



# ESSENTIALS

Organizational Health



## SOS CONSULTING, LLC

Transforming small US  
manufacturing workplaces into  
places that work for all to  
**COMPETE** today and tomorrow

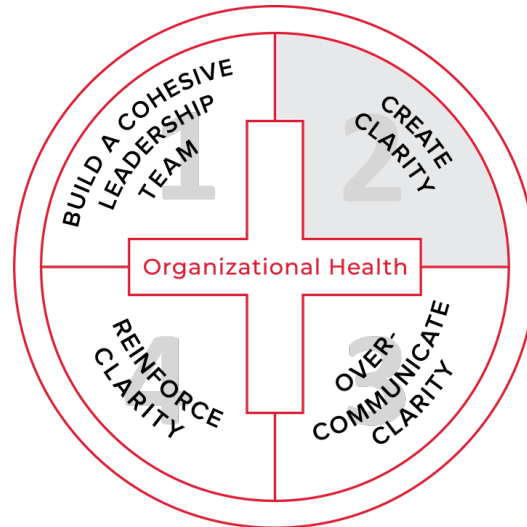
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Organizational health is about organizational integrity. An organization is healthy when it is whole, consistent and complete; all of its operations, strategy, management and culture fit together in a way that makes sense. Healthy organizations have minimal politics and confusion, high degrees of morale and productivity and low turnover.

Organizational health involves four disciplines:



### **Discipline 1: Build a Cohesive Leadership Team**

If an organization is to be healthy it must be led by a behaviorally unified team. Such a team leads from a place of service, trusts one another, has productive conflict around important issues that lead to active commitment to decisions. Then once a decision is made, the team holds each other accountable to the decision and the agreed actions to accomplish results.

### **Discipline 2: Create Clarity**

The leadership team achieves alignment on the answers to six simple, but critical questions:

- 1) Why Do We Exist? The answer to this question is the underlying reason the organization exists; its reason for being.
- 2) How Do We Behave? The answer to this question identifies the values that guide behavior and decisions and attract employees and customers
- 3) What Do We Do? The answer to this question identifies the nature of the organization's business – the products and services it provides.
- 4) How Will We Succeed? The answer to this question is three strategic anchors that provide the lens through which every decision is made to ensure consistency.
- 5) What is Most Important Now? The answer to this question is a singular, qualitative, and temporary (6- 12 month) top priority (rallying cry or thematic goal), supported by defining and standard operating objectives which define the things that must be done to accomplish the thematic goal and for the on-going care of the organization. Anything less than 3 months is a fire drill and anything longer than 12 months invites procrastination.

6) Who Must Do What? The answer to this question identifies the individual roles and responsibilities within the leadership team to avoid overlap and confusion. Clarity provides focus and minimizes 'shiny object syndrome' in which leaders follow after the latest business fad in search of a 'magic pill.' It does require discipline and a leadership team that holds one another accountable to the answers (Discipline 1).

### **Discipline 3: Overcommunicate Clarity**

Once the leadership team has answered the six questions and established clarity and alignment, they need to communicate the answers throughout the organization, repeatedly using a variety of channels and tools. Each member of the leadership team effectively becomes a 'Chief Reminding Officer.'

A key way to communicate what is most important right now is alignment of metrics, improvement projects and initiatives with the thematic goal, defining objectives and standard operating objectives and continually helping employees see the connections between what they are doing and why. Scorecards, OGSMs, and goal trees help make these connections visible.

### **Discipline 4: Reinforce Clarity**

Embed the answers to every question into every human system, from hiring, people management to meetings and training and development. Human systems give an organization structure that tie its operations, culture, and management together, even when leaders are not around to remind people.

The organization must also manage its 'white spaces', managing horizontally across the supply chain from supplier to customer versus functionally. Disconnects in processes will create productivity/quality problems, confusion, turf wars, and frustrated employees.

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*"Clarity is the moment we see without opening our eyes."*

- Stephanie Banks

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### **Benefits of Organizational Health**

The four disciplines lead to workplaces where employees trust the people they work for, have pride in the work they do, and enjoy the people they work with. Healthy organizations have minimal politics and confusion, high degrees of morale and productivity, and low turnover. These qualities also fuel business performance. The FORTUNE 100 Best Places to Work list have delivered stock market returns two or three times greater than major stock indices.

### **References:**

- Bush, Michael C. *A Great Place to Work for All*. Oakland, CA: Berrett-Koehler Publishers, Inc., 2018.
- Lencioni, Patrick. *The Advantage: Why Organizational Health Trumps Everything Else in Business*. Jossey-Bass, 2012.