

More Than Just a Target: Building a Healthy and Productive Organization

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ABSTRACT

Organizational success has often been narrowly defined by financial targets and performance indicators, yet sustainable achievement requires a broader focus on organizational health. This study aims to explore how organizational health is conceptualized and practiced holistically within organizations, particularly across four dimensions: leadership, organizational culture, employee well-being, and psychological safety. Using a qualitative multiple case study design, data were collected through semi-structured interviews, focus group discussions, and document analysis from selected organizations in Indonesia. Thematic analysis was applied to identify recurring patterns and generate cross-case themes. The findings reveal that leadership serves as the cornerstone of organizational health, with supportive and empathetic behaviors fostering trust, engagement, and motivation. Organizational culture provides the collective framework, where collaboration and inclusivity translate health-related values into daily practices. Employee well-being is widely recognized but often constrained by workload pressures and policy-practice gaps, while psychological safety emerges as the critical enabler that transforms engagement into innovation and sustainable productivity. The study concludes that organizational health is a multidimensional construct achieved when leadership, culture, well-being, and psychological safety are aligned and mutually reinforcing. This holistic integration allows organizations to move beyond targets toward resilience, adaptability, and long-term performance.

Keywords: Organizational Health, Leadership, Organizational Culture, Employee Well-Being

INTRODUCTION

In contemporary organizational practices, the pursuit of performance targets such as revenue growth, cost reduction, efficiency, and market expansion has become the dominant paradigm for measuring success. While these performance indicators are important, focusing exclusively on numerical targets often neglects the broader dimensions of organizational health and long-term sustainability. Many organizations, particularly in emerging economies, have demonstrated strong short-term financial outcomes but simultaneously report rising employee dissatisfaction, burnout, and turnover. In Indonesia, workplace well-being scores remain relatively low compared to global averages, highlighting a pressing problem that organizations may achieve financial milestones without necessarily fostering a healthy and productive environment (Training-Indonesia, 2025). This phenomenon reflects a fundamental imbalance where performance is achieved at the expense of organizational health, ultimately threatening long-term competitiveness. The COVID-19 pandemic amplified this tension by bringing employee well-being and organizational resilience into sharper focus. During the crisis,



employees across sectors experienced increased stress, uncertainty, and workload pressures, which directly affected productivity and overall organizational performance. Loreto et al. (2022) emphasized that well-being and productivity during the pandemic were heavily influenced by workplace stressors, social support, and organizational policies. Their integrative review revealed that organizations unable to prioritize holistic health found themselves facing higher absenteeism, declining engagement, and reduced innovation capacity. These findings underscore the urgency of reframing organizational success by not only considering financial performance but also the mental, physical, and psychological health of employees as an inseparable dimension of productivity.

In the Indonesian context, research has begun to examine the role of work-life balance, organizational culture, and motivation as factors influencing performance. For example, Barokah, Suhardi, and Amin (2025) found that work-life balance and organizational culture significantly affected employee performance through job satisfaction. However, their study revealed that organizational support and psychological safety two critical dimensions of organizational health were often overlooked as mediating variables. This suggests that even when organizations provide structural policies for balance and motivation, their effectiveness may be undermined if employees do not perceive a supportive and safe environment. Similar conclusions have been observed in other Indonesian sectors, where organizations focus on singular variables such as culture or motivation but fail to integrate these into a broader framework of organizational health. Globally, the concept of organizational health has gained increasing attention, yet the scope of analysis remains fragmented. Quansah et al. (2023), for instance, examined the effects of safety leadership, employee engagement, and psychological safety on safety performance. Their study highlighted psychological safety as a key mediator, demonstrating that leadership styles promoting trust and openness indirectly foster stronger performance outcomes. In Japan, Kumagaya (2025) investigated the relationship between humble leadership and employee engagement, finding that psychological safety mediated the impact of leadership behaviors on mental health and engagement. Both studies reinforce the notion that organizational health is not merely about achieving output targets but is significantly shaped by leadership quality, cultural context, and the psychological environment. Despite such findings, many organizations continue to view health-related practices as peripheral rather than central to strategic management. Pandey et al. (2025) conducted a systematic review that confirmed the critical role of employee well-being in predicting organizational outcomes. However, they also noted a substantial research gap: the mechanisms through which well-being translates into measurable productivity remain underexplored. Variables such as employee engagement, meaning of work, and psychological safety have been recognized as potential mediators, but the empirical evidence across different contexts remains inconsistent. This is especially relevant for developing countries, where research on holistic organizational health is still in its infancy.

