NASACT Emerging Leaders Conference

Creating Organizational Clarity for Teammates

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Organizational Health Overview

Two Requirements for Success:

**Smart**
- Strategy
- Marketing
- Finance
- Technology

**Healthy**
- Minimal Politics
- Minimal Confusion
- High Morale
- High Productivity
- Low Turnover

Health receives disproportionately little attention from leaders in most organizations.
Discipline 1: Build a Cohesive Leadership Team

Cohesive teams build trust, eliminate politics, and increase efficiency by…

• Being open and building trust
• Engaging in constructive ideological conflict
• Committing to clear decisions
• Holding one another accountable for behaviors
• Focusing on collective results

Discipline 2: Create Clarity

Healthy organizations minimize the potential for confusion by clarifying…

• 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?

Discipline 3: Over-Communicate Clarity

Healthy organizations align their employees around organizational clarity by communicating key messages through…

• Repetition
• Simplicity
• Multiple Mediums
• Cascading messages

Discipline 4: Reinforce Clarity

Organizations sustain their health by ensuring consistency in…

• Hiring
• Managing performance
• Rewards and recognition
• Employee dismissal
Teams must be in alignment around the six critical questions that define their business and where it is headed. These include the following:

1. WHY DO WE EXIST?
The organization’s core purpose, beyond making money.

2. HOW DO WE BEHAVE?
The limits of diversity that can exist within the organization – the core values that all employees must share to thrive.

3. WHAT DO WE DO?
A simple statement that defines the organization’s business.

4. HOW WILL WE SUCCEED?
The anchors that define the strategy of the organization.

5. WHAT IS MOST IMPORTANT, RIGHT NOW?
The organization’s rallying cry and over-arching objectives that are shared across the leadership team.

6. WHO MUST DO WHAT?
The role of each leader in achieving those objectives.
Discipline 2: Create Clarity

Question 1: Why do we exist?

“Employees in every organization, and at every level, need to know that at the heart of what they do lies something grand and aspirational.” – Pat Lencioni, *The Advantage*

Examples:

Southwest: To connect people to the important events in their lives

Nike: To help people experience the emotion of competition, winning and crushing competitors

Merck: To eliminate pain and suffering in the world

Sierra Cascade Growers: To give local families jobs and opportunity
Discipline 2: Create Clarity

Question 2: How do we behave?

“The answer to this question is embodied in an organization’s core values, which should provide the ultimate guide for employee behavior at all levels.” – Pat Lencioni, The Advantage

Examples:

Apple: creative, wickedly smart, slightly rebellious

Nordstrom: service to the customer above all, professional reputation, being part of something special

Southwest Airlines: Servant’s Heart, Fun LUVing Attitude, Warrior Spirit
Aspirational Values:
These values are purposefully established to meet requirements of a market or industry. A company may need to develop a particular value among their people to compete or support a strategy. Aspirational values need to be actively managed to ensure the values stick—as they can sometimes seem in conflict with the core.

Permission-to-Play Values:
These are the base-line behavioral traits that are required of any employee (often described as standards or mistaken for core values). They include minimum standards of ethics and social appropriateness. Similar to core values, permission-to-play values are so embedded within an organization that they can often be taken for granted.

Accidental Values:
These are the values that begin to appear in an organization without being cultivated actively by leadership. They are often observable and tangible. Accidental values are the manifestation of common interests or the perceived personality of the organization (i.e. demographics of the employees, unique attributes of the office space/environment etc.). If these values are mistaken for core, an organization’s values program can be thwarted.
Question 3: What do we do?

“Every organization needs an unsexy, one sentence definition of their business.” – Pat Lencioni, The Advantage

Examples of a Business Definition:

Nike: We design, manufacture, market and sell athletic shoes, apparel, accessories and equipment.

Merck: We research, develop and commercialize pharmaceuticals.

Southwest: We market, book and transport passengers via airplane through commercial airports.
Question 4: How will we succeed?

“An organization’s strategy is the collection of intentional decisions a company makes to give itself the best chance to thrive and differentiate from competitors. Every organization should have three strategic anchors that will inform every decision the organization makes and provide the filter through which decisions must be evaluated to ensure consistency.” – Pat Lencioni, The Advantage
Discipline 2: Create Clarity

Question 5: What is most important, right now?
The answer to this question is an organization’s rallying cry or Thematic Goal – the single most important priority. (e.g. “If we accomplish only one thing during the next 3-12 months, what would it be?”)

Thematic Goal
The single, temporary and qualitative rallying cry shared by all members of the team.

Defining Objectives
The temporary qualitative components of the thematic goal; shared by all members of the team.

Standard Operating Objectives
The ongoing priorities of the organization; shared by all members of the team.
Discipline 2: Create Clarity

Question 6: Who must do what?

“Without clarity around division of labor, the potential for politics and infighting - even among well-intentioned people - is great.” – Pat Lencioni, *The Advantage*
Discipline 3: Over-Communicate Clarity

“Great leaders see themselves as Chief Reminding Officers as much as anything else.”
– Pat Lencioni, *The Advantage*

Over-Communicating Clarity Checklist:

- 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 meetings.

- Employees are able to accurately articulate the organization’s reason for existence, values, strategic anchors, and goals.
Discipline 4: Reinforce Clarity

“Human systems give an organization a structure for tying its operations, culture, and management together, even when leaders aren’t around to remind people.” – Pat Lencioni, *The Advantage*

Reinforce Clarity Checklist:

- 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.
Team Commitments

Cascading Communications:
“Cascading Communications begins the structured but interpersonal process of rolling key messages down through the organization directly from the leadership team.” – Pat Lencioni, *The Advantage*

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<tr>
<th>We discussed:</th>
<th>We decided:</th>
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What NOT to say: Cascading Messages: