

“The Advantage”

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Notes by Dave Kraft

The single greatest advantage any company can achieve is organizational health. And yet it is ignored by most leaders, even though it is simple, free, and available to anyone who wants it. The health of an organization provides the context for strategy, finance, marketing, technology, and everything else that happens within it, which is why it is the single greatest factor determining an organization’s success; more than talent; more than knowledge; more than innovation.

I am convinced that once organizational health is properly understood and placed into the right context, it will surpass all other disciplines in business as the greatest opportunity for improvement and competitive advantage. Really.

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. A good way to recognize health is to look for the signs that indicate an organization has it. These include minimal politics and confusion, high degrees of morale and productivity, and very low turnover among good employees.

I’ve become absolutely convinced that the seminal difference between successful companies and mediocre or unsuccessful ones has little, if anything, to do with what they know or how smart they are; it has everything to do with how healthy they are.

The truth of the matter is that certain healthy companies aren’t smarter than their competitors; they simply tap into the adequate intelligence they have and didn’t allow dysfunction, ego, and politics to get in the way. The real deficiency, the one that makes it possible for smart people to make dumb decisions, is a lack of organizational health. The healthier an organization is, the more of its intelligence it is able to tap into and use.

The messy process to become a healthy organization can be broken down into four simple disciplines.

DISCIPLINE 1

BUILD A COHESIVE LEADERSHIP TEAM

An organization simply cannot be healthy if the people who are charged with running it are not behaviorally cohesive in **five** fundamental ways.

If an organization is led by a team that is not behaviorally unified, there is not a chance it will become healthy.

Most organizations either give lip service to the idea that teamwork at the top is critical, or they underestimate what it takes to achieve it. Few groups of leaders actually work like a team, at least not the kind that is required to lead a healthy organization.

What is called a team by some is more like a "Working Group." A working group is more like a golf team where players go off and play on their own and then get together and add up their scores at the end of the day. A real team is more like a basketball team, one that plays together simultaneously, in an interactive mutually dependent and, often, interchangeable way.

A leadership team is a small group of people who are collectively responsible for achieving a common objective for their organization

A leadership team should be made up of somewhere between three and twelve people. The most important distinction between a working group and a real leadership team is collective responsibility that implies, more than anything else, selflessness, and shared sacrifices from team members. Most of a leadership team's objectives should be collective ones. No one on a cohesive team can say, *Well, I did my job. Our failure isn't my fault.*

The **five fundamental ways** of being behaviorally cohesive are:

Behavior1: Building Trust

The kind of trust necessary to build a great team is vulnerability-based trust. This is where team members get completely comfortable being transparent, honest and naked with one another. They say and mean things like "I screwed up," "I need help," "your idea is better than mine," "I wish I could learn to do that as well as you do," "I'm sorry." No one is going to hide his or her weaknesses or mistakes. The team speaks freely and fearlessly with one another and doesn't waste time and energy putting on airs or pretending to be someone they're not. At the heart of vulnerability-based trust lies the willingness of people to abandon their pride and their fear, to sacrifice their egos for the collective good of the team. It takes time for vulnerability-based trust to be in place. Asking people to get too vulnerable too quickly is unrealistic and unproductive.

To help a team build vulnerability-based trust, start with having each one tell “Their story.” As a consultant, I always find it amazing to witness how quickly the dynamic of a team can change after a simple twenty-minute exercise as people who thought they knew one another develop a whole new level of respect, admiration and understanding, regardless of their job, title, age or experience. The personal histories discussion is merely the first step in helping a team get more vulnerable with one another.

The next stage would be using a behavioral profiling tool like the Myers-Briggs Type Indicator.

Every person has many natural tendencies that are useful and helpful to a team and a few that are not. Over time, the only way for teams to build real trust is for team members to come clean about who they are, warts and all. If the team leader is reluctant to acknowledge his or her mistakes or fails to admit to weaknesses that are evident to everyone else, there is little hope that other members of the team are going to take that step themselves.

Behavior 2: Mastering Conflict

Conflict is not a bad thing. In fact, the fear of conflict is almost always a sign of problems. The good kind of conflict is productive ideological conflict, the willingness to disagree, even passionately when necessary, around important issues and decisions that must be made. But this can only happen when there is trust.