In Indonesia, a number of studies have focused on organizational culture as a predictor of performance, but few have extended this to the domain of organizational health as a holistic construct. Wijaya et al. (2025) explored the relationship between organizational culture, employee well-being, and job performance, showing that culture significantly shapes both well-being and performance outcomes. Yet, their study did not explicitly examine how leadership practices or psychological safety may interact with culture to create a healthier organization. Similarly, research in Indonesian banking institutions has shown that organizational culture influences organizational learning, which subsequently enhances employee engagement and performance (Situmorang et al., 2023). While these findings are valuable, they still fail to integrate physical,

psychological, and cultural health into a comprehensive model of organizational productivity. The gap in literature can thus be articulated along four dimensions. First, the definition of organizational health remains inconsistent across studies. Some focus narrowly on leadership or culture, while others emphasize well-being or work-life balance, but few combine these into a holistic framework that integrates psychological safety, supportive leadership, and cultural inclusivity. Second, the mediating and moderating mechanisms linking organizational health to productivity are underexplored. While engagement and psychological safety are increasingly recognized, their roles as explanatory variables remain limited in empirical studies. Third, the majority of studies are conducted in Western or advanced economies, leaving a gap in contextual research within developing countries such as Indonesia, where organizational dynamics may differ significantly. Finally, many studies are cross-sectional, offering limited insight into the sustainability of organizational health interventions over time.

Addressing these gaps requires a novel approach that integrates multiple dimensions of organizational health into one coherent framework. The novelty of this study lies in its holistic examination of organizational health, encompassing leadership practices, psychological safety, organizational culture, and employee well-being, and their collective impact on productivity. Unlike prior studies that examined isolated factors, this research positions organizational health as a multidimensional construct that directly and indirectly shapes productivity outcomes. Furthermore, by focusing on the Indonesian context, the study contributes fresh insights into how cultural and structural dynamics in emerging economies influence the health-productivity relationship. In addition, the study introduces the mediating role of employee engagement and the moderating effect of psychological safety as key mechanisms for explaining how organizational health translates into productivity. Previous research has established the importance of these variables individually (Schaufeli, 2021; Grawitch et al., 2021), but few have examined them simultaneously within a developing-country context. By doing so, this research extends the theoretical framework of organizational health and provides practical implications for organizations striving to move beyond a target-centered approach. Based on the identified problems, research gaps, and novelty, the present study has a clear objective : to explore how organizational health is conceptualized and practiced holistically within organizations, including dimensions such as leadership, organizational culture, employee well-being, and psychological safety.

METHODS

This study adopts a qualitative multiple case study design to explore how organizational health is conceptualized and practiced holistically, with particular attention to leadership, culture, well-being, and psychological safety. Data were collected from 3–5 organizations in Indonesia that have implemented health-related initiatives such as well-being programs, feedback forums, or leadership training. Participants, selected through purposive sampling, included leaders, managers, HR staff, and employees with at least one year of tenure, ensuring varied perspectives across organizational levels. Data collection combined semi-structured interviews, focus group discussions (FGDs), and analysis of organizational documents, while observations of meetings were conducted when possible. Each interview lasted 45–70 minutes, FGDs 90–120 minutes, and ethical standards such as informed consent, voluntary participation, and confidentiality were strictly maintained. The data were analyzed using thematic analysis (Braun & Clarke, 2006), applying both inductive coding and deductive attention to the four research dimensions. Codes were clustered into categories and refined into

cross-case themes that illustrated how organizational health shapes productivity. NVivo software supported data management, and trustworthiness was ensured through triangulation, member checking, peer debriefing, and an audit trail. The final outcome is a conceptual model grounded in empirical narratives, highlighting pathways such as supportive leadership fostering psychological safety, or cultural learning practices enhancing engagement and resilience, ultimately leading to sustainable productivity. This qualitative design provides contextualized insights for organizations to move beyond target-centered strategies toward building healthy and productive systems.

