

## The Advantage – Lencioni, Patrick

### Three Organizational Biases

- Sophistication Bias- Believing complexity is key.
- Adrenaline Bias- Relying on quick fixes.
- Quantification Bias- Using metrics as the only benchmark. (4)

“An organization that is healthy will inevitably get smarter over time. In contrast, smart organizations don’t seem to have any greater chance of getting healthier by virtue of their intelligence. In fact, the reverse may actually be true because leaders who pride themselves on expertise and intelligence often struggle to acknowledge their flaws and learn from peers.” (9)

### Cohesive Leadership Team – Behaviorally unified. (19)

Defining “team” – “A leadership team is a small group of people who are collectively responsible for achieving a common objective for their organization.” (21) Typically ranges from 3-12 people, but less than 8 people is ideal. “When more than eight or more people are on a team, members tend to advocate a heck of a lot more than they inquire.” (22) “Inclusivity, or the basic idea behind it, should be achieved by ensuring that the members of a leadership team are adequately representing and tapping into the opinions of the people who work for them, not by maximizing the size of the team.” (23)

**Vulnerability-based trust** – “When members get to a point where they are completely comfortable being transparent, honest, and naked with one another.” (27)

**Fundamental attribution error** – “The tendency of human beings to attribute the negative or frustrating behaviors of their colleagues to their intentions and personality, while attributing their own negative or frustrating behaviors to environmental factors.” (32) “The best way to combat it is to help team members understand one another on a fundamental level and to give them as much information as possible about who a person is and why this person might act the way he or she does. By doing this, we greatly increase the likelihood that people will replace their unfair judgements with insight and empathy.” (33)

**Productive ideological conflict** – “The willingness to disagree, even passionately, when necessary, around important issues and decisions that must be made. It will be a healthy discomfort, a sign that there is a productive tension around an issue that warrants discussion and debate.” (38)

“Nowhere does this tendency toward artificial harmony show itself more than in mission-driven nonprofit organization.” (44)

**Mining for conflict** – Looking for and exposing potential and even subtle disagreements that have not come to the surface. (45)

**Real-time permission** – The need for people to get immediate feedback. (45)

“The reason that conflict is so important is that a team cannot achieve commitment without it. 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. Another way to say this, is ‘If people don’t weigh in, they can’t buy in.’” (48)

“The irony – the more comfortable a leader is holding people on a team accountable, the less likely she is to be asked to do so. The less likely she is to confront people, the more she’ll be called on to do it by subordinates who aren’t willing to do her dirty work for her.” (57)

“Failing to hold someone accountable is ultimately an act of selfishness.” (59)

“A meaningful drop in measurable performance can almost always be traced back to behavioral issues. People often confuse accountability with conflict because both involve discomfort and emotion. Conflict is about issues and ideas, while accountability is about performance and behavior.” (60)

“When accountability is handled during a meeting, every member of the team receives the message simultaneously and doesn’t have to make the same mistakes in order to learn the lesson of the person being held accountable. They know that the leader is holding their colleague accountable, which avoids their wondering whether the boss is doing his job. It serves to reinforce the culture of accountability, which increases the likelihood that team members will do the same. When leaders – and peers – limit their accountability discussions to private conversations, they leave people wondering whether those discussions are happening. (63)

### **Checklist for Discipline:**

- The leadership team is small enough (3-10) 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 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 number one. They put collective priorities and needs of the larger organization ahead of their own departments. (71)

### **Six critical questions:**

#### **1. Why do we exist?**

- a. An organization’s purpose has to be completely idealistic, grand, and aspirational.
- b. To make money for owners or shareholders is almost never a purpose, but rather an important indicator of success.
- c. Organization’s reason for existence must be true based on real motivations. (84)
- d. An organization’s purpose cannot be confused with marketing, external or internal.
- e. How do we contribute to a better world? (85)
- f. Eventually leadership gets to a point where they’ve identified the most idealistic reason for their business. That point will be somewhere just shy of ‘to make the world a better place.’ (86)
- g. Categories: Customer, Industry, Greater Cause, Community, Employee, Wealth.
- h. An organization’s reason for existence is not meant to be a differentiator and that the purpose for identifying it is only to clarify what is true in order to guide the business. When leaders try to use their purpose as a strategic differentiator, they usually fail to fully tap into the real reason for having one, and then find themselves disappointed when they learn that another company, perhaps even within their identity, shares theirs. They need to remember that is simply about getting clarity. (90)