When team members trust one another, when they know that everyone on the team is capable of admitting when they don’t have the right answer, and when they’re willing to acknowledge when someone else’s idea is better than theirs, the fear of conflict and the discomfort it entails is greatly diminished. Overcoming the tendency to run from discomfort is one of the most important requirements for any leadership team.

What’s not okay is for team members to avoid disagreements, hold back their opinions on important issues, and close their battles carefully based on the likely cost of disagreement. When people fail to be honest with one another about an issue they disagree on, their disagreement around that issue festers and ferments over time until it transforms into frustration around that person.

One of the best ways for leaders to raise the level of healthy conflict on a team is by *mining for conflict* during meetings. It is important to remember that the reluctance to engage in conflict is not always a problem of conflict per se. In many cases, and perhaps in most of them, the real problem goes back to a lack of trust.

Behavior 3: Achieving Commitment

People will not actively commit to a decision if they have not had the opportunity to provide input, ask questions, and understand the rationale behind it. When leadership teams wait for consensus before taking action, they usually end up with decisions that are made too late and are mildly disagreeable to everyone. Great teams avoid the consensus trap by embracing a concept that Intel, the legendary microchip manufacturer, calls “disagree and commit.” Obviously the principle of disagree and commit can’t happen without the disagree part. Few people in the world are incapable of supporting a decision merely because they had a different idea. Most people are generally reasonable and can rally around an idea that wasn’t their own as long as they know they’ve had a chance to weigh in.

At the end of every meeting, cohesive teams must take a few minutes to ensure that everyone sitting at the table is walking away with the same understanding about what has been agreed to and what they are committed to do. Review the commitments and stick around long enough to clarify anything that isn’t crystal clear. The only thing more painful than taking additional time to get clarity and commitment is going out into the organization with a confusing and misaligned message.

Behavior 4: Embracing Accountability

Per to per accountability is the primary and most effective source of accountability on the leadership team of a healthy organization. The more comfortable a leader is holding people on a team accountable, the less likely she is to be asked to do so.

At its core, accountability is about having the courage to confront someone about their deficiencies and then stand in the moment and deal with their reaction, which may not be pleasant. Unfortunately, it is far more natural, and common, for leaders to avoid holding people accountable.

Avoiding accountability is one of the biggest obstacles I find preventing teams, and the companies they lead, from reaching their full potential. Failing to hold someone accountable is ultimately an act of selfishness. Behavioral problems almost always precede, and cause, a downturn in performance and results. Whether we’re talking about a football team, a sales department, or an elementary school, a meaningful drop in measurable performance can almost always be traced back to behavioral issues that made the drop possible. Conflict is about issues and ideas, while accountability is about performance and behavior. I believe that on cohesive teams, accountability is best handled with the entire team. When leaders—and peers—limit their accountability discussions to private conversations they leave people wondering whether those discussions are happening. This often leads to unproductive hallway conversations and conjecture about who knows what about whom.

Behavior 5: Focusing On Results

There is no getting around the fact that the only measure of a great team—or a great organization—is whether it accomplishes what it sets out to accomplish. No matter how good a leadership team feels about itself, and how noble its mission might be, if the organization it leads rarely achieves its goals, then, by definition, it's simply not a good team. When it comes to how a cohesive team measures its performance, one criterion sets it apart from non-cohesive ones: its goals are shared across the entire team. We cannot embrace the idea of “Hey, your side of the boat is sinking.” The leader of the team needs to ensure that all members place a higher priority on the team they're members of rather than the team they lead. Ask them which team is their first priority.

Teams that lead healthy organizations come to terms with the difficult but critical requirement that its members must put the needs of the team ahead of the needs of their departments.

It is important that the leadership team becomes a team with a collective focus, instead of a bunch of sub-departments doing their own thing. The surprising power of embracing team #1 is one of the most gratifying and powerful things we witness in the work we do with leaders.

