Book Review: *The Advantage: Why Organizational Health Trumps Everything Else in Business*

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Patrick Lencioni recently entertained the audience at the MGMA 2012 annual conference, outlining his latest book, *The Advantage: Why Organizational Health Trumps Everything Else in Business*. Lencioni says the best run companies are not companies that are particularly smarter than others in strategy, marketing, financial management and human resources. The best run companies are those that are healthy. Healthy organizations outperform less healthy organizations because they eliminate office politics and confusion while implementing common sense business practices. Productivity and employee morale goes up and turnover goes down. Such companies have a distinct competitive advantage in the marketplace.

Lencioni brings many years of consulting with business leaders and tells many enlightening stories to make his points. He advances four disciplines of healthy organizations: (1) build a cohesive leadership team, (2) create clarity, (3) over communicate clarity, and (4) reinforce clarity. The basic idea is deceptively simple. Healthy organizations have well-functioning and unified leaders who are aligned around clearly defined values, strategies and tactics. They know why they exist and what is most important. They communicate these things over and over again and base all human resource systems on these basic agreements.

**Cohesive Leadership Teams**

Lencioni previously wrote about teams in his book, *The Five Dysfunctions of a Team*. In his new book he turns the negative into a positive and outlines the characteristics of cohesive teams. A cohesive team is relatively small, 3 or more, but no larger than 8 to 9 at the most, because anything larger becomes a lobbying platform rather than a team that can effectively accomplish collective goals.

Cohesive teams establish trust by putting everything out on the table. Team members are vulnerable with one another and learn to engage in constructive conflict. Lencioni contrasts healthy conflict with artificial harmony. Healthy conflict is about ideas and strategies, not personal differences. Members of cohesive teams may disagree strongly over ideas but once decisions are made, they come together in a shared commitment to organizational goals. They hold each other accountable
for behaviors that support these goals and they are able to “call each other out” when behavior is in opposition to the organization’s core values. Team member must make the organization’s goals primary rather than those of their individual departments, and leaders must set the example by being vulnerable, allowing healthy conflict and holding people accountable for their behavior. At the end of the day, healthy, cohesive teams produce results for the organization.

Create Clarity

Healthy organizations create clarity around six simple but important questions: (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? These questions encompass the traditional subject matter of mission statements and strategic plans. However, Lencioni urges leaders to take a fresh approach to offsite meetings where these questions are hammered out and clear answers are vetted and formulated. The answers to these questions range from the loftiest to the most practical and define the organization’s core values and strategic anchors. In addition, organizations must identify the most critical “rallying cry,” a goal that is in alignment with the strategy but is also the most urgent over the next few months or year.

Over communicate Clarity

Once clarity is created, it must be communicated “over and over and over and over and over and over and over and over again.” Leaders must become “Chief Reminding Officers.” Only when the answers to the six critical questions are repeated sufficiently will employees buy into them and believe that leadership is serious about follow through. Lencioni talks about what he calls “cascading communication” or “true rumors.” When leaders leave a meeting, they must go to their direct reports relatively soon afterward and personally communicate the decisions reached in the meeting. Of course, this means that solid agreement was first reached on the decisions in the leadership meeting. Cascading comes from the fact that each of the direct reports will begin to talk to others in the organization and the message will spread by word of mouth. While the messages communicated through emails, newsletters and staff meetings ought to reinforce the answers to the six questions, word of mouth cascading is the most effective form of communication.

Reinforce Clarity

Healthy organizations reinforce the answers to the six critical questions by basing all human systems on those answers. This means that core values and company priorities are emphasized when recruiting, interviewing and hiring; during orientation and training; when supervisors manage and evaluate staff; through compensation and bonus structures; when recognizing staff achievements; and even when terminating an employee that doesn’t fit with the company culture. The trick is to do all this in an authentic and simple way without too much bureaucracy. Again, leaders must take the lead in setting the direction for all these human systems rather relegating all responsibility to legal and human resource staff.
The Centrality of Great Meetings

Lencioni is big on meetings, which may be a hard sell in physician practices. However, he provides a fresh approach. There are different types of meetings for different purposes and staying focused is critical to avoiding what he calls “meeting stew” where a whole variety of topics are thrown together into an awful and often boring mess. People do not tend to respond well to having too many disparate topics in a single meeting. Lencioni advocates daily huddles, weekly tactical staff meetings, ad hoc topical strategic meetings, and quarterly offsite meetings. What makes his approach fresh is that he separates administrative issues from more strategic ones that require more in-depth conversations. Those conversations then become more stimulating and productive. Effective meetings resolve problems and issues and thereby cut down on staff time devoted to chasing down these issues.

*The Advantage* is a relatively short, fairly easy read and is worth the time and effort. The ideas are simple but profound since organizational health is so powerful. In today’s rapidly changing and competitive healthcare marketplace, creating health in physician practices ought to be a top priority.