



THE NO LIMITS WORKPLACE  
Aligning Work with the Human Spirit  
Yielding Enduring Prosperity and Individual Reward

TENET 3 - Value of work thinking - the wealth generator

“Cost cutting, by traditional methods, is often an indication of unwise and uncreative management”

“Greatness isn’t achieved from a limited resource view. It requires possibilities thinking, an expansion of resources view.”

Per those statements, a new age of prosperity, continuous learning, personal growth, and idea generation in the workplace awaits those who fully “get” the opportunities that today’s knowledge and idea economy offer. Those who call this “pie in the sky” do so because they’re trapped in traditional perceptions that are limiting and self-fulfilling. Understanding value of work theory is key to replacing those assumptions of limitation with an abundance and possibilities view.

-----

In our No Limits Workplace Overview we mention that the NLW works the “plus side” of people and work as opposed to the “minus side”. We might say the NLW promotes possibilities and abundance thinking as opposed to assuming limitations and scarcity. For instance the NLW view of people doesn’t see them as they are and accept that as inevitable. The NLW view is that everyone has much potential to learn and grow and contribute at a high level. That’s not pie in the sky, it’s a fact. Leaders see that, know how to work it, and achieve greater results. Leading organizations are doing the same, achieving great results with the same resources as those who achieve mediocrity. Clearly, great companies or great entities in any field of endeavor be it sports, the arts, academics, etc. have never and will never evolve from limited resource assumptions. Instead, they always evolve from a “what’s possible” mindset that’s the beginning of greatness.

Following that, in order for us to cross the river from the “minus side” to get to the “plus side”, there are several foundational perceptions we need to set aside while simultaneously on-boarding some differing views. This article on the value of work supplies the baseline knowledge or we might say the logic and reasoning behind the plus-side view. It’s critical that we understand the following and incorporate “possibilities thinking” into our business acumen package if we’re to get to the plus side, where wealth has always been created and enduring prosperity exists.

As with all of these brief tenets of the No Limits Workplace, we’ll leave more unsaid than said about Value of Work Thinking. For our purposes here we just want to discuss enough that the reader is aware of the issue and can see that there are great opportunities available in putting these ideas into play (or should we say, into work). Doing it will only cause more possibilities to come into view.

VALUE OF WORK VS ELIMINATING WASTE

Lean and Sigma methodologies focus on identifying value-added and non-value added efforts within work processes and then apply numerous tools and techniques to reduce or eliminate non-value-added work. That of course is a very good thing. And as mentioned with much exuberance in Tenet 4, components of the No Limits Workplace are aimed at exactly those kinds of efforts. While we love traditional continuous improvement stuff, we also understand that these efforts carry a sort of “efficiency thinking” emphasis that often promotes incrementalism (not that it has to but in practice it often does). So we want to add to our improvement mind set with some additional thinking that by it’s nature is let’s say, bigger and wider, more instinctive, and perhaps less analytical. We’ll call this “Value of Work Thinking”. And by a) understanding what it is; b) understanding why it’s such a powerful concept; and c) structuring the workplace to encourage and make it possible, we may be able to position all employees to not just make



## The No Limits Workplace Aligning Work with the Human Spirit

improvements in their workplace but to continually raise the bar on the value of the work they do thus leading to potentially huge breakthroughs from anywhere in the enterprise. Value of work thinking is what defines entrepreneurship. It's very much about "what if". And it's completely consistent with CI / lean thinking. Our job is to articulate it, form a common language around it, and help get it in the hearts and minds of all employees.

