

How healthy are Organizations? A Study of the Health Status of some Organizations in Ghana

Pius Lord Apprey

Methodist University College, Ghana

Abstract

The purpose of the study is to examine the health status of some organizations in Ghana using some specific indices of health measurement in organizations. 250 employees were sampled from 20 different organisations to participate in the study. The principal instrument used to collect information on the organisational health of the organizations was the questionnaire. The data collected were analyzed using descriptive statistics. Analyses of the responses gathered from the research respondents showed that good management/leadership practices, good governance systems, strong business practices, less employee turnover, communication, trust, and employee participation in decision making were identified the factors which makes organisations healthy. The results further identified poor leadership and management practices, poor communication, and government interference in public organisational management as the indicators of a dysfunctional or a sick organisation. Finally, it was found that considering staff welfare, training for staff, motivating staff/education, and employee involvement, were some of the possible ways of improving the health of organisations. Some recommendations have been made based on the findings of the study.

I. INTRODUCTION

Organisations throughout the world exist to perform activities in order to achieve some objectives. But the question is 'how do they achieve their objectives in the midst the numerous environmental challenges within which organisations operate – such as the risks and dangers associated with their activities and other corporate diseases?' The answer lies in organisational health. The concept of organisational health was first used and defined by Miles in 1965 as a system's ability not only to function effectively, but to develop and grow into a more fully-functioning system (Miles, 1965). Organisational health, according to Ellsworth and Rickard (1981), refers to the properties and qualities today that create the conditions for high performance tomorrow. Making organisations 'healthy' is one of the most effective ways of creating organisational resilience in the current economic climate. Organisational health also has been used to describe an organization's stability and its ability to withstand disruptive outside influences. Miles (1965) used the health of the human being as metaphor for organisational health from which he argued that just as human beings need to be healthy in order to function effectively, develop and grow, so are organisations expected to be healthy in order to survive in the competitive environment. Childers (1983) claimed that "organisations, like the people who form them, can be either healthy or sick. The healthy organisation is functional, while the sick organization is dysfunctional".

Ellsworth and Rickard (1981) also used human health as a metaphor for school health, saying that it is more difficult to determine the organisation's pulse to reaffirm that the organisation is alive and healthy. Neugebauer (1990) used the same metaphor but said that "for the body to be healthy, the myriads and the nuances of the bodily functions must operate in perfect harmony. Likewise, for an organisation to be healthy, a complex array of interpersonal and administrative functions must be addressed simultaneously". The idea that organisations, like individuals, can be healthy or unhealthy is one that has generated considerable interest among writers on organisations and their development. What all this means is that, in the ever-changing and competitive environment of corporate Ghana, organizations need to be healthy in order to survive. For this very critical organisational health issue is directly linked to productivity, quality, and profitability. This is true because it is only when an organisation is healthy that it can function effectively and efficiently to achieve its strategic objectives.

A. Problem Statement

The heightened interest in the need for organisations to become healthy has been promoted by several researches in the western world such as researches by Childers and Fairman (1986) Clark and Fairman, (1983), Hoy and Feldman (1987), Hoy, Tartar and Kottkamp, (1991), Kimpston, and Sonnabend, (1973). The situation, however, is different in Ghana as this area remains less explored. With the exception of a study done by Puplampu (2000) on organisational health, no other work has been done in this area in Ghana. This has resulted in a gap in empirical knowledge and inadequate literature in the area of organisational health in Ghana. The purpose of this study therefore, is to examine

the health of some selected organisations in Ghana and also help bridge the knowledge gap in the area being researched into.

II. REVIEW OF RELATED LITERATURE

Clark and Fairman (1983) in their study of organisational health identified five dimensions of a healthy organization: decision-making, interpersonal relationship, innovativeness, autonomy, and school-community relation. They found that involving all employees or allowing every employee to have a say during decision-making impacted positively on the health of organization since it resulted in organisational commitment. Also, employees were allowed to be innovative in the performance of their duties which also meant some kind of employee empowerment.

