

Patrick Lencioni

The Untapped Advantage of Organizational Health

"Not finance. Not strategy. Not technology. It is *teamwork* that remains the ultimate competitive advantage, both because it is so powerful and so rare."

– Patrick Lencioni

Recent Publications

The Advantage: Why Organizational Health Trumps Everything Else In Business (2012)

The Ideal Team Player: How to Recognize and Cultivate The Three Essential Virtues (2016)

Key Concepts

Two Requirements for Success (SMARTs & Health)

Four Disciplines for Building a Healthy Organization

Overcoming the Five Dysfunctions of a Team

A Team-Player's Three Virtues

The Three Root Causes of Job Misery

Important Points:

When it comes to success, organizational health is half of the equation.

The best way to transform an organization is to make it healthy.

Confrontation and constructive criticism are essential in any team.

Small problems become big problems if not confronted early on. Cowardice can be tyrannical, and tyranny ultimately produces organizational catastrophe.

When we don't allow conflicts around ideas, we get conflicts around people.

If team members cannot weigh in, they will not buy in.

Leaders should help their employees battle their miseries. This will improve the company's overall culture.

Summary

In John Wilson's preface to Patrick Lencioni's talk, he reminded the audience that great CEOs are made, not born; they are lifelong learners; they work hard at life balance; and they are connected. Recognizing and connecting around these facts, we look to Lencioni's lessons to better strike a successful balance.

At the top of his talk, Lencioni pointed out that organizational health is the last mostly-untapped competitive advantage.

There are two requirements for [organizational] success: **SMARTs & Health**.

SMARTs comprise the main focus of most organizations, and consist of strategy, marketing, finance, and technology concerns.

Health, alternatively, concerns minimizing politics and confusion, raising morale and productivity, and lowering turnover within your organization.

Lencioni referred to an "I Love Lucy" scene (in the episode "Don Juan and the Starlets"), wherein Ricky discovers Lucy in the living room frantically looking for a pair of missing earrings. After answering Ricky's question of what she was doing, Lucy admitted she had lost the earrings in another room, but the living room's lighting was better. Just as Lucy rationalized looking for solutions in the wrong place afforded an irrelevant solution, many companies reason that they will improve or resolve problems by appealing to their SMARTs alone, when in truth that won't get them anywhere nearer the proverbial earrings.

Searching in the wrong room, or rather focusing on SMARTs rather than on organizational health, likely won't help an organization, and may run the risk of it becoming further mired in dysfunction and politics. Even if dysfunction or politics are not a glaring problem, and it's simply a question of competition, a healthier organization frequently is at a major advantage.

Lencioni discusses how Southwest Airlines is not superior to their competitors where SMARTs are concerned, but nevertheless has an edge because of its **healthy culture**. How did it create such a culture? Through discipline; the following four in particular:

Four Disciplines for Building a Healthy Organization:

1. **Build a cohesive leadership team.**
2. **Create clarity amongst leadership.** This begs the following questions:
 - a. Why does this organization exist? And are the leaders in agreement?
 - b. How do we behave? (Lencioni notes here that every organization should be brutally intolerant of a couple things.)
 - c. What do we do?
 - d. How will we succeed?
 - e. What is most important right now? / What is our single overriding priority?
 - f. Who must do what?
3. **Over-communicate clarity.**
 - a. Remind your team of the answers to the six questions posed above.
 - b. Don't be over-sensitive.
 - c. Reinforce key themes.
 - d. Keep people in the loop.
 - e. Remember that you *cannot* over-communicate as a leader.
 - f. Commit to communicating key data repeatedly to your team and avoid promulgating fluff for the purposes of entertainment or assuaging concern.
4. **Reinforce clarity** (without becoming bureaucratic).
 - a. Using systems, assimilate people into the company culture and evangelize.
 - b. Put structures in place to assure resiliency.

Among the disciplines stated above, Lencioni seems to attribute Southwest Airlines' success especially to its holistic maximization of clarity. It crystallized its purpose as a company and encultured its constituents accordingly, so that it would operate in a unified and purposed way from top to bottom.