Checklist for Discipline 1: Build A Cohesive Leadership Team

Members of a leadership team can be confident that they've mastered the discipline when they can affirm the following statements:

- *The leadership team is small enough (three to ten people) to be effective*
- *Members of the team trust one another and can be genuinely vulnerable with each other*
- *Team members regularly engage in productive, unfiltered conflict around important issues*
- *The team leaves meetings with a clear-cut, active and specific agreements around decisions*
- *Team members hold one another accountable to commitments and behaviors*
- *Members of the leadership team are focused on team #1. They put the collective priorities and needs of the larger organization ahead of their own departments*

DISCIPLINE 2

CREATE CLARITY

The leadership team of a healthy organization must be intellectually aligned and committed to the same answers to **six simple but critical questions**. This second requirement for building a healthy organization—creating clarity—is all about achieving alignment.

Alignment is about creating so much clarity that there is as little room as possible for confusion, disorder and infighting to set in. There cannot be alignment deeper in the organization, even when employees want to cooperate, if the leaders at the top aren't in lockstep with one another around a few specific things. There is no way that employees can be empowered to fully execute their responsibilities if they don't receive clear and consistent messages about what is important from their leaders across the organization. Most mission statements have neither inspired people to change the world nor provided them with an accurate description of what an organization actually does for a living. Alignment and clarity cannot be achieved in one fell swoop with a series of buzzwords and aspirational phrases crammed together. It requires a much more rigorous and unpretentious approach.

Here are the six Questions that must be answered:

- 1. Why do we exist?**
- 2. How do we behave?**
- 3. What do we do?**
- 4. How will we succeed**
- 5. What is most important right now?**
- 6. Who must do what?**

If members of a leadership team can rally around clear answers to these fundamental questions—without using jargon—they will drastically increase the likelihood of creating a healthy organization. This may well be the most important step of all in achieving the advantage of organizational health. A team that isn't behaviorally cohesive won't be able to engage in the level of passionate, messy dialogue that is required to achieve real buy-in around these questions. Implementation science is more important than decision science. General George Patton said, "A good plan violently executed today is better than a perfect plan executed next week." Teams will fail to achieve clarity because executives are waiting for perfection.

Waiting for clear confirmation that a decision is exactly right is a receipt for mediocrity and almost a guarantee of eventual failure. Beware of the danger of seeking perfection at the expense of decisiveness.

Question 1

WHY DO WE EXIST?

This is also known as an organization's "Core purpose." Enduring organizations understand the fundamental reason they were founded and why they exist, and they stay true to that reason. Employees in every organization, and at every level, need to know that at the heart of what they do lies something grand and aspirational. They're well aware that ultimately it will boil down to tangible, tactical activities. Leaders need to provide the organization with a guide to what ultimately matters most. Be careful that your core purpose doesn't include too many practical concepts that are of a more tactical nature. The process of determining an organization's purpose must be all about clarity and alignment. Start by asking the question, "How do we contribute to a better world."

Question 2

HOW DO WE BEHAVE?

If an organization is tolerant of everything, it will stand for nothing. The answer to the question, *How do we behave* is embodied in an organization's core values. Jim Collins (*Built to Last*) found that enduring, successful companies adhered strictly to a fundamental set of principles that guided their behaviors and decisions over time, preserving the essence of the organization.

The importance of values in creating clarity and enabling a company to become healthy cannot be overstated. These values define a company's personality. They provide employees with clarity about how to behave, which reduces the need for inefficient and demoralizing micromanagement. An organization that has properly identified its values and adheres to them will naturally attract the right employees and repel the wrong ones. The mistake some leaders make is trying to be all things to all people, which leads them to make their value statements as broad and inclusive as possible.

There are different kinds of values:

Core Values:

These are the few—just two or three—behavioral traits that are inherent in an organization. Core values lie at the heart of the organization's identity, do not change over time, and must already exist. In other words, they cannot be contrived. An organization knows that it has identified its core values correctly when it will allow itself to be punished for living those values. These core values should be used

to guide every aspect of the organization, from hiring and firing to strategy and performance management. A core value will have been apparent for a long time and requires little intentional provocation. Core values are simply what sets the organization apart and uniquely defines it. Core values are what matters most

Aspirational Values:

These are the characteristics that an organization wants to have. They are neither natural nor inherent. Confusing core and aspirational values is a frequent mistake that companies make.

Permission-to-Play Values:

These values are the minimum behavioral standards that are required in an organization. They don't serve to clearly define or differentiate an organization from others; values such as honesty, integrity, and respect for others.

