

Cardinal Health Organization

by Paper 3 Paper 3

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Recommendations for Cardinal Health Inc.

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Recommendations are considered as part of the important measures that help in the determination of whether or not an organization is successful. Based on threats and weaknesses identified for Cardinal Health Inc., there arises a call for action if the company is to be effective in competing favorably with the other companies. For clear understanding, there is a need to expound on the recommendations outlined in terms of how they may impact the organization. It is also important to consider the relevant resources that can help in the implementation of the recommendations. Finally, the recommendations should be assessed in terms of their financial validity. By doing so, it may be possible to tell which recommendation should be prioritized for implementation based on their ranking (Singh et al., 2020).

Impact of the Recommendations to the Cardinal Health Inc.

Among the recommendations that would work efficiently for Cardinal Health Inc, having the right leadership would go a long way in elevating the company to a higher competitive position. It is the responsibility of a leader to lead the workers in realizing that change is fundamental for the achievement of greatness and can be achieved through charisma. Cardinal Health Inc should have the leadership that seeks to inspire employees in performing beyond what is expected of them. The leadership should also be such it seeks to avail the necessary resources as well as one that budgets for the company's activities appropriately. With these practices in place, the workers would be motivated to deliver their best. This would take Cardinal Health Organization to a higher level and make it effective in competing with other companies in the health industry (Singh et al., 2020).

The principle of shared vision is another recommendation that Cardinal Health Inc should adopt. According to Craig (2019), a company should have the leadership that serves to direct the workers on what to do rather than telling them what they did wrongly. Whenever the leadership

of the company comes up with a vision aiming at the success of the company, it should let the junior staff aware to ensure that the whole organization works towards the achievement of the set vision. Through this, all the staff of Cardinal Health Inc is in a position to counter any battle posed to them by the competitors in the best way possible.

Additionally, Cardinal Health Inc should develop a culture of change. According to Michie et al. (2017), the healthcare industry is experiencing changes that seek adaptive and responsive leaders that can face challenges and demands in the industry. Therefore, change is an important aspect of success in any organization and should be accommodated. Most often, the Cardinal Health Inc leaders complain that the staff members resist change. The resistance is in most cases attached to a particular cause. Such causes that lead to resistance should be worked on. This will positively impact the growth of the organization as it will not lag in accommodating the changing aspects of the healthcare industry such as technology.

Another recommendation that Cardinal Health Inc should consider embracing is accountability among the main stakeholders such as the physicians and nurses. The staff members of Cardinal Health Inc need to have an understanding of what the organization wishes to achieve. Consequently, they will be able to align themselves towards achieving the goal of the company and compete effectively in the healthcare industry (Michie et al., 2017).

Good governance should also be embraced if Cardinal Health Inc if is to compete favorably in the healthcare industry. Good governance calls for effectiveness as well as efficiency. To be effective means to do the required things while to be efficient means to do them in the right manner. Ethics of good governance should be employed in Cardinal Health Inc. As such, the long-term goals of the organization will be achieved (Lipu et al., 2018).

Resources for Implementation of the Recommendations

For the right leadership to be achieved in the Cardinal Health Inc, necessary resources, both human and material should be employed. These include the advisors. Different people are well endowed with the principles of good leadership are therefore conversant with strengths and weaknesses that face the leader in Cardinal Health Inc. Operationally, leaders can build on the failures they experience in their work. Failure helps someone to understand how to handle such a scenario in case it recurs. The time likely to be taken in the implementation of this recommendation is dependent upon the effort put by the leader in employing these resources. Also, it may be achieved immediately if the company opts to replace the leadership of the company with a better one (Singh et al., 2020).

Shared vision as a recommendation for Cardinal Health Inc can be achieved through the use of a vision ambassador. These can help to cultivate enthusiasm as well as buy-in, which may not be possibly done by the staff of Cardinal Health Inc. Also, for things that the staff are unable to foresee, the vision ambassador helps to find them. For example, they can identify confusion among workers during the performance of their duties. The recommendation can be implemented immediately after the vision ambassador has identified such problems through the adoption of necessary measures (Craig, 2019).

