



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

Tenet # 6 - Investment-First Leadership

(note; this is our longest tenet as the No Limits Workplace is a leadership initiative. Besides focusing on leadership itself, the article summarizes each of the other 5 tenets from a leadership perspective and ends with a unifying message)

INTRODUCTION

“Leadership is leveraging human capacity towards achievement of worthy objectives”

The No Limits Workplace by its nature comes with a leadership development course wrapped within it. As we’ll discuss, the ideas of the NLW when implemented as actions, structures, and knowledge shared with employees, accomplishes the above definition at a high level. So implementation of the NLW and leadership are one and the same.

Per our definition, while there is much contained in that short statement, there’s nothing more and nothing less to the act of leadership than that. Of course there are a number of aptitudes one needs to possess to lead effectively and there are actions one needs to take to achieve what is stated above. Also, those in leadership positions often do much more than lead people. But those aptitudes and actions and additional responsibilities aren’t leadership itself. We can’t emphasize enough how important it is for one who desires to lead to understand that. Having a clear definition of the act of leadership then positions the prospective leader to ask him / herself pertinent questions such as... Am I leveraging human capacity towards achievement of worthy objectives? If the answer is “no”, then the next question is... What knowledge, skills, or motivations am I missing that would allow me to do that? Or what actions do I need to take to do that? Or if “yes”... How can I do better?

Section I - General Info on Leadership

THE POWER OF LEADERSHIP

There are many people who if asked if they were leaders would reply “yes”. But if asked what leadership is, would probably struggle to define it. So how can we lead if we don’t even know what it is? Well, that’s a good question. And while we at the NLW have a healthy respect for intuitive activity (doing without cognitively knowing) the answer is... They probably aren’t leading. What they’re most likely doing is making important decisions that affect a lot of people, managing others, and perhaps communicating important information. And mistaking that for leadership. So let’s take our short definition very seriously. As we go forward we’ll see that there’s no more meaningful and powerful work one can do than to lead others. Aligning even small numbers of people around worthwhile objectives and ensuring that they have the capability to make those objectives become a reality is tremendously meaningful and can make positive differences in people’s lives. And not just in the achievement of the objectives. If the objectives are difficult, it’s almost assured that people have to gain knowledge and skills, challenge themselves, and work together and form strong relationships to achieve those objectives. That kind of collective endeavor has implications far beyond the immediate achievement of objectives. It can be life-changing, because once instilled, the capacity to do those things stays with people. We hear people talk about how such endeavors have shaped them and put their lives on a permanently positive track. Sports comes to mind as an area of many well-known examples where leadership and the associated effort have permanently changed people for the better. Business clearly has that potential. But unfortunately, realization of that potential is rare. We’re here to change that.



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WHY LEADERSHIP IS AS RARE AS IT IS

Despite more than plenty existing leadership books, courses, and advisors the quality of leadership in our public and private institutions may be at an all-time low. So why is that? Surely something is amiss. As you might expect us to say, it's partly because leadership hasn't been well defined. If everyone agreed on the definition above then at least it would be obvious that very few are actually leading because very few are meeting that definition. Where we find ourselves today is in a position where people in positions of influence seem to be some of the most non-attuned to leadership. Our system has evolved to where those who are rewarded by promotion to the highest levels of institutions of all kinds are mostly highly-motivated and capable people who operate from a self-centered / self-acquisition priority (see "Doers" below). Whereas leadership, as our definition makes clear, is about succeeding through others. It starts by ensuring that others have what they need to succeed (investment-first leadership). The majority of high flyers don't operate from that perspective. Their priority is most often self-promotion and acquisition. Per that problem, all of the following offers powerful ideas for helping high-talent / self-focused types find the motivation to apply their abilities beyond acquisition for the benefit of many and themselves. Relative to that, as we'll see, humility is the "secret ingredient".