Accidental Values:

These are values that have come about unintentionally and don't necessarily serve the good of the organization. For example, a company that values being middle class, introverted, or good looking should ask if this is something the company has cultivated for a purpose, or whether it came about accidentally.

The key in all of these values is to sift core values from the others, especially aspirational and permission-to-play values. To separate core from aspirational, ask the question, *if this trait is inherent and natural for us, and has it been apparent in the organization for a long time? Or, is it something that we have to work hard to cultivate?*

When leaders choose elaborate and unique phrases for their values but don't adhere to them, they generate more cynicism and distrust than if they said nothing at all. Once an organization identifies and describes its core values, it must ensure that every activity it undertakes, every employee it hires, and every policy it enacts reflects those core values. Few organizations actually take this important step, instead allowing their values to be minimized as mere idealism rather than real building blocks of operations and culture.

There is a three-step process in identifying core values:

1. Identify the employees in the organization who already embody what is best about the company. These qualities form the initial pool of potential core values.
2. Identify employees who are no longer a good fit for the organization. What is it about them that makes them a distraction and a problem and would add value by being absent?

3. Leaders need to be honest about themselves and whether or not they embody the values in that pool.

Question 3

WHAT DO WE DO?

This question is the simplest of the six and takes the least amount of time and energy to answer. It is, nonetheless, important to take time in making sure everyone is on the same page. What do we do are simply concrete, detailed descriptions that, when combined with the reason for existing, describe what an organization does and why it exists.

Question 4

HOW WILL WE SUCCEED?

When team leaders answer this question, essentially they are determining their strategy. An organization's strategy is nothing more than the collection of intentional decisions a company makes to give itself the best chance to thrive and differentiate from competitors. This means every single decision, if it is made intentionally and consistently, will be part of the overall strategy. The best way for an organization to make strategy practical is to boil it down to three "*Strategic Anchors*" that will be used to inform every decision the organization makes and provide the filter or lens through which decisions must be evaluated to ensure consistency.

These strategic anchors provide the context for all decision-making and help companies avoid the temptation to make purely pragmatic and opportunistic decisions that so often end up diminishing a company's plan for success. The best way for leaders to go about finding their "*Strategic Anchors*" is to extract them from everything that they know to be true about their organization; to identify the items or collection of items that fit together to form a theme or category. Ask the question: Which of these items are so fundamental that they should be used as filters to inform every other decision? Another outcome of establishing "*Strategic Anchors*" is making it easier to agree on what an organization should *not* be doing. Many leadership teams struggle with not wanting to walk away from opportunities. "*Strategic Anchors*" give them the clarity and courage to overcome these distractions and stay on course.

Question 5

WHAT IS MOST IMPORTANT, RIGHT NOW?

More than any of the other questions, answering this one will have the most immediate and tangible impact on an organization, probably because it addresses two of the most maddening day-to-day challenges companies face: Organizational A.D.D. and silos. If everything is important, nothing is. Every organization, if it wants to create a sense of alignment and focus, must have a single top priority within a given period of time.

We call this the *Thematic Goal* (TG) (a.k.a.) The Rallying Cry. The TG is the answer to our question: *What is most important right now?* A Thematic Goal is: Singular, Qualitative, Temporary and Shared across the entire leadership team.

The best way to identify a TG is to answer the question, *If we accomplished only one thing during the next x months, what would it be?* More than anything else, the TG provides the leadership team with clarity around how to spend its time, energy and resources. Every TG must become the collective responsibility of the leadership team. On a cohesive leadership team, leaders are not there simply to represent the departments that they lead and manage, but rather to solve problems that stand in the way of achieving success for the whole organization.

Under the TG's we have "*Defining Objectives*" which are the general categories of activity required to achieve the TG. Going to yet another category of activity would be "*Standard Operating Objective*" Which are the ongoing and relatively straightforward metrics and areas of responsibility that any leadership team must maintain in order to keep the organization afloat (the leaders' "Day Jobs.") Sometimes a company's TG will be one of the items that appears on its Standard Operating list. Strive for getting all your TG, Defining Objectives and Standard Operating Objectives on a single sheet of paper.

Question 6: WHO MUST DO WHAT?