Ellsworth and Rickard (1981) in their study of the organizational health of schools also collected items related to students, parents, teachers, and programs as indicators of organizational health. The findings of their study were not different from the findings of the study by Hoy and Feldman (1987) who developed an Organizational Health Inventory consisting of the following: institutional integrity, initiating structure, resource allocation, principal influence, consideration, academic emphasis and morale.

Childers (1983) argued that the health of an organisation has important implications for the performance of the employees and students. It can be enhanced by a systematic diagnosis and by the development and implementation of an intervention plan. For instance, Childers and Fairman (1986) found that since school counsellors perceive themselves as agents of change in individual and group behaviour, they can be effective facilitators for enhancing organisational health. Accordingly, determining the organisational health of the schools is not only helpful for purposes of administration but also for the effectiveness of the teachers.

Polansky and Jones (1988) conducted a study to find out if there is any statistically significant relationship existing between selected organisational health variables (i.e., morale, adaptiveness, optimal power equalization, resource utilization, cohesiveness, leadership and planning) and selected financial data, like expenditure per pupil, pupil services, maximum, and minimum teacher salary etc. They found that there is, indeed, a relationship between educational spending and the well-being of a school organization.

Rodwell, Kienzle, and Shadur (1999) studied the integral role of communication in the relationship among work-related perceptions, employee attitudes, and employee performance. An analysis of survey data collected from employees of an Australian information technology company found that employee perceptions of teamwork, communication, employee job satisfaction, commitment, and stress significantly predicted self-rated performance. Unexpectedly, communication was found to be negatively related to performance. Analysis of the pattern of relationships indicates that while the direct relationship between communication and performance is negative, the role of communication is one of enhancing teamwork, job satisfaction, and commitment. The study relates the findings to the “communication metamyth” which assumes that more communication is necessarily good.

III. ANALYSIS OF DATA

The study intended to identify the health of the sampled organisations in Ghana. The raw data from the self-administered survey was first edited for non-answered and invalid questionnaires. The raw data of consumers was coded and entered into different data files. The Statistical Package for the Social Sciences (SPSS) version 16 from Microsoft was employed to analyse the data which were collected from the organisations involved in this study. The result of the analyses showed that, 18 of them were normal, 6 were sick and struggling, 1 was seriously distressed, and 3 were healthy. Issues bothering around organisational health are quite sensitive and will therefore be breach of ethics to expose them about organizations.

Table 1: Summary of health status for all the organizations

Health Status	Frequency	Percentage
Normal	111	45.3
Healthy	81	33.1
Sick and Struggling	36	14.7
Seriously Distressed	14	5.7
Dying	3	1.2

Table 1 above displays the overall responses of the various employees who were sampled for the study. From the analyses of the responses of the respondents from the structured questionnaire given to them, 81 respondents pointed out that their organisations were healthy which is equal to 33.1%. The results again indicated that in general 111 respondents pointed out that their organisations had a normal status which also accounted for 45.3%. Interestingly, only 36 respondents indicated that their organisations were sick and struggling also accounting for 14.7%. Again, only 14 respondents indicated that their organisations were seriously distressed which also accounted for 5.7%. Finally, only 3 respondents indicated that their organisations were actually dying and this also accounted for 1.2%. From the findings above it could be deduced that majority of the organisations which were sampled for this study had a normal health status while a few others had a very unhealthy status.

TABLE 2: Reasons for the current health status of the organisations

REASONS	FREQUENCY	PERCENTAGE
Good management practices	86	41.3
Poor communication system	48	23.1
Smooth communication line	25	12
Ineffective leadership	23	11.1
Management ignores subordinate views	14	6.7
Government /political interference	7	3.4
Not sure	2	1

After the determination of the health status of the various organisations, the researcher further probed the respondents to find out the various factors which have possibly contributed to the current health status of the organisations. The factors mentioned by the research respondents related to issues on management practices, employee involvement in decision making, leadership styles, communication lines and system, government/political interference. Two of the respondents were however not sure.