While SMARTs are essential, it is only when they are coupled with organizational health that a company can thrive and withstand a market shock or sickness.

Concerning sickness within an organization, Lencioni has detailed the five dysfunctions of a team and their remedies.

Five Ways to Overcome Dysfunctions of a Team:

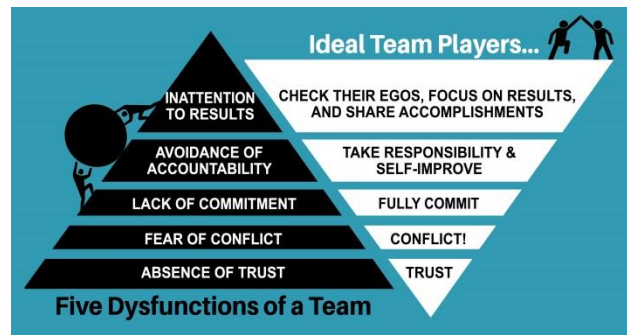
1. Trust

Trust does not mean familiarity. Trust means promoting vulnerability and making oneself vulnerable with her team.

Seize upon opportunities to be vulnerable, to open up, and to be emotionally raw. Besides the obvious human connection this breeds and the emotional despotism it deters, trust of this kind permits a free-flow of data and otherwise [self-]censored insights.

Lencioni stresses that vulnerability starts with the leader. If employees have been reduced to yes-men or are terrified of being honest about what is wrong, the organization is at risk.

If a leader or members of their team are sheltered from criticism, bad ideas go unchallenged. The result? Consider the difference in narrative quality between Tarantino's *Pulp Fiction* and *Once Upon a Time in Hollywood*.



Trust means speaking truth and allowing others to do the same—in the interest of all.

Personality tests are extremely valuable where trust is concerned. EQ tests and other tests such as the Myer-Briggs Type Indicator provide people with an archetypal avatar with which they can simultaneously assume responsibility and embrace criticism without feeling individually attacked. Once the safety buffer of a type or a test score is established, vulnerability exercises can go deeper and create additional openness.

One helpful primer question to kick things off: "What was the biggest challenge you faced during your childhood?" An appeal to distant vulnerability can provide context and an empathetic platform on which to build. Once people see each other sympathetically, the next step can come about with less risk...

2. Conflict

Confrontation and constructive criticism are essential in any organization. Lencioni remarked that companies focused on nicety suck.

One of the purposes of fostering a culture of trust is to ensure that people don't keep their opinions to themselves. An aversion to conflict leads to a compartmentalization of knowledge that should alternatively be shared and in the open, and this impairs the leadership's ability to make critical decisions.

When we don't allow conflicts around ideas, we get conflicts around people.

The personal intel obtained through trust is only actionable if you're willing to risk offense. The fear of offense is a good recipe for atrophy and resentment.

Lencioni warns also that it is possible for conflict to go from constructive to destructive. It is important to be vigilant and to know when or where to draw the line.

3. Commitment

If people can't weigh in, they won't buy in. Since you've already established trust and created an environment where people can confront ideas in a constructive way, members of your team are more likely to feel that they have a stake in or an impact on the results to come.

Just as your team must commit, you must also commit. If not, you'll be left with a fireless engine or a runaway train.

See below, regarding Root Causes of Job Misery for some pertinent tips on fostering commitment.

4. Accountability

Though routinely held to account and holding herself accountable, the leader should not be the primary source of accountability in an organization. With a committed, open, and confrontational team, everyone should hold everyone accountable as well as themselves.

Have uncomfortable conversations!

Be wary of he who says: "I don't have the time or the energy." If your neck is too tired to hold up the head on which sits the crown, you will ultimately lose your head, the crown, what the crown denotes control over, or all of the above.

If you see bad behavior, nip it in the bud right away. Hold people accountable as soon as possible. And remember: firing a bad apple before the rot spreads can be an act of charity. To let the problem fester may be an act of cruelty.