TRULY UNDERSTANDING OUR DEFINITION

Many who read our definition will think they get it but won't. So given the importance of our subject, we want to be certain that we really understand our definition in full. Though it has few words, there are pyramids of meaningful stuff beneath some of those words. So let's start our discussion of leadership with some explanation of terms. Then we'll move on to consideration of the aptitudes and actions for leading people effectively in today's business environment and that align that with the NLW tenets.

Let's take a closer look at the four key terms from our definition (leveraging, capacity, worthy, and objectives). There's more to them than may jump out when they're all packed into a single statement.

Leveraging

Leveraging might be thought of as our "ripple effect". By way of a simple example, let's say we know something that if known by others would be very beneficial to many. If we're able to get that something into other people's minds and many benefit from it, that's leveraging. We might also say that it's expansion of the most good with the least amount of resource investment. In a way it's productivity. Good teaching is about leverage because it takes knowledge and spreads it for use by many. A great invention or better way to do something is about leverage. A bridge over a river that saves time for many millions is leverage. Great leaders can influence much activity through just a relatively few words or actions. Business leaders need to learn to leverage their words and actions. It's much more than doing. There are many ways to do that and a big part of it includes positioning others to leverage. The NLW is much about the kinds of structures, practices, perceptions, and behaviors that create leverage.

Capacity

Capacity is the potential to do something. Capability is the ability to do it. Performance is doing it. The fact is that companies over the years have been able to succeed while operating with a tremendous gap between their people's capacity and their capabilities and their performance (capacity - capability - performance gap). What an unfortunate waste of human potential and productivity. As is discussed throughout the No Limits Workplace, companies can no longer afford to operate successfully with these gaps unless all of their competitors are similarly mediocre (which is still fairly common but changing rapidly). The NLW has much to do with making capacity, capability, and performance as equal as possible. And as described below, it requires a high level of leadership to bring this ideal state into reality. In the vast majority of cases people have far more capacity than is utilized by their employers. There are loads of untapped creativity, energy, skills and knowledge, and desire to contribute to higher level decision-making, problem solving, idea generation, etc. Yet it's very common for people, even experienced, talented, well-intentioned people, to underperform in their regular work and cause problems, errors, and outcomes that in sum are far below what's possible. Clearly something's wrong with that



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picture. And that something is that our systems for maximizing capacity are miles from where they should be.

All of history's great leaders in any field of endeavor know intuitively that winning is about getting capacity to meet capability and capability to become performance. A big part of our objective is to provide leaders with the insight and tools to do that. And by the way, for every person you help do this, you'll have an incredibly loyal employee because you'll have helped them find the most in themselves. We discuss that more below.

Objectives

Energizing people and providing them with opportunities to expand their skills and knowledge doesn't make much sense if it isn't directed towards achievement of organizational objectives. The trickiest thing about objective-setting in business is aligning end-game financial goals with in-game indicators. These in-game indicators should exist to help people do their jobs. They should provide key information to help people make decisions and/or provide them with meaningful measures that encourage and motivate behaviors that impact downstream financial goals. Establishing these in-game objectives that roll-up to larger downstream objectives is something leaders need to do much better than current common practice. That isn't easy and as we continually point out about most everything in today's workplace, it has to be done, not from the management suite, but by working hand-in-hand with employees. They have the answers if leaders ask the right questions and supply the right information. And establishing in-game indicators inevitably requires some trial and error and probably ongoing change. All this is doable but we often lack the inclusive processes for doing it well. Going a little off-subject, that level of up and downstream connected goal-setting probably sounds exhaustive to traditional managers. But that's because their paradigm of how to do it assumes it's up to them. The NLW frees the manager from that kind of limited thinking by helping them learn to turn all employees into partners and resources.

The point here is that leaders must ensure that people's skills, abilities, and knowledge along with their energy, enthusiasm, supportive behaviors, etc. are directed towards objectives that are meaningful to the organization. Otherwise capacity and capability are wasted. When capacity is maximized and directed towards meaningful objectives incredible performance and results become possible.