The researcher further asked the respondents that since they had an idea about what the causative factors were, then they should suggest, from their opinion, what they think could be done to improve or deal with the health state of their organisations.

Table 3: Summary of finding on better ways of improving the health of organisations

Solutions	Frequency	Percentage
Improvement in management practices	45	24.6
Motivation for staff	43	23.3
Open communication	30	16.4
Keeping to modern trends	23	12.6
Decision should be bottom-up	13	7.1
Consider staff welfare	12	6.6
Training for staff	7	3.8
Change dysfunctional board	5	2.7
No state/government interference	3	1.6
Float more shares	2	1.1

Table 3 displays respondents' opinions on the issue of building a better state of health for their organisations. When respondents were asked the question about how they think the state of the health of their organisations can be improved, they suggested solutions such as: management considering staff welfare, training staff, adopting a bottom-up approach to decision making, motivating staff, open communication, keeping to modern trends in business, no state/government interference, changing and dissolving dysfunctional board of directors, improvement in management practices, and some companies floating more shares.

IV. DISCUSSION OF THE FINDINGS

In this study, three main questions were asked: How healthy are organisations in Ghana? What are the causal factors of organisational health in Ghana? How can the health of organisations be improved? The results showed that 19 of the organisations which participated in the study were normal, 5 were sick and struggling, 2 were seriously distressed and 2 were healthy. Some of the indicants of the health status of organisations from the findings of the study showed that, good management/leadership practices such as involving all organisational members in the leadership, good governance systems, having greater respect for diversity, strong business practices, low rate of employee turnover, having well laid down procedures for complaints as well as fair/commendable internal practices and people management, having employees who are committed to the organisation and therefore sees themselves as citizens of the organisation, communication, trust, and employee participation in decision making were the characteristics or the pillars on which a healthy organisation stands.

These dimensions of Organisational health are not significantly different from the dimensions identified by Lyden and Klengales (2000). They identified some symptoms of poor organisational health; these included declining profits, decreasing productivity, increasing absenteeism, barriers to open communication, all decision making at the top managerial levels, lack of commitment to the organisation, low levels of motivation and morale, existence of unethical behaviour, lack of goal setting, and lack of trust among employees, among others. They also presented some characteristic of a healthy organisation which included adequate communication, participation and involvement, loyalty and commitment, morale, institutional reputation, ethics, and leadership among others.

Kimpston and Sonnabend (1973) in their study of organisational health summarized the dimensions of health as goal focus, communication adequacy, optimal power equalization, resource utilization, cohesiveness, innovativeness, autonomy, adaptation, and problem-Solving adequacy among others. Thus, the findings of the present study serve not to only replicate but also extend the findings reported in previous research. It can be found from the findings of previous researches that each of the dimensions identified in this study relate to at least one of the dimensions identified by those previous studies.

As far as the causative factors of the dimensions of organizational health is concerned, results indicated that leadership or management practices such as management neglecting the subordinates such that they do not feel part of the organisation, management ignoring subordinate views in organisations, ineffective and inefficient leadership, among others, communication in the organisation –poor/good communication systems or practices- and government interference/political involvement especially with regards to the public organisations were identified as the causal factors of organisational health in Ghana.

Childers (1983) in one of his studies identified school principals as responsible for building and enhancing "the organisational health and productivity of their schools". Polansky and Jones (1988) in their study also found a significant relationship between organisational health and leadership. Clark and Fairman (1983) in their study found five dimensions of organisational health; involving all employees in decision-making as well as allowing autonomy were some of the variables identified as important indicants of a healthy organisation. They found that involving all employees or allowing every employee to have a say during decision-making impacted positively on the health of organisation since it resulted in organisational commitment. There is no doubt about the fact that granting autonomy to the employees promotes empowerment which also allows the employees to be innovative. In conclusion there is obviously no doubt about the fact that positive leadership practices positively affect the health of every organisation while negative leadership practices will breed ill-state of organisations.

