

Public Sector Practice

Organizational Health Index (OHI)

Using 'Organizational Health' to build and sustain performance



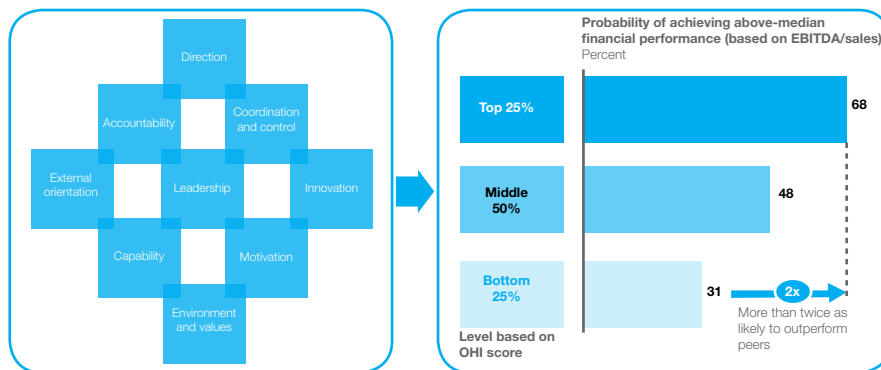
About OHI

The Organizational Health Index solution measures and tracks the organizational elements that drive performance. It provides a simple but powerful road map for leaders and managers to improve organizational health.

Linking organizational health and performance

Our research has proven that the healthiest companies are more than twice as likely to outperform their peers

Nine elements of organizational health Proven link to performance



Shifting your organization toward higher performance

- Assess underlying mindsets and behaviors that impact performance
- Benchmark your organization's health index against public and private sector benchmarks
- Understand your organization's archetype to identify the six to seven "must-have" practices for success
- Prioritize intervention programs needed to improve health
- Periodically track health to ensure ongoing progress and catch potential issues early

Connecting with experts

- Gain important, and often unexpected, insights identified by analysts with experience across many organizations, industries, and geographies
- Develop the best solution for your organization by drawing on McKinsey's deep organizational expertise and broad experience serving 96% of the world's leading global institutions



“McKinsey’s behavioral work is the most profound I’ve been involved in – the impact is extraordinary.”

Chief Executive Officer,
Global Telecoms Company

What makes OHI unique

OHI goes beyond a typical engagement or employee survey. It prescribes interventions to improve those elements of health directly linked to performance. For the first time, managers are saying they know where to focus organizational efforts to deliver on their mission.

OHI is unique in three ways:

Proven link between health and performance

- McKinsey has identified the nine elements of organizational health that impact performance and help organizations change underlying mindsets and behaviors

Competitive insights

- OHI includes benchmarks against a continuously growing, proprietary database of more than 900 organizations in all industries across the globe

Archetypes

- Instead of a “one-size-fits-all” approach, McKinsey has identified four patterns of behaviors, or archetypes, to help an organization identify its optimal path forward



“McKinsey provides a unique combination of operational and organizational expertise.”

Chief Executive Officer,
Energy Corporation

What OHI delivers

The Organizational Health Index solution provides detailed findings for how your organization is performing on the nine elements of health, related to performance. These findings include 'sore' points as well as best practices for business units, functional groups, and organizational layers.



McKinsey's Basic Beliefs

Health matters

Performance is driven by organizational health - 9 elements with 37 underlying management practices

Focus on right practices

Although a company must achieve a minimum threshold level for all management practices, they need distinctiveness in only six to seven practices

Know your organization's archetype

McKinsey has identified four patterns of organizational behavior or "archetypes," that most organizations fall into: market focus, execution edge, talent/knowledge core, and leadership-driven

Orient for action

The management challenge is to fully understand its archetype and select the right combination of management practices necessary to deliver outstanding performance and health

Linking organizational health and performance

The OHI solution...

1

Provides hard measures for the soft issues that impact performance

2

Benchmarks organizational health against a wide range of organizations

3

Identifies and prioritizes needed changes and intervention programs

4

Tracks progress and catches potential issues early

Working with OHI



From designing the approach to tracking progress, the Organizational Health Index solution relies on McKinsey's close collaboration with you and your management team.

Comprehensive OHI assessment survey

- An online employee survey of an organization's entire population or specific segments (paper-based survey available for employees without computer access)
- In-depth interviews and focus groups to gain a deeper understanding of the key issues
- Additional survey modules, if needed, to assess specific areas; for example, social networks, top management effectiveness, change readiness

Rigorous analysis and benchmarking

- McKinsey experts analyze organizational health results for the overall organization, business units, functional groups, management layers, and other subgroups as needed
- Experts benchmark results against a proprietary database of more than 900 organizations codified in a set of management reports to guide problem solving

Problem-solving session and identification of initiatives

- McKinsey leaders share OHI results with leadership and facilitate management workshops to discuss implications, set aspirations, develop interventions and initiatives, and identify milestones

Tracking progress

- The OHI survey is conducted periodically to comprehensively or selectively track progress
- McKinsey experts discuss with management key learnings from the tracking survey including progress made

For more information on OHI, visit:
<http://solutions.mckinsey.com/ohi>
or send an email to:
public_sector_practice@mckinsey.com