PRISMA-like Flow for Qualitative Multiple Case Study

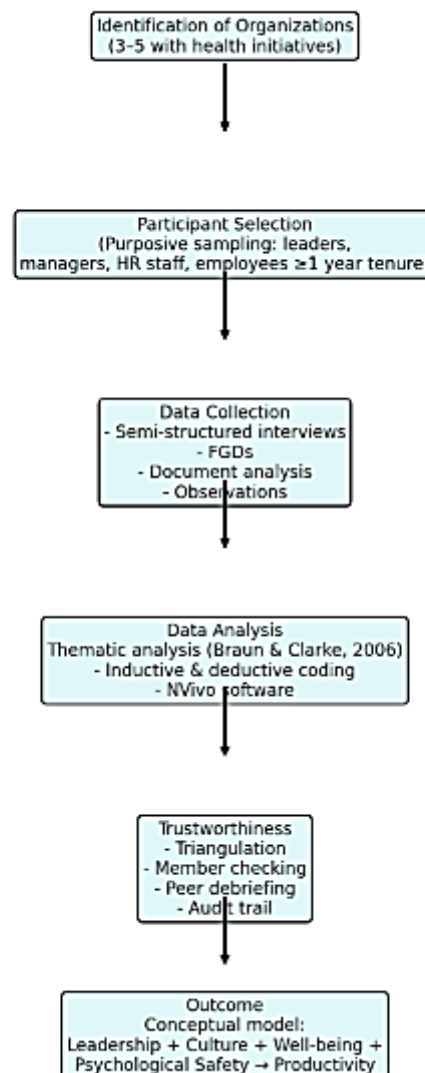


Figure 1. Flowchart Methodology of Research

RESULTS AND DISCUSSION

The purpose of this study was to explore how organizational health is conceptualized and practiced holistically within organizations, taking into account the interrelated dimensions of leadership, organizational culture, employee well-being, and psychological safety. Thematic analysis across multiple organizational cases revealed four dominant themes: (1) leadership practices as the cornerstone of organizational

health, (2) organizational culture as the framework for collective well-being, (3) employee well-being as both priority and challenge, and (4) psychological safety as the enabler of engagement and productivity. These themes, when integrated, portray organizational health as a multidimensional construct where leadership, culture, well-being, and psychological safety intersect to sustain long-term productivity.

Leadership Practices as the Cornerstone of Organizational Health

Leadership emerged as the most visible entry point through which employees experienced organizational health. Across the studied organizations, employees consistently emphasized the behaviors of their immediate supervisors as indicators of whether the organization truly prioritized health and productivity. Leaders who practiced open communication, constructive feedback, empathy, and participatory decision-making created environments where employees felt supported and motivated. In contrast, leaders who maintained authoritarian or distant styles tended to foster disengagement, silence, and low trust among their teams. This finding aligns with extensive empirical evidence showing that human-oriented leadership styles such as transformational, authentic, empowering, ethical, and servant leadership are positively associated with employee engagement (Decuyper et al., 2021). However, as Li et al. (2021) and Kotiloglu et al. (2024) note, the strength of these relationships is moderated by contextual factors, including national culture. In high uncertainty-avoidance cultures, servant leadership's impact on engagement can weaken, suggesting that leadership behaviors need to be sensitive to local norms. The role of leadership in fostering organizational health also resonates with Wang et al. (2023), who highlight how strengths-based leadership encourages employees to apply their unique capabilities, thereby enhancing engagement and productivity. In the present study, employees in organizations where leaders tailored tasks to individuals' strengths reported higher levels of motivation and stronger perceptions of organizational health. Leadership, therefore, is not simply about target-setting but about shaping the relational climate that enables employees to thrive.

Organizational Culture as a Framework for Collective Well-being

While leadership influences daily experiences, organizational culture provides the structural framework within which organizational health is conceptualized and practiced. The organizations examined in this study varied in the explicitness and consistency of their cultural values. Some maintained cultures emphasizing collaboration, inclusivity, and shared learning, while others exhibited more hierarchical or competitive orientations. In organizations with collaborative cultures, employees described their workplace as "family-like," emphasizing peer support during high-demand periods. These cultures facilitated collective responsibility for well-being and translated into tangible outcomes such as lower turnover and higher innovation. Conversely, organizations with hierarchical or competitive cultures often had well-being initiatives that existed only on paper, with employees perceiving them as symbolic rather than meaningful. This confirms findings from Tadesse Bogale et al. (2024), who argued that organizational culture, when explicitly aligned with practice, becomes a critical determinant of resilience and performance in times of crisis. Moreover, feedback

mechanisms and organizational citizenship behaviors (OCB) were repeatedly highlighted as cultural practices that reinforced organizational health. In line with Tagliabue et al. (2020), who showed that performance feedback fosters OCB, our participants emphasized that regular feedback loops and recognition practices created a sense of belonging and strengthened organizational culture. The interplay between culture and health thus lies not only in stated values but also in how those values are enacted through daily practices.