The study also sought to find out how the health of organisations in Ghana can be improved. From the analysis of the data collected for the study, it was found that considering staff welfare, training for staff, taking decisions using the bottom-up approach, motivating staff/education, employing open communication, keeping to modern trends, disallowing state or government interference in the running of businesses especially in the public institutions, changing dysfunctional board of directors, improvement in management or leadership practices were some of the possible ways of building and improving the health of organisations in Ghana.

V. IMPLICATIONS OF THE STUDY

This research contributes to the growing literature on the health of organisations in Ghana. This study identified some dimensions of organisational health in Ghana. The study also went ahead to identify the causative factors of the health of organisations as well as suggest the possible solutions to improve the health of organisations. The results of this study point to several interesting managerial implications. Most importantly, this study indicates the possibility that desirable health of organisations must be achieved because as the Ghanaian corporate environment becomes more heterogeneous, with an increasing emergence of several organisations in several industries creating a more competitive environment, managers will need to develop a better understanding of the health of their organisations since this is essential for survival. Specifically, the results presented in this research suggest that there are certain practices which managers must necessarily pay attention to if they want to see their organisations survive and compete better in the competitive corporate environment in Ghana and in the world at large. Managers should be concerned about developing policies and procedures to ensure that those practices found to promote a healthy organisation are upheld in their organisation. There is little doubt about the fact that improving the health of and organisation will lead to the realization of organisational mission and vision.

A. Recommendations

Based on the findings of the study, the following recommendations have been made:

Attention must be paid to the welfare of the employees. Thus efforts must be made at improving the overall welfare of the employees through provision of such things as good accommodation facilities, good medical facilities as well as good transportation systems.

Employee development through training will help enhance the skills, abilities, knowledge required to perform better in organisation. It is therefore important that employee training and development is accorded much priority.

Involving all employees in the decision making has been found to contribute positively to the organisation. It is recommended that employees at all organisational levels be made to participate in taking decisions concerning their work and that of the organisation at large

Improved conditions of service will immensely motivate employees towards better performance and eventually, the health of an organisation. Salaries, fringe benefits and other factors of motivation should be enhanced and made relevant to the prevailing economic circumstances by reviewing them periodically.

Open communication must be accorded much priority in every area of organisation since it impacts greatly on the performance and outcomes and the eventual health in every organisation

Since business environment keeps changing within “every other second”, it is always important and for that matter hereby recommended that organisations keep to modern trends in order to survive, grow and profit.

Several studies have revealed that political interference in the running of public owned enterprises contributes negatively to the performance of organisations. It is therefore being recommended here that governments should stay away from allowing political interests to interfering in the running of businesses.

Changing dysfunctional board of directors, improvement in management or leadership practices

Appropriate leadership and governance should be upheld; improved quality of leadership and governance practices will contribute to the improvement in the health of organisations

B. Conclusion

The study investigated the dimensions of organisational health in Ghana. The findings from the analyses of the data collected were that, good management/leadership practices such as involving all organisational members in the leadership, good governance systems, having greater respect for diversity, strong business practices, low rate of employee turnover, having well laid down procedures for complaints as well as fair/commendable internal practices and people management, open and effective, communication, trust, and employee participation in decision making were the dimensions of a healthy organisation.

It is hoped that the observations made in this study would serve to rekindle the global concern for very important management issues about organisational health for sustainable development of organisations. Also, leadership or management practices, bad/good communication, bad/good governance, political involvement were identified as the causal factors of organisational health in Ghana. Finally, considering staff welfare, training of staff, involving employees in decision making, motivating, open communication, keeping to modern trends, avoiding state or government interference in the running of businesses of organisations, improvement in management and governance practices were some of the practices which when attended to can improve the health of organisations.

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