It's tempting for leaders, especially those at the top of organizations, to temporarily step into roles where they are talented or comfortable. It is always worthwhile to take a little time to clarify so that everyone on the leadership team knows and agrees on what everyone else does and that all critical areas are covered. To have clarity, create something we call a "Playbook;" a simple document summarizing the answers to the six critical questions. Make the "playbook" short...no more than a few pages. Secondly, leadership team members should keep their playbook with them at all times.

Checklist for Discipline 2: Create Clarity

Members of a leadership team can be confident that they've mastered the discipline when they can affirm the following statements:

- *Members of the leadership team know, agree on, and are passionate about the reason that the organization exists.*
- *The leadership team has clarified and embraced a small, specific set of behavior values*
- *Leaders are clear and aligned around a strategy that helps them define success and differentiate from competitors*
- *The leadership team has a clear, current goal around which they rally. They feel a collective sense of ownership for that goal*
- *Members of the leadership team understand one another's roles and responsibilities. They are comfortable asking questions about one another's work*
- *The elements of the organization's clarity are concisely summarized and regularly referenced and reviewed by the leadership team*

DISCIPLINE 3

OVERCOMMUNICATE CLARITY

The leadership team must communicate the answers to the six questions to employees clearly, repeatedly, enthusiastically and repeatedly (that's not a typo). When it comes to reinforcing clarity, there is no such thing as too much communication. People are skeptical about what they're being told unless they hear it consistently over time. Employees give little credence to executive pronouncements and instead wait to see how serious those executives are.

One of the best tests of seriousness is whether they continue to repeat themselves over a prolonged period of time. Leaders confuse the mere transfer of information to an audience with the audience's ability to understand, internalize, and embrace the message that is being communicated. Great leaders see themselves as Chief Reminding Officers (CRO). Employees understand the need for repetition...messaging is not so much an intellectual process as an emotional one. The point of leadership is to mobilize people around what is most important and that calls for repetition and reinforcement, which a good leader relishes.

There are three keys to cascading communication:

1. Message consistency from one leader to another
2. Timeliness of delivery
3. Live, real-time communication

After a meeting, leaders need to review their discussions and decide which of their decisions are ready to be communicated and which are not. We refer to this as “commitment clarification.” Team members need to get clear on the main points to communicate and then go to their teams to explain those points in their own words. The best way to carry out cascading communication is face-to-face and live. Some of these concepts may sound extremely basic. Most organizations are unhealthy precisely because they aren’t doing the basic things, which require discipline, persistence, and follow-through more than sophistication or intelligence.

The reason most organizations fail to communicate well with employees is that they don’t achieve clarity around key messages and stick with them. Employees don’t get consistent, authentic, and relevant communication. Leadership teams that have not aligned themselves around common answers to critical questions are not in a position to respond adequately to employee input and requests.

Checklist for Discipline 3: Overcommunicate Clarity

Members of a leadership team can be confident that they’ve mastered the discipline when they can affirm the following statements:

- *The leadership team has clearly communicated the six aspects of clarity to all employees*
- *Team members regularly remind the people in their departments about those aspects of clarity*
- *The team leaves meetings with clear and specific agreements about what to communicate to their employees, and they cascade those messages quickly after the meetings*
- *Employees are able to accurately articulate the organization’s reason for existence, values, strategic anchors, and goals*

DISCIPLINE 4

REINFORCE CLARITY

Every policy, every program, every activity should be designed to remind employees what is really most important.

When an organization's leaders are cohesive, when they are unambiguously aligned around a common set of answers to a few critical questions, when they communicate those answers again and again and again, and when they put effective processes in place to reinforce those answers, they create an environment in which success is almost impossible to prevent. Really.

In order to ensure that the answers to the six critical questions become embedded in the fabric of the organization, leaders must do everything they can to reinforce them structurally as well. The way to do that is to make sure that every human system—every process that involves people—from hiring and people management to training and compensation is designed to reinforce the answers to those questions. An organization has to institutionalize its culture without bureaucratizing it.

