

50 Signs of an Unhealthy Organization

Leadership and Management

1. Influential senior managers are in their last jobs, with no desire to rock the boat.
2. Confidence in leadership diminishes and may be challenged.
3. Managers are reluctant to develop their people for fear of creating rivals.
4. Change and those who crave it are viewed as threats and blocked.
5. New ideas and innovations are suppressed by a management that feels it must be the source of all that is creative.
6. Key decisions are taken without consultation or consideration of those most affected.
7. Too long passes between deciding to do something and implementing the decision.
8. Rules and procedures are openly broken with impunity.
9. The purpose of the organization is unclear, and senior managers have different thoughts on what it is.
10. Too many people play the "that's not my job" game.
11. Even relatively minor decisions are made at higher levels than is sensible.
12. Employees are unempowered to make their own decisions.
13. Praise is rare, particularly from senior managers.
14. A blame culture stifles innovation and discourages personal responsibility.
15. Fads or quick fixes are adopted to confront major issues.
16. There is no sense of urgency where it should be seen.
17. The organization's structure encourages a "dead man's shoes" syndrome with little promotion opportunity.
18. Too many new people in important roles try to replicate their past organization without considering the current one.

19. There is a distinction between success and effectiveness within the organization.

Employees and Culture

20. Employees get little or no feedback on their performance.

21. New starters are left to 'sink or swim.'

22. Induction is seen as an event, not a process.

23. Individuals feel they are not rewarded in relation to their specific contribution and effort.

24. Internal, inter-functional conflicts are not confronted and escalate.

25. Rumors abound.

26. People in one part of the organization have no idea what other parts do, nor do they care enough to find out.

27. Capable, highly competent people leave the organization without making a positive contribution.

28. Staff feel undervalued to the point that it gets in the way of performance.

29. People don't feel good and few, if any, are having fun.

30. The organization is dependent on a small number of customers or suppliers.

31. Employees pursue their own goals and interests ahead of the organization's.

32. There is little or no genuine succession planning.

33. There's a high turnover rate.

34. Gossip and unhealthy competition pervade the office.

35. The business does not have or follow a list of core values.

36. The atmosphere is toxic, even if the company says "we're a family."

Financial and Operational

37. Dwindling cash or consistent losses.

38. Increasing debt levels.

- 39. Selling off major divisions or product lines.
- 40. Cuts in health benefits, pension plans, or other perks.
- 41. Abrupt dismissal of an auditor or accounting firm.
- 42. A sudden change in management.
- 43. A significant decline in revenue.
- 44. Profit margins are shrinking.
- 45. Loan covenant violations.
- 46. Ongoing legal issues, such as lawsuits or regulatory fines.
- 47. Expenses are growing faster than revenue.
- 48. A nonexistent, low, or stagnant cash balance.
- 49. The customer base is not consistent or growing.
- 50. Bills are not paid on time, and vendors are chasing payment.