Employee Well-being as Priority and Persistent Challenge

Despite widespread acknowledgment of the importance of well-being, organizations struggled with implementation gaps. Formal policies such as wellness workshops, flexible schedules, or counseling services existed, but employees often reported difficulty accessing them due to workload demands and performance pressures. This finding echoes Pandey et al.'s (2025) systematic review, which identified employee well-being as critical for organizational outcomes but emphasized that mechanisms linking well-being to productivity remain underexplored. At the micro-level, employees described self-initiated practices such as short breaks, mindfulness exercises, or informal peer support as essential strategies for maintaining well-being. These accounts resonate with Albulescu et al. (2022), who demonstrated that micro-breaks, even brief ones, improve well-being and performance outcomes. Similarly, Björk et al. (2021) showed that bottom-up engagement interventions can enhance vitality and focus, even if their effects are modest. Our findings confirm that such interventions help employees cope but are insufficient without structural alignment at the organizational level. The critical challenge, therefore, lies in translating well-being from policy to practice. As one HR manager admitted during interviews: "We have wellness policies, but deadlines keep people from using them." This highlights that organizational health requires more than symbolic acknowledgment; it must be embedded into work design, workload management, and supervisory support.

Psychological Safety as an Enabler of Engagement and Productivity

Perhaps the most powerful mechanism identified in this study is psychological safety (PS). Employees consistently reported that when they felt safe to speak up, admit mistakes, and contribute ideas, their engagement and creativity soared. Conversely, low PS environments produced silence, fear, and missed opportunities for improvement. This finding is strongly supported by recent systematic reviews. Montgomery et al. (2025) concluded that PS significantly predicts patient safety and service quality in healthcare settings, while Dong et al. (2024) synthesized nearly 1,000 publications showing that PS and psychosocial safety climates are robust predictors of safety performance across industries. In our data, departments with high PS not only reported higher satisfaction but also achieved measurable efficiency gains, as reflected in reduced errors and faster problem-solving cycles. Moreover, Zhu et al. (2022) demonstrated that PS is positively linked to innovative behaviors, a pattern mirrored in our cases where teams with high PS engaged in continuous improvement practices. This positions PS not merely as a "soft" construct but as a strategic enabler of innovation and productivity.

Integrative Pathways: Moving Beyond Targets

When integrated, the themes suggest that organizational health operates through interconnected pathways. Leadership provides the catalyst, culture sets the framework, well-being addresses individual needs, and psychological safety enables collective engagement. In organizations where these elements aligned, employees reported sustainable productivity gains. In contrast, when initiatives were fragmented such as policies without leadership support or culture without psychological safety organizational health was perceived as ineffective. Our findings echo Neuber et al. (2022), who updated meta-analytic evidence that employee engagement strongly predicts task performance, and Bloom et al. (2024), who showed in a randomized controlled trial that hybrid work arrangements reduce turnover by one-third without reducing performance. Together, these studies affirm that organizational health can drive measurable productivity outcomes when approached holistically.

CONCLUSION

This research reveals that organizational health is conceptualized and practiced as a holistic system rather than a set of isolated initiatives. The findings show that: 1) Leadership acts as the cornerstone, with supportive, empathetic, and communicative leaders shaping daily climates that promote trust, participation, and long-term motivation. 2) Organizational culture functions as the collective framework, where values of collaboration, inclusivity, and continuous learning translate health into consistent practices rather than symbolic policies. 3) Employee well-being is recognized as a strategic priority, but its effectiveness depends on the integration of formal policies with work design, workload management, and supervisor support to reduce gaps between policy and practice. 4) Psychological safety emerges as the critical enabler, turning engagement into innovation, collaboration, and sustainable productivity by ensuring employees feel safe to voice concerns and ideas. Overall, the study concludes that organizations become truly healthy and productive when these four dimensions are aligned and mutually reinforcing. Moving beyond mere performance targets, organizational health is sustained through leadership practices, cultural consistency, embedded well-being, and climates of psychological safety. This holistic integration enables organizations not only to achieve goals but also to foster resilience, adaptability, and long-term success.

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