



Leaders BOOK SUMMARIES

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The Advantage

Why Organizational Health Trumps Everything Else In Business

THE NUTSHELL

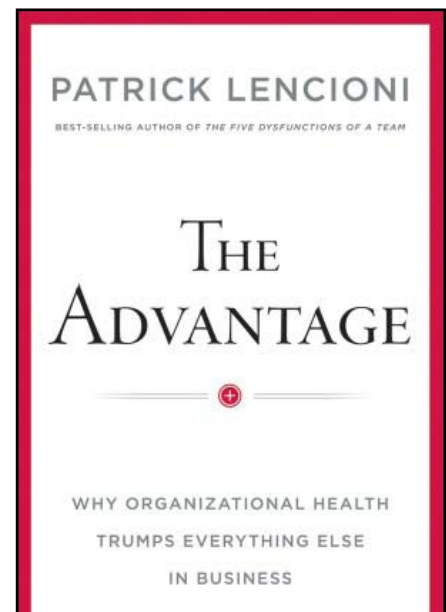


The single greatest advantage any company can achieve is organizational health. Yet it is ignored by most leaders even though it is simple, free, and available to anyone who wants it. One reason is that tapping into the power of organizational health has never been presented as a simple, integrated, and practical discipline. That is what this book is for.

So what is organizational health? Ultimately, it's about integrity—wholeness. An organization has integrity—is healthy—when it is whole, consistent, and complete, that is, when its management, operations, strategy, and culture fit together and make sense.

There are four key disciplines that must be maintained on an ongoing basis in order to develop and maintain health: Build a cohesive leadership team, Create clarity, over-communicate clarity, and reinforce clarity. Any organization that maintains these four disciplines will be healthy and will reap the benefits of that health.

The first step a leadership team has to take if it wants the organization to be healthy is to make itself cohesive. To become cohesive, there are five behavioral principles that every team must embrace:



About the Author

Patrick Lencioni is founder and president of The Table Group, a management consulting firm specializing in organizational health and executive team development. He has worked with thousands of senior executives in all sizes of organizations. Lencioni is the author of nine business books with over three million copies sold worldwide.

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Building Trust. By trust I don't mean simply believing someone else will be honest; I mean something I call vulnerability-based trust. This is the kind where people are comfortable being transparent and vulnerable.

Mastering Conflict. Conflict is not a bad thing for a team, at least when it is focused on issues and decisions, rather than on people or personalities.

Achieving Commitment. After all the honest debate and discussion, people need to have a clear understanding of what's been decided and what that means for them.

Embracing Accountability. Even well-intentioned members of a team need to be held accountable if a team is going to stick to its decisions and accomplish its goals.

Focusing on Results. The ultimate point of building trust, conflict, commitment, and accountability is to produce results. That might seem obvious, but it's amazing how many teams don't pay attention to results.

The second requirement for building a healthy organization—creating clarity—is all about achieving alignment. In order to achieve alignment, a leadership team needs to be in complete agreement on the answers to six simple but critical questions, eliminating even small discrepancies in their thinking. All of these questions need to be answered; failing to achieve alignment on any one of them can prevent an organization from creating the clarity it needs to become healthy. Here are the six:

- Why do we exist?
- How do we behave?
- What do we do?
- How will we succeed?
- What is most important, right now?
- Who must do what?

Once a leadership team has become cohesive and es-

tablished clarity and alignment around the answers to the six critical questions, only then can they move on to communicating those answers. Actually, over-communicating those answers. Employees won't believe what leaders are telling them until they've heard it seven times. People are skeptical about what they're told until they hear it multiple times.

As important as over-communication is, it isn't enough by itself to keep an organization on track. Leaders must do everything they can to build that clarity into the company, by making sure that all of the systems reinforce the answers. The challenge is to do this without adding too much structure. The leadership team needs to take an active role in building human systems that reflect the organization's culture and operations. That means ensuring that hiring profiles, management processes, training programs, and compensation are all consistent with the answers to the six questions.

An organization that has embraced each of the four disciplines will certainly become healthy, making success highly likely. But one activity more than any other will be central to maintaining those disciplines, and sustaining health, over time: Meetings! Nothing is more central to a healthy organization than the meeting. As much as meetings are hated, there is no better way to have an impact on an organization than by changing the way it does meetings.

The key is understanding that there are different kinds of meetings for different purposes. A leadership team in a healthy organization has four basic types of meetings. Those four are: daily check-ins, where basic information is updated; weekly tactical meetings, where progress towards goals is evaluated; periodic ad hoc meetings to dig into critical issues in more depth; and quarterly off-site meetings, where the six key questions are reviewed and refocused on. This approach to meetings is extremely effective in helping organizations move forward.

In pursuing health, the single biggest factor in determining if an organization is going to get healthier or

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not is the genuine commitment and active involvement of the person in charge. At every step in the process, that person—the leader—must be out front, not just as a cheerleader, but as an active, tenacious driver.

The impact of organizational health goes beyond the walls of the company, to customers and vendors, and even to spouses and children. It sends people to work in the morning with hope and anticipation and brings them home with a sense of accomplishment and self-esteem. The impact is huge, and few activities in our careers are more worthy of our effort than making our organizations healthy.