elements exist and to what degree they are embedded in the organization, and then identify where they are done well and where they need to be strengthened or introduced. HR can start by assessing the overall situation and then roll out the scorecard to various segments of the organization to create a roadmap identifying areas that require improvement.

Over the next few months, CCA will release a series of papers to help HR professionals use the scorecard. The series will examine the critical elements by category, taking an in-depth, practical look at how they manifest in a healthy environment. This approach allows the HR team to compare their organization's current condition to a representative optimal state and identify and prioritize areas of risk, opportunities for improvement, and areas of excellence. The series will also discuss how to build and measure individual well-being competencies within the workforce and integrate these competencies into the developmental framework of the organization.

### ***Taking the next step to organizational health***

What can HR do today to promote organizational well-being?

**Contact CCA at 212.686.6827 or [cca@ccainc.com](mailto:cca@ccainc.com) to receive a complimentary organizational health consultation.**

#### ***About CCA***

*Since 1984, CCA has been helping organizations improve performance by promoting human development and enhancing individual and organizational well-being. As a premium HR consultant and EAP provider, we provide support to management, HR, and employees through our counseling, training and development programs, executive coaching, and consulting services.*

*For more information, visit [ccainc.com](http://ccainc.com).*

<sup>1</sup> Diamante, T., Natale, S., & London, M. (2006). Organizational Wellness. In Sheinfeld-Gorin, S. & Arnold, J. (Eds.), *Health Promotion Practices in Industry*. San Francisco, CA: Jossey-Bass.

<sup>2</sup> *Ibid*, 485.