The leadership team must take an active role in building human systems that reflect and reinforce the uniqueness of the organization's culture and operations. Leaders need to guard against the bureaucracy that turns a useful human system into an administrative distraction. The best human systems are often the simplest and least sophisticated ones. Their primary purpose is not to avoid lawsuits or emulate what other companies are doing but rather to keep managers and employees focused on what the organization believes is important. Human systems are tools for reinforcement of clarity.

RECRUITING AND HIRING

Bringing the right people into an organization, and keeping the wrong people out is as important as any activity that a leadership team must oversee. Too many organizations have not defined exactly what the right and wrong people look like. Hiring without clear and strict criteria for cultural fit greatly hampers the potential for success of any organization.

The screening, interviewing, and evaluation process that exists in some organizations tends to be not much of a process at all. Although resumes may be closely scrutinized before bringing a candidate in for interviews, the interviews themselves are often unstructured and unplanned. There is little preparation, if any, and no real strategy for identifying the critical signs that indicate a candidate will be successful. I've seen too many leaders, who even after admitting that they made a bad hire, fail to change their approach.

The insistence on too much process overshadows the real goal of any effective hiring program: finding people who fit the culture and have the best chance at success. The best approach to hiring is to put just enough structure in place to ensure a measure of consistency and adherence to core values—and no more.

When it comes to overall cultural fit—by far the most important hiring priority for the leaders of any organization—using a single, simple, consistent process across departments is critical. The key is to create a process that provides evaluators with a real sense of whether the person is going to thrive in the culture of the organization and whether other people are going to enjoy working with him or her.

Without a clear understanding of what a cultural fit—or misfit—looks like, without a proper mix of consistency and flexibility, and without the active involvement of the leadership team, even the most sophisticated hiring process will fail.

ORIENTATION

Orientation shouldn't revolve around lengthy explanations of benefits and administration but rather around reinforcing the answers to the six critical questions. New employees need to know why the organization they joined exists, what behavioral values were used to select them during the hiring process, how the organization plans to succeed, what its top priority is and who does what at the executive level. There are many ways to handle orientation, but what is key is that it is built around the six questions and that leaders take an active role in its design and delivery.

PERFORMANCE MANAGEMENT

Performance management is the series of activities that ensures that managers provide employees with clarity about what is expected of them, as well as regular feedback about whether or not they are adequately meeting those expectations. Sadly, employees and managers alike have come to see the performance management process as a largely adversarial activity, fraught with nervous negotiation rather than clear communication. When employees focus more on the official “grades” they receive from managers, and managers focus on documentation more than coaching, inevitably trust is diminished and management and communication suffer.

Healthy organizations believe that performance management is almost exclusively about eliminating confusion. Managers need to give employees clear direction, regular information about how they're doing and access to the coaching they need. When organizations build simple, straightforward performance management programs, it provides regular reminders for employees about what is important and builds greater trust by preventing too much time from passing between meaningful conversations.

COMPENSATION AND REWARDS

The single most important reason to reward people is to provide them with an incentive for doing what is best for the organization. Members of a leadership team must take responsibility for ensuring that compensation and reward programs are simple, understandable, and, most important of all, clearly designed to remind employees what is most important. At the core of any of these systems must lie the answers to the six critical questions

When people are given a raise they need to understand that they are being rewarded for behaving or performing in a way that is consistent with the organization's reason for existing, core values, strategic anchors, or thematic goal. To fail to make the connection between compensation and rewards and one or more of the six big questions is to waste one of the best opportunities for motivation and management.

RECOGNITION

Direct, personal feedback really is the simplest and most effective form of motivation. Gratitude, recognition, increased responsibility, and other forms of genuine appreciation are the real drivers of motivation. Almost no employees willingly leave an organization just to make a little more money, when they are getting the levels of gratitude and appreciation they deserve

FIRING

The way people are treated as they leave an organization is critical because of how it affects their life and because of the message it sends to the rest of the organization about how its leaders view people. If an employee's behavior is consistent with the core and permission-to-play values, there is a good chance that it would be a mistake to let him go. Essentially he has the raw material to fit into the organization and be successful. Instead of firing him, the company should take a closer look at how he is being managed and find a way to give him a chance to succeed. On the other hand, keeping a strong performer who is not a cultural fit creates a variety of problems.