### SHIFTING FROM THE MINUS SIDE

Within the traditional business model we assume that if a unit of work can be had for \$10 rather than \$12, then \$2 is saved. Following that thinking, all kinds of management efforts are poured into identifying and implementing ways to obtain that \$2 / 20% cost reduction "opportunity". Outsourcing to cheaper labor, people reductions, pay and benefit cuts, reduced investments in people in general (training & development, etc), and supplier price leveraging are common options with that mindset. Basically slicing the pie more to one's advantage. Of course there are times when those things are legitimate. But mostly it's an indication of a type of business thinking that's an increasingly poor fit for today's business environment. We'll call that, limited possibilities thinking. It's managing by budgets and an overemphasis on far downstream numbers-based decision making. The reasons that this cut-your-way-to-success approach has evolved are many and understandable. But it's more and more often coming at the expense of limiting the possibility of higher value work and damaging organizations. In our example, it may appear that 20% has been saved because it's easy to compare the previous cost (\$12/unit of work) as a line item on a financial statement and the new cost (\$10/unit of work) and conclude that a 20% savings has been had. But that's if one believes that the financial statement is an indicator of the total business reality, which it isn't. It may be management's scorecard but that only points out the weakness in our financial score-keeping and it's associated mind set. That thinking assumes that when the \$2 savings was made, all other factors remain equal. And that is a greatly flawed assumption. Understanding that flaw is critical to understanding the potential positive impact of applying value of work thinking.

In business we often have perceptions that when applied to other areas of endeavor we would easily see as flawed. For instance, no one would think that a third baseman in baseball who makes a bunch of errors and has a .220 batting average offers equivalent value to another third baseman who is a terrific fielder and bats .320. The .320 hitter will contribute much more to more winning, fan interest, media exposure, etc. All key indicators of success. If they both played the same number of innings, we might say that each "unit of work" done by the good fielding .320 hitter is much more than a unit of work done by the not so good fielding .220 hitter. The .320 hitter simply produces more of what contributes to success in the same amount of time. If we were to replace the .320 hitter with a .220 hitter, we'd still have the position filled and we would save some money on direct costs. But the effect on all the factors that contribute to success would be significant. In the end we may lose money by paying less. But in the workplace, especially decision-makers at a distance assume each player to be relatively the same. And historically that's been the case for the most part. Following that thinking, it would make sense to pay 20% less for the work because we'll get the same output and save the difference. But as with the two third basemen, that perception is becoming more inaccurate every day.

So following the old assumption (limited resource view). "We have .220 hitters, so if our costs are now too high because of increased competition, how do we remain competitive"? Answer, we cut various people costs. The new assumption (value of work thinking) is; "We need to make our .220 hitters into .320 hitters and .320 hitters into .400 hitters. We'll outperform our competition, not by cutting but by becoming a smarter, more responsive, adaptable, and innovative outfit, knowing that the knowledge and idea economy sets us up for that possibility". The limited view types will say, "but can that really be done and if so will it really make us more cost competitive"? And our reply is, "yes, absolutely, let me show you".



## The No Limits Workplace Aligning Work with the Human Spirit

And by the way, the answer isn't to hire .320 hitters. They may be unavailable available or too costly. Our workplace is full of .220 hitters that have the potential to be .320 hitters. It's in closing that potential gap and aligning that increased capability with organizational objectives that we win.

If one assumes that companies get anything near the full potential of people in the workplace they either haven't looked very closely or given it serious thought. The untapped capacity in the hearts and minds of people in organizations from coast-to-coast is beyond measure. And as we discuss throughout the NLW, the business environment is evolving such that every individual can have much more impact on results, especially if we position them to do so. The tremendous opportunity being created by that combination of untapped potential and changing environment that requires emphasis on knowledge and idea generation will be taken advantage of by those who get what we're talking about here. It's in making the investments in people to close the gap between potential and performance and positioning them to apply that increased capability that companies are winning in today's Three C environment. That's how we become great and prosperous, by realizing that people have the capability to be .320 hitters. Our traditional structures, etc. are what keep them at .220.

The understandable problem that many traditional managers have is that they assume that the top-down model and all its structures, practices, and assumptions about how work works, is reality. When in fact the whole apparatus is a situational model built for an environment that required characteristics that are nearly the opposite of today's demands. And by the way, which type of company culture is going to attract, develop, and retain talent and win in today's environment? One that's built to add to one's batting average or one that limits it? The answer is obvious.

