

# Organizational Health: Building Strong Companies

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By Rick Goldstein

What ultimately distinguishes truly successful organizations? What enables a company to perform well over time? What are the principles and practices that are essential for any CEO to embrace?

Many, many books and experts have provided specific answers to these questions. Quite a few of these theories have taught valuable lessons. However, what has been missing is a framework that integrates the separate pieces into a useful, complete guide for practical application.

Organizational Health is an emerging concept that brings together essential principles and practices into an overall system for leaders to gain actionable insights. This is important because no individual approach by itself enables great performance on a sustainable basis. For this a healthy organization is a requirement.

The analogy to individual health is intentional. Nutrition, exercise, and preventive health care are each individually important and can provide benefits. However, the real payoff comes when they are combined in an intelligent way to prevent disease, improve physical strength, quality of life and individual performance in a significant way. The same is true with organizational health for a company.

Our framework summarizes the three key elements of health: **Leadership, Business Orientation, and Management Systems & Processes**, drawing from essential best practice. The 33 questions in this assessment address the specific elements of each of these categories.

**Leadership Attributes of Healthy Organizations Include:** The CEO and senior most executives have the professional and personal strengths that earn them credibility and respect; they work together to “optimize the whole” rather than compete to advance their own areas; develop and articulate a direction for the organization that includes mission, values & desired behaviors, key objectives and strategy; and lead by example in executing these plans; while modeling as leaders the attributes of coaches who bring out the best in their players, individually and as a team.

**Business Orientation Attributes of Healthy Organizations Include:** Business and financial disciplines to define and operationalize competitive market strategies; maintaining continual external awareness and focus; on serving and

satisfying customers; and competing with others in your markets; integrating internal competencies with external partnerships; and strong communications with all external stakeholders who impact the company.

***Management Systems and Processes Attributes of Healthy Organizations Include:*** Organizational clarity and effectiveness, which results from clearly defined accountabilities, decision making authority and processes; valuing talented people and systematically recruiting, developing, promoting, rewarding and motivating them; while maintaining a systematic approach to operational and behavioral policies necessary to replicate best practices across the company over time.

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