Checklist for Discipline 4: Reinforce Clarity

Members of a leadership team can be confident that they've mastered the discipline when they can affirm the following statements:

- The organization has a simple way to ensure that new hires are carefully selected based on the company's values*
- New people are brought into the organization by thoroughly teaching them about the six elements of clarity*
- Managers throughout the organization have a simple, consistent, and non-bureaucratic system for setting goals and reviewing progress with employees. That system is customized around the elements of clarity*
- Employees who don't fit the values are managed out of the organization. Poor performers who do fit the values are given the coaching and assistance they need to succeed*
- Compensation and reward systems are built around the values and goals of the organization*

The Centrality of Great Meetings

No action, activity, or process is more central to a healthy organization than the meeting. There is no better way to have a fundamental impact on an organization than by changing the way it does meetings. In fact, if someone were to offer me one single piece of evidence to evaluate the health of an organization I would want to observe the leadership team during a meeting. Bad meetings are the birthplace of unhealthy organizations and good meetings are the origin of cohesion, clarity, and communication.

There needs to be different kinds of meetings for different kinds of issues.

Daily Check-In-5-10 minutes

The least important but certainly worth doing when it is practically possible. The purpose is to clear the air about anything administratively what would be helpful to know. Schedules. Events. Issue alerts. That kind of stuff

Tactical weekly staff meeting-45-90 minutes

If there are too many people on a team, or if the people in the room don't trust each other and aren't willing to engage in productive conflict, then no matter how you reorganize your meetings you won't see much impact. The leader needs to go around the room and ask every member of the team to take thirty seconds to report on the two or three key activities that they believe are their top priorities for the week.

The next part of the meeting is essentially stepping back and asking, *how are we doing against the things we said are most important?* A simple way to do this is by using green for “things are good and we’re ahead of schedule. Using yellow for “we’re doing okay, but we’re not yet where we ought to be.” Red for “We’re way behind on this one.” The agenda of the meeting should come out of the “Red’s and Yellow’s” that need immediate attention.

Strategic Ad-hoc/Topical-2-4 hours

The purpose of this kind of meeting is to dig into the critical issues. Such issues would warrant more time, energy, and preparation than could ever be given during a regular staff meeting. In fact, it’s difficult to imagine addressing any of them in less than a few hours.

Developmental quarterly off-site Review-1-2 days

The purpose of the off-site should be unique and focused. This is where the leadership team needs to step back and revisit the four disciplines covered in this book: team, clarity, communication and human systems. Off-site review meetings should occur quarterly.

Of all the recommendations my firm makes to clients, the one that is most consistently embraced and touted as having an immediate impact on an organization is the adoption of the meetings model outlined here. At the end of every meeting, with the exception of the daily check-ins, team members must stop and clarify what they’ve agreed to and what they will go back and communicate to their teams.

Checklist for Meetings

Members of a leadership team can be confident that they’ve mastered meetings when they can affirm the following statements:

- *Tactical and strategic discussions are addressed in separate meetings.*
- *During tactical staff meetings, agendas are set only after the team has reviewed its progress against goals. Noncritical administrative topics are easily discarded.*
- *During topical (strategic) meetings, enough time is allocated to major issues to allow for clarification, debate, and resolution.*
- *The team meets quarterly away from the office to review what is happening in the industry, in the organization, and on the team*

Even the most skeptical executives I meet don't dispute *The Advantage* they could achieve if they could make their leadership teams more cohesive, align them around the answers to the six questions, and get them to communicate and reinforce those answers incessantly.

The person in charge of an organization's leadership team is crucial to the success of any effort to build a healthy organization. When it comes to building a cohesive team, leaders must drive the process, and they must be the first to do the hardest things, like demonstrating vulnerability, provoking conflict, confronting people about their behavior, or calling their direct reports out when they're putting themselves ahead of the team.

The leader must also be the driving force behind demanding clear answers to the six big questions. They must be constant, incessant reminders to the leadership team about those answers, challenging them about everything from their behaviors in relation to the organization's values to their commitment to the team's rallying cry. When an organization is unhealthy, no amount of heroism or technical expertise is going to make up for the confusion and politics that take root.

At the end of the day, at the end of our careers, when we look back at the many initiatives that we poured ourselves into, few other activities will seem more worthy of our effort and more impactful on the lives of others, than making our organizations healthy.