As we've discussed in other tenets of the NLW, the need for employees to be difference-makers in yesteryear's more static, simpler, and less competitive work world was much less than in today's more complex, faster changing, and more competitive knowledge and idea economy. In today's world everybody can be a difference-maker if provided the right "investments and positioning". For companies that is both challenge and opportunity. The best companies are investing in people at historically unprecedented levels and getting back historically unprecedented levels of higher level work which in turn allows them to provide compensation above industry norms. Great stuff.

Last point in this section. Business managers have forever said they want their employees to be more entrepreneurial. So why do they so rarely get that entrepreneurial spirit they want? That's easy. Because our traditional top-down / limited-resource thinking workplaces do a poor job of promoting it or rewarding it. People will be as entrepreneurial as we set them up to be but we have to create an environment that promotes it. That's exactly the kind of thing the NLW does. Value of work / expand the pie thinking sets up for an entrepreneurial approach to work. As mentioned, we still have to supply tools, structures, resources, and opportunity. And to think that these things can't be made available to all employees is just a lack of creative operational, people, and business thinking. As is mentioned in other parts of the NLW, in today's "Three C environment", people don't so much need managed in the traditional sense, as they need to be invested in and freed or positioned to contribute at the highest level. That's where enduring prosperity comes from and wonderfully, that's also exactly what people want from their workplace experience (the NLW win-win we frequently mention).

### THE LEVELS OF WORK VALUE

So let's take a look at defining the levels of value of work. As with much of the NLW, the ideas are intuitive. But as we often say, ideas are of no value without action. Changing the workplace in ways that express these ideas as tools, structures, practices, etc. is everything. Informing people of these ideas while not changing the workplace to provide the fertile ground to bring them to fruition will only cause frustration. So we must move from ideas to action. Using a political analogy, it would be like a dictator telling people about how wonderful democracy is and then doing nothing. That would be worse than telling them nothing. But when people are made aware of the following levels of work and they're



## The No Limits Workplace Aligning Work with the Human Spirit

positioned to move themselves and others towards higher value work, they'll jump all over it because that's what people want to do. It's what we're wired for. And as good leaders know, when people have something in their minds that has gone unarticulated and a leader states it for them, it's galvanizing. Very positive things can happen fast.

Following from top to bottom is a list of the levels of work that bring the most to least value. This could be fleshed out to a much greater degree but again, the reader should be able to get the necessary understanding from the description below.

---

### THE LEVELS OF VALUE OF WORK

Following are "work value levels" from highest to lowest with a (+) or (-) to indicate the level's contribution or lack of it. For the most part the levels of work are a function of their leverage. #1 offering extremely high leverage and so forth down the line into the negatives. Each of the 8 levels is described in more detail below.

1. Creating the environment for all employees to contribute at their highest level (+++++)
2. Innovation and Opportunity Creation (+++++)
3. Effective Training and Development (++++)
4. Process Improvements (+++)
5. Job Efficiency (+)
6. Meeting Job Requirements (Neutral)
7. Not Meeting Job Requirements (- -)
8. Waste (- - -), Mismanagement (organized waste) being the most significant (- - - - -)

Aside - Companies, while hardly aware of it, spend most of their time in the lower half of this grouping due to several reasons that tie to traditional expectations and limited thinking. That's another way of describing the potential gap we're looking to fill.

Following is the same list with short explanations of each level. All of this is business-intuitive. Mostly we're just supplying terminology and some order to explain things people already know.

#### Level 1, Creating the Right Environment

Success for today's enterprise is about expanding and leveraging people's capacity to perform at a high level. The greater the number of people operating at the top of their capacity, the more responsive, adaptable, efficient, and innovative the organization will be and the more success it will have. As mentioned above, none of that occurs without leadership that can set the table for that possibility. And that's done by providing workplace systems, structures, practices, and a culture, that's supportive of that (the No Limits Workplace). Another way to say it is, leadership is all about positioning people to do increasingly higher value work. It's the allowance of this opportunity that is the highest value work, the highest from of leverage. As described in more detail in tenet 6, this requires investment-first leadership.