Lencioni alluded to a 25-year-old NBA playoff game between the Chicago Bulls and the New York Knicks, where the Bulls' top player Scotty Pippen was benched with 1.8 seconds to go in the game. Why? He thought that his importance exceeded the team's—that he was better than the sum of the Bulls' parts. His coach held him accountable and put the team first. The result? A 2-point victory and an insight into a serious virtue deficit on Pippen's part (see the *Three Virtues* below). Even stars or top-performers must be held accountable.

Hold people accountable so that they pay attention to results!

5. Results

By overcoming the five dysfunctions of a team, success is ever-more likely. It is important for those who committed, bought-in, and were held accountable up until to now, to share the accomplishment(s).

Lencioni suggests that leaders and those who are clearly agential should check their egos when the results come in (see: C.S. Lewis' advice below). However responsibility and acclaim are doled out, recognized, or shared, your team is more than likely to double-down on the first four steps the next time if they felt partly responsible for the results this time.

A Team Player's Three Virtues:

1. **Humility** (more other-centered than self-centered)
 - a. Lencioni invoked C.S. Lewis who remarked: "Humility is not thinking less of yourself, it's thinking of yourself less."
 - b. Take interest in the collective good and success.
2. **Hunger** (strong work ethic)
3. **Intelligence** (IQ + EQ)

An individual with all three virtues is a team player. With the requisite technical skills, she's a star!

As for the iniquitous players: Someone who is *only hungry* Lencioni calls a bulldozer. One who is *only smart* is a charmer (think Ferris Bueller). Someone who is *only hungry and humble* is an accidental mess-maker. One who is *only humble and smart* is a loveable slacker. Someone who is *only hungry and smart* is a skillful politician, and in Lencioni's opinion, this type of person is the most dangerous to an organization.

Tips or Developing Teams:

First reflect on the Three Virtues as they pertain to you, and gauge how you stack up.

The leader must attempt to figure out how to improve as a team player if she hopes to hold her team to the same standards.

Once the leader and her team establish where they need to improve or where they can improve in terms of humility, emotional intelligence, and hunger or drive—in a spirit of vulnerability and conflict—they can hold each other accountable over time.

Tips for Hiring Ideal Players:

Stop focusing solely on technical skills. Behavioral / attitudinal skills are extremely important.

Have non-traditional interviews. Take candidates to places where they might expose their true selves, good or bad. Alternatively, have the candidates do real work with multiple teammates.

Ask questions more than once and in different ways. Expose blindsides and peel back their prepared rhetoric.

Scare people with sincerity. Lencioni presents a real example of hyperbole that flushes out phonies: “If you like our company culture, you’ll love this job. If you don’t like our company culture, YOU WILL HATE IT HERE.”

What happens if you’ve hired ideal players and have the semblance of a healthy organizational culture, but there still abounds bitterness and gnashing of teeth?

The Three Root Causes of Job Misery:

Anonymity

Every person has a need to be known, recognized, and individualized. Leaders should mitigate the feeling of anonymity in their employees the best they can, and the more that trust is fostered, the better chance leadership will have of detecting this sentiment.

Recognition is powerful! It is not a satisfier but a driver. When people are known, they are THEMSELVES at work, and when a team player is more present, they are more effective.

If you are indifferent, don’t manage people. And if not indifferent, have the humility to get to know your employees. A little engagement does a lot.

Irrelevance

If people fail to see the importance or effect of their work, within or outside the organization, they won’t feel an ethical, utilitarian, or vocational grounding. This can be resolved by executing on Lencioni’s five ways of overcoming dysfunction in teams.

Managers must help people find out how and why their work matters.

If a job doesn’t matter, eliminate it because otherwise it’s just drudgery or cruelty.

Immeasurement [sic]

If people can’t self-assess their work—if they don’t have metrics for success or it’s purely subjective—they’ll be miserable. Leaders should therefore provide their employees with some means of calculating progress, impact, or effect. This will improve the company’s overall culture.

By keeping watch for these root causes of job misery as well as their symptoms, a leader can mitigate a great deal of toxic behavior, confer meaning to work that might have otherwise seemed purgatorial, and protect the health of the organization.