## **2. How do we behave?**

- a. When it comes to creating organizational clarity and alignment, intolerance is essential. After all, if an organization is tolerant of everything, it will stand for nothing. (91)
- b. Embodied in an organization's core values.
- c. The impact of values goes beyond employees. Clear values can also serve to attract and repel the right customers who want to do business with an organization that reflects what they value.
- d. Core values lie at heart of the organization's identity, do not change over time, and must already exist. In other words, they cannot be contrived.
- e. Different kinds of values:
  - i. Aspirational – Qualities that an organization is aspiring to adopt and will do its best to manage intentionally into the organization.
    1. Is this trait 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? A core value will have been apparent for a long time and requires little intentional provocation.
  - ii. Permission to Play – Minimum behavioral standards that are required in an organization.
    1. Would our organization be able to credibly claim that we are more committed to this value than 99 percent of the companies in our industry?
  - iii. Accidental – Traits that are evident in an organization but have come about unintentionally and don't necessarily serve the good of the organization. Behavioral tendencies develop over time because of history.

## **3. What do we do?**

- a. The nature of the organization's business. (105)

## **4. How will we succeed?**

- a. When leaders answer this question, essentially, they are determining their strategy.
- b. 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.
- c. How will we make decisions in a purposeful, intentional, and unique way that allow us to maximize our success and differentiate us from our competitors? (109)
- d. Long and exhaustive list. Search for patterns that would indicate the organization's strategic direction and anchors. Identify the items, or collection of items, that fit together to form a theme or category. (111)
- e. Unlike a company's reason for existing and core values, which never change, and the business definition, which changes fairly infrequently, an organization's strategic anchors should change whenever its competitive landscape shifts and market conditions call for a different approach. (114)
- f. Have no more than three strategy anchors. (117)

## **5. What is the most important, right now?**

- a. This rallying cry is a 'thematic goal' because it needs to be understood within the context of the organization's other goals, at the top of the list.

- b. Thematic goal: Singular, Qualitative, Temporary (almost always 3-12 months), Shared across leadership team.
  - i. The best way to identify a thematic goal is to answer the question, “If we accomplish only one thing during the next x months, what would it be?”
  - ii. Must then be further clarified by defining the objectives which will make accomplishing it possible.
  - iii. Defining objectives – General categories of activity required to achieve the thematic goal (between 4-6 defining objectives).
  - iv. Thematic goal process – identifying their standard operating objectives that are relatively predictable and consistent/won’t change much over time.
  - v. Once the thematic goal has been achieved, the item goes back on the standard list.

#### **6. Who must do what? (77)**

- a. “Implementation science is more important than decision science.” (79)
- b. “Messaging is not so much an intellectual process as an emotional one. Employees are not analyzing what leaders are saying based solely on whether it is intellectually novel or compelling, but more than anything else on whether they believe the leaders are serious, authentic, and committed to what they are saying.” (143)

**Three keys to cascading communication:** Message consistency from one leader to another, timelines of delivery, and live, real-time communication. (146)

The best way to do cascading communication is face-to-face and live with an entire group of direct reports. (148)

**Upward communication** – “Leaders do not give the impression that they are abdicating responsibility for decision making by giving employees a vote. Great organizations, unlike countries, are never run like a democracy.” (150)

“Human systems are tools for reinforcement of clarity.” (155)

“Performance management is almost exclusively about eliminating confusion: clear direction, regular information, and access to coaching.” (163)

“...Receive enough compensation to make them feel good about their job, but additional money doesn’t yield proportionate increases in their job satisfaction. Gratitude, recognition, increased responsibilities, and other forms of genuine appreciation are drivers.” (168)

**Four Meetings:** Administrative (Daily); Tactical (Weekly); Strategic (Ad hoc Topical); Developmental (Quarterly Off-Site Review) (175).

**Create a real-time agenda:** By taking 30 seconds to report on the two or three key activities believed to be the top priorities of the week. “What is most important, right now? And “How are we doing against the things we said are most important?” (180)

**Getting momentum:** Initial off-site session(s); Put together a playbook; Initial communication; Designing systems to reinforce information from playbook by embedding it into every process that involves people. (192)