Worthy

Boy is this important. As we get into what really drives high performance and therefore allows leadership actions to bear fruit, we'll see that whatever a leader wants people to achieve; if the leader wants it done at a high level, and wants it to be sustainable, has to be seen as worthy in the minds of those performing the work. Why do we say that? Because high performance characteristics such as enthusiasm, creativity, teamwork, and a service orientation only come from people willingly. High level positive behaviors can't be coerced, forced or sustained with money or any other transactional benefit. It has to come from the "positive side" of people. People who energize others towards achievement of objectives that are for negative purposes aren't leaders. Energizing others towards negative objectives requires one to tap into what's worst in people such as anger, frustration, hatred, and fear. The outputs of these initiatives never endure. Any kind of regime, business or otherwise, built on negative objectives will eventually collapse because it's not self-sustaining. Leadership assumes that we're lifting people, so the term "worthy". As we discuss below and in more detail in Tenet 2, that requires that the leader inspire people to willingly tap into their higher nature. Leaders must understand these things and operate from that knowledge. Also, the leader's personal objectives must be worthy and therefore aligned with his / her higher nature. Self-centered people can't do that. And if one has been self-centered and wants to lead, they'll have to move beyond their current ego-based motivations to do so.

WHY INVESTMENT-FIRST LEADERSHIP?

Our next section provides some insight on the term investment-first leadership. We'll begin by identifying two common "leadership" approaches that really aren't leadership. This discussion may clear up some



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misconceptions and continue to provide clarity on what leadership is and isn't and therefore what attributes and actions are necessary for leading others.

The Doer - Most people in positions of influence don't lead. They do work that's important and has influence on others but they don't lead. Most who rise to high positions are accomplished doers. That's their strength and comfort zone and often the expectation of those to whom they report. So why do anything else? Plus traditional organizations, especially large corporations with their massive weight of historical assumptions of how work works, make leadership difficult if not impossible without making substantive cultural changes consistent with what the NLW proposes. But given our handy definition, all a doer has to do to check to see if he / she is leading is refer to it and ask whether that's what they're doing. For the doer, the honest answer will be "no" or "very little". Our NLW course in leadership is very much designed to help doers become leaders by not only identifying what leadership is but by providing much of the perspective, knowledge and then strategy and implementation steps necessary for leading today's winning enterprise.

We need to keep in mind that for an ongoing company, wealth and prosperity are created by putting organizational, people, and operational structures, practices, systems, and tools in place that foster an "idea rich" environment. These ideas in turn are what allow the enterprise to be smarter, more responsive, adaptable, and innovative, which are the performance characteristics that ultimately generate success. So leadership by our definition is about putting that bottom-to-top wealth generating machine in place and positioning people to keep it running. We at the NLW believe that effective doers can become leaders. The key is for the doer to change one's orientation and comfort zone from self-achievement and self-acquisition to gaining satisfaction from positioning others for success. That's no small thing. It requires a maturation from a "self-pride" level to a "lift-others" level. As mentioned previously and discussed a bit more below, humility is the foundational attribute of leaders. There is no substitute for it. We at the NLW also believe that the very understanding and implementation of the NLW will strongly influence a well-intentioned doer towards higher levels of awareness such as humility. Sometimes in doing things differently we can change ourselves.

Leadership by Accountability or Objectives - There's a misconception that informing people of goals and "holding them accountable" is leadership. Managers constantly reach for the accountability button when they want to explain why results aren't achieved or why people aren't living up to their end of things. "You have to make people accountable" is the common management retort. But that management reaction almost always is a function of a) a lack of understanding of what's going on in today's business environment and it's effects on the workplace, b) a lack of organizational response to it, and c) a lack of understanding of human nature. Hardly the stuff of leadership.

Let's ask ourselves... Why do employees fail to meet objectives? Is it because they're innately lazy, uncaring, irresponsible people? Do they have a "bad attitude"? Sure we all show up to work each day with varieties of personal weaknesses. And these weaknesses can translate into all kinds of behaviors that can get in the way of work optimization. But guess what, at the same time we all show up each day with all kinds of positive potential. And much of that potential comes nowhere close to being fully tapped. So the fact is, that every employee and every work group is full of negative or positive potential all the time. That's always been true and always will be. Let's accept that we're dealing with human beings here. So our question is this. How well have we leveraged that "positive capacity" and de-emphasized the "negative capacity" in our workplaces? And the answer to that from a historical perspective is... Not too well at all.