#### Level 2, Innovation and Opportunity Creation

A new invention can lead to millions of hours of increased productivity. A new product or service can mean millions in additional earnings and a new customer can mean greatly increased sales and profits. So innovation and opportunity creation are very high on the value-added list. They are highly leveraged activities. In the right environment every employee in an organization can be a creator and innovator at some level. That's what the knowledge and idea economy is all about. Surely some have better opportunities to impact on a larger scale than others but then again, ideas, even high impact ones can come from anywhere with the right environment.



## The No Limits Workplace Aligning Work with the Human Spirit

### Level 3. Training and Development

T&D in traditional organizations is often ineffective. As a result, many managers have an appropriately skeptical view of it. But connecting T&D to what makes a difference and yields results is easy in the NLW. Good T&D, as with all higher value work, is about leverage. An investment in an employee or group of employees that raises their knowledge or skill level so that they can do work more efficiently and effectively over and over again is a big productivity enhancer. And in the right environment, as people become more knowledgeable and more skilled they are capable of higher impact ideas and innovations. Also, when people are properly invested in and then able to apply their higher knowledge and skills to have greater impact, they become highly enthused and engaged in the organization. High levels of ownership, loyalty, creativity, and commitment are a natural output of the combination of high investment in people (growth) and the opportunity for them to apply their abilities (contribute). Today's business environment where knowledge and ideas are becoming the currency of success, suggests that all employees at various times be trainers and trainees. Companies with the best "knowledge management" practices will be winners. For example, Standard Work, that Toyota calls "the foundation of continuous improvement" is a great knowledge management tool, yet only a tiny percentage of employers apply it.

### Level 4. Process Improvements

Developing a more efficient or effective way of doing something can lead to huge improvements in the form of time savings, error reductions, and quality of products and services. This is especially true if the new method concerns something that multiple employees do or that is done many times over. An idea that improves how work is done is leverage because it can be multiplied by numbers of people and numbers of events over time. So it's important for organizations to have a well-defined system for pulling ideas from employee's minds and getting them evaluated and implemented quickly and efficiently. To lack such a system in today's business environment is a serious management failure in the form of huge missed opportunities and a less than energized workforce. Yet few companies are good at it (see Tenet 4 on CI tools). The more improvement ideas that can be generated, especially from a knowledgeable workforce, the more chance that some will be of the breakthrough variety. Again, the environment, systems, etc. have to be in place to promote "possibilities thinking" and to move ideas from concept to reality. Everybody can do that and everybody likes to do it. A CI system is a relatively easy place to start when moving to a No Limits Workplace because it's so fundamentally attuned to what people want.

### Level 5. Job Efficiency

When a person figures out ways to perform parts of his / her job more efficiently and effectively it is of course a wonderful thing. People everywhere do this all the time. But as wonderful as it is, because it's within a single job, it isn't as high on the leverage scale as other types of efforts. Those who are continually finding ways to improve their jobs are the same people that could be bringing more leveraged value. It's just a matter of creating the environment that positions them to do so.

### Level 6. Meeting Job Requirements

It's humorous how commonly this term is used in business. Managers telling their employees that they "meet requirements". Probably more sad than humorous as it sounds like a declaration of surrender of the human spirit. Like saying that most people are average. That becomes an expectation within a greater environment that fosters mediocrity and people fulfill it. What a dehumanizing bore when compared to what's possible. From a value of work standpoint we'll call this neutral though if compared to the absolute standard of what people really want, what organizations really need, and what is really possible; it's a drastic failure (hitting .220 when one has the capacity for .320).

### Level 7. Not Meeting Job Requirements

This often happens because people are so uninspired and disenfranchised by the way the traditional workplace operates that they just can't put their energies towards their work at a higher level. It usually takes a while for people to get to that point. It's a tragic waste of human potential but has long been common in workplaces everywhere. There are other reasons such as a failure to provide clear



## The No Limits Workplace Aligning Work with the Human Spirit

requirements or because a person gets into a position they're either unprepared to do or don't have the skills or interest to do. All of these things can be solved through application of the tenets of the NLW.

### Level 8. Waste

The amount of waste in workplaces is vast beyond belief. Much of what the NLW is about has to do with replacing four major categories of waste with work that is both far more productive and much more personally rewarding. The prosperity gain that could be had by doing this would have a bigger positive impact on the economy than anything we can think of. Let's quickly look at these four categories of waste (in lean there are additional categories of waste).

#### Four broad categories of waste

1. One is routine work that appears necessary but isn't. Continuous improvement (CI) tools and techniques are very much about reducing or eliminating this type of activity. There are countless examples. When a workforce is given the CI tools, resources, and opportunity to reduce these kinds of wastes in work processes (see Tenet 4) they will. The problem is most managers don't know how to position their people to do that.
2. The second category of waste we'll call reactive work. Reactive work is work that happens as a result of things not being done right the first time. An article could easily be written on this form of waste as it continues to multiply due to the two trends of increasing complexity and change mentioned in Tenet 1. Though wasteful reactive work is common at all levels, managers and other professional employees in particular spend massive amounts of time and huge percentages of their days in this mode. It's so common that it's most often just thought of as "work". When in reality, no matter how skilled and experienced one has to be to attain a good result, it's 100% waste. If companies were to do an analysis of how much time their professional / managerial workforce spends doing completely non-value added / wasteful / unproductive "work" they would be stunned. But few have good accounting tools for identifying this waste because their accountants are busy accounting for less important things. The NLW has much to do with reversing this highly unproductive reality and positions managers to add value rather than chase problems that never needed to occur.
3. The third category of waste we'll call unfulfilled potential. The first two are sub-categories of this one. We need to recognize that any time an employee is doing a lower level value of work when they could be doing a higher level, it's waste. There are tremendous opportunities for employees who may be coasting along at a meets requirement level (level 6), to leverage their skills, knowledge, and experience to make their job more efficient (level 5), to make improvements in work processes (level 4), to train and develop other employees (level 3), to come up with ideas and turn them into innovations (level 2), and even to contribute to the creation of the NLW environment (level 1). Sure we all know that people have their regular jobs to do. But to the degree that people can be positioned to do higher value work, the organization will benefit by all meaningful measures.
4. The fourth category of waste we'll call mismanagement. Mismanagement is easily the most high-impact waste as it's de-leveraging. It occurs when the workforce is prevented from pouring their full energy, enthusiasm, and creative potential into work. There's no point in blaming managers for mismanagement. Mostly managers are doing their best operating within expectations set by historical standards and approaches that are becoming increasingly ineffective in today's environment. We might say that mismanagement is the purposeful, planned, and structured limitation of people and therefore the enterprise. Very much the opposite of leadership (see definition in Tenet 6). Our traditional top-down model by its nature guarantees it and as long as we continue to operate within traditional workplace paradigms that will be the case.

There are other forms of waste (unused materials, over-production, bad product, time waiting, excess inventory, etc.). All of these can be addressed by CI tools and techniques that are part of the NLW. But for our purposes here we want to highlight the tremendous lack of productivity that in many ways we all just accept as the inevitable reality of work when in fact it is only a function of our limited thinking.



## The No Limits Workplace Aligning Work with the Human Spirit

### SUMMARY

When we begin to see all units of work in the very optimistic and powerful terms of “value of work theory”, it becomes clear that there’s incredible opportunity available to us to be more productive and more prosperous. And within that same effort is the opportunity to position people to do work that is far more personally rewarding. Again, the great enterprise - individual win-win of which we so often speak. Value of work thinking is only a perspective, not a how-to. We still need to put the structures, practices, etc. in place to bring it all about. But when an entire workforce is of a single mind to continually identify opportunities to move themselves and each other towards higher value work and when organizational structures and objectives are aligned with that thinking, it will happen. And when it does, the results will be great for all participants.