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Embedding Psychological health and wellbeing at work

A brief guide to the Psychology of
Organisation design

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Case study

A charity with £3m turnover and 120 independent practitioner staff had grown its operations significantly over 20 years. There was a surge in expansion in the last three years. The management solution for supporting this expansion was to retain a Board of 23 Trustees; introduce a tier of 7 non-practitioner managers responsible for seven divisions of services, and establish 4 centralised support services including HR, Finance, Information Technology, Supplies, and Estate services. This structure and development was introduced without consultation.

Having completed these changes, the commissioning processes also changed and this affected the viability of the charity. Management attention was diverted towards cost savings, and completing questionnaires apparently related to standards. Little attention was being paid to clients and the staff. All this change began to cause a 'ripple effect' amongst staff. There was a dramatic increase in staff absenting themselves due to sickness, and a growing numbers of staff leaving their jobs for better pay at a local superstore. Recruitment to the charity was grinding to a halt, adding additional pressure to existing staff, creating a snowball effect of staffing problems in servicing existing clients. The charity was facing meltdown on a number of fronts.

Outcome

With our help in designing an appropriate organisation, flattening the structure and improving the management arrangements, the charity was able to survive the immediate crisis and is now a thriving venture, with further plans for growth. Sickness, absence and staff turnover are significantly reduced, and staff have regained their commitment to the charity despite some being paid less than the superstore. The charity now receives unsolicited enquiries about vacancies.

Brief guidance

- 1) Organisation design has a major and significant impact on psychological health and wellbeing of people at work. The flatter the design the more involved staff become and the greater their commitment to the purpose of the organisation.
- 2) The flatter the structure the less management overhead is needed to achieve peak performance, the staff commitment to the organisation is greater and more effective.
- 3) When managers manage people effectively the stronger is the psychological health and wellbeing of staff; this results in higher productivity and performance.
- 4) The greater the commitment of managers and staff to the organisation the less sickness, absence and staff turnover is experienced, even if there is a strong temptation of higher pay elsewhere.

Our role

- We help all types of organisation to design structures that promote psychological health and wellbeing.
- We base our advice on the evidence that the flatter the structure the stronger the psychological health and wellbeing amongst managers and staff, resulting in higher performance and lower sickness, absence and staff turnover. This is due to the increased involvement of staff in the organisation, improved communication, resulting in stronger commitment and trust in the organisation.
- We provide consultancy, team building, individual coaching and mentoring as part of the service to design effective organisations.

Call us on 0845 833 1597 or visit us at www.orghealth.co.uk or email us at info@orghealth.co.uk