Fixing that, getting much more (+) and much less (-) from people individually and collectively is what the NLW is about. So while we'd love for there to be a short explanation of how to do that, there isn't. But as briefly as possible and to our immediate point about people failing to meet objectives; if we were to pick a day and look at all that day's "failures to meet objectives" or "failures to be accountable" from coast-to-coast, the very great majority of them will be due not to employee negativity or even honest error but to



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system weaknesses (if you don't believe that, begin using the "5-Why Process" and you'll see that almost every time you'll eventually land at system weakness). When we as leaders begin to see things from a system perspective, as the best companies do, two great things happen. One, we get to the actual root of problems so that systematic solutions can be identified and applied. And two, we earn the respect and appreciation of employees as they see management actually "getting it" as to what the problem is, rather than blaming individuals for something that most employees know is a systematic problem. It's the very lack of recognition of systematic problems and unproductive blaming and holding people accountable that is so often what promotes "bad attitudes" and disenfranchised employees. Our traditional workplace and lack of leadership does much to create it's own problems. And isn't doing nearly enough to systematically and culturally move beyond them.

Our point here is that we've got to get this "expectation and accountability" thing in the right sequence if we want to be leaders. Of course we hold people accountable. But as many employees see it, and see it accurately, the group that's probably doing the worst job of holding up their accountability are those in leadership positions. Until managers recognize the huge changes that are taking place in the business environment and identify the workplace implications (Tenet 1), and then make the investments in people that are necessary to deal with these changes, they will continue to appear disconnected and uncaring when trying to hold people individually accountable for circumstances that are almost always systematic issues. Investments and clear requirements must come first, then accountability. And those investments and clear requirements are both tough to provide and far to rare. Leaders who are working directly with employees to get those investments and requirements right are leading winning organizations. "Leaders" who are focused on holding people accountable aren't. In fact if a manager continually finds him or herself needing to hold people accountable, it's almost certain that he/she is not leading.

Last note on this, when our priority is to provide people with what they need to succeed, then we can raise the expectation and accountability bar very high. In fact people will raise their own expectation bar even higher than we do when these investments are made. Sure we might want to push them once in a while as any great coach will do. But not for our immediate purposes. Not to divert responsibility from ourselves, or try to establish control or appear more capable than others (selfish motivations). But to get others to find what's best in themselves (leader's motivation). Doing that will earn us extreme commitment, loyalty, and many other positive things. Ultimately, with few exceptions, we hold people accountable by providing an environment where they hold themselves accountable.

Investment-First Approach - So here's our winner. First a quick terminology discussion. The term servant leadership (among other names) has been popular in the leadership development world recently. We understand that term and recognize it's value but prefer the term investment-first leader. The fact is, that putting "servant" or "investment-first" in front of the term leader is redundant. Leadership by our definition requires putting others first and making necessary investments in people before asking of them. But the stand-alone term "leadership" has so much confusion and baggage attached to it that we've chosen to use the investment-first tag to gain some separation from common misconceptions about what leadership means.

Everything from this point on is about understanding and implementing investment-first leadership. In some ways it all seems so simple. We're in the knowledge and idea economy, so the companies that are best at "managing" (planting, growing, and harvesting) knowledge and ideas will be the most successful and the ones people will most want to work for. In concept it really is that simple. But how do we do that given that we're currently sitting in business models with mediocre knowledge and idea management histories? As a brief overview we'll start with this. Here in the U.S. as the Three C environment described in Tenet 1 continues to expand the skill requirements, and constant change in nearly all jobs, the most critical component of success is becoming an organization's "total system" (in the broadest sense) for providing people with the "total resources" (in the broadest sense) they need to perform their work at the highest levels possible. And that means to a) do their jobs, b) continually improve the way work is done, and c) make their organizations stronger. We might call this far-reaching system the "internal success engine" (the capacity - capability - performance gap closer). And it's creation, implementation and



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continual improvement is what leadership (leveraging people's capacity towards achievement of worthy objectives) is all about. Today's successful leader must understand that. And it's in understanding that and accessing the many potential levers within one's organization to achieve it that one leads.