The culture of change is enhanced by the use of transformational leaders. They help in the strategic making of changes that are likely to prepare the organization to adjust appropriately to future changes. For example, the staff of Cardinal Health Inc can be engaged in learning how to deal with challenges that are likely to be experienced in the future. Moreover, Cardinal Health Inc may come up with a vision that works towards integrating shared values and beliefs. These

also serve to change the culture of an organization. This recommendation may take time to be implemented from its demanding attention (Lipu et al., 2018).

Accountability among the main stakeholders can be enhanced by selecting someone and holding him in charge answerable towards the outcome of the organization. For instance, a departmental manager may be selected to be answerable to the actions of the other departments. This means that the appointed department manager will head the other departments. In doing so, accountability will be enhanced. Operationally, Cardinal Health Inc may set expectations to the employees that they are supposed to ensure are met. The staff is likely to adhere to the set expectations to the latter. This recommendation can be implemented immediately after the measures are put in place and enforced (Michie et al., 2017).

Good governance can be enhanced by such human resources as a board of governors that committed to working. This will ensure that competent and effective leaders use their organizational skills in governing. Also, Cardinal Health Inc should comprise of right individuals. This may be enhancing the balance of the organization's membership based on motivation. The period this recommendation may take to be implemented may depend on the action taken by Cardinal Health Inc in enhancing good governance (Singh et al., 2020).

Financial Validity of the Recommendations

Investment in the right leadership can be assessed in terms of financial ratios. For example, we can use the return on investment to tell whether the investment in the right leadership is viable or not. The higher the ROI, the higher the viability of the investment (Wang et al., 2018). In this, we compare the gain or loss with how much the investment costs. For

example, if it would cost Cardinal Health Inc \$25000 to hire a capable leader who helps in yielding \$35000, the ¹ return on investment will be

$$\text{ROI} = \frac{\text{Final Value of Investment} - \text{Initial Value of Investment}}{\text{Cost of Investment}} \times 100$$

$$= \frac{35000 - 25000}{25000} \times 100 = 40\%$$

Since the ROI is positive, Cardinal Health Inc can proceed with the investment in the right leadership.

Assessing the viability of investing in shared vision using the profitability index, we can use an example if Cardinal Health Inc hires a vision ambassador at the cost of \$40000 who after some time yields \$80000, P.I = $\frac{\text{Net Present Value} + \text{Initial Investment}}$

Initial Investment

$$= \frac{80000 + 40000}{40000} = 3. \text{ Since the Profitability index is greater than 1, the investment is viable.}$$

Using the Return on Equity formula to assess the viability of Cardinal Health Inc investing in the culture of change, we can consider a scenario where the company earns \$120000 after investing in the learning process of the staff. If the workers earn \$100000, the return on equity will be,

$$\text{ROE} = \frac{\text{Net Income}}{\text{Equity}} \times 100 = \frac{100000}{120000} \times 100 = 83.333\%$$

This means that Cardinal Health would generate a profit of \$0.83 for each \$1 of workers' equity.

Investing in accountability can also be assessed in terms of the performance index. For example, where it amounts to \$40000 to appoint a departmental manager as in charge of heading the other departmental managers and the manager yields \$60000, the resulting PI would be .5 which is greater than 1. This means that it would be wise for the company to invest in the departmental manager.

Lastly, we consider investing in good governance. We use an example where Cardinal Health uses \$100000 to hire a capable board of governors. In case the board helps in accumulating \$150000, the return on investment of the company would be 50%. It would be worth investing in good governance because the ROI is positive.

In conclusion, Cardinal Health Inc should consider employing these recommendations. they would not only have a positive impact on the organization but also the staff. Investing in such recommendations would mean long-term viability organization. The investment should be based on using the necessary resources as discussed. By doing so, the company would increase its competitiveness in the healthcare industry.

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