Below is a list of four categories of investments. The challenge in providing these investments is high. But so is the reward. Companies that do a good job of making these investments in people will far outperform their competitors that don't. The business environment is dictating that. These are the investments that position a company to be responsive, adaptable, innovative, smarter and to have more engaged and committed employees. Without the investments, those performance characteristics won't evolve and enduring success won't either.

1. The training, knowledge, tools, and access to resources to perform one's job effectively, as their job is currently constituted (job effectiveness)
2. The training, knowledge, tools, opportunity, and access to resources to respond to external influences that cause changes in one's job (responsiveness and adaptability)
3. The same stuff as 2 but to allow one to make improvements in one's job or to recommend improvements in any aspect of the workplace (innovation)
4. The opportunity to be engaged in any and all aspects of work (of course limited as is reasonable) on various types of teams working on anything from improving workplace physical surroundings to business strategy (engagement, ownership, employee development, innovation)

All these investments lead to idea generation and implementation and higher value work done at lower levels of the organization. Additionally they contribute to making work more rewarding and meaningful. Companies doing even some of these things well are finding huge benefits in numerous aspect of their enterprise and especially towards the bottom line.

Section II - Leadership and the other tenets of the NLW

The following takes a brief look at each of the other 5 tenets of the NLW from a leadership perspective. We strongly recommend reading through all of the NLW materials as we believe it to be the best (most comprehensive, integrated, and sequenced) reference available on how to develop an organization that's a best fit for today's business environment.

Investment-First Leadership and Tenet 1

As tenet 1 makes clear, the three trends (Three C's) of increasing complexity, faster and bigger change, and increasing competition are re-establishing the terms of success and failure in today's business environment. These trends are on one hand creating and heightening the knowledge and idea economy and at the same time a result of it. It's hard to identify an industry, company, or job that isn't being significantly affected by the new business reality that these trends are creating around us. And as the wisest business gurus have been pointing out, the traditional top-down business model built 100 years ago for a very different environment featuring control, predictability, and incrementalism is no match for this new reality.

So what should a leader be doing about these trends?

1. Be aware of them. If a leader is not "seeing" these trends and recognizing the very significant impacts they're having at all levels of their organization, then he/she needs to get down into the organization and become familiar with the reality of what is going on (as in ask the right people good questions). As people are getting bombarded by the effects of these trends and struggling in many cases to perform their work effectively despite being capable and experienced employees, increasing chaos, problems, waste, and employee frustration and disenfranchisement are more common.
2. Speak to these things. Almost all employees are being affected by constant change and complexity. In some cases management is making painful changes because of increased competition. Employees are confused because they see reductions in pay, benefits, people, and people investments done in



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the name of competitive pressures yet they see relatively little being done to address the organizational, people, process, and operational challenges brought on by increased complexity and change. Employees may not see the trends but they feel them and they're clearly having to deal with the effects. If a leader can speak to these things, he/she will quickly win the hearts and minds of employees because that's what they're sensing. That's what happens when you address the truth that everyone already knows but may not know how to articulate.

3. Develop a strategic response. The NLW is about developing a response to the new realities that these three trends are creating. Here it is. To deal with complexity an organization must become smarter. To deal with change an organization must become more responsive and adaptable (to deal with external change) and more innovative (to drive change). To deal with competition, an organization must become smarter, more responsive, adaptable, and innovative in order to generate and implement better ideas that improve the company in all the meaningful ways. That's what turns into profits. In total a continuously improving and evolving enterprise driven from the bottom up.

There's a lot to that. Moving from a more traditional top-down model that hasn't emphasized those characteristics to a bottom-up, de-centralized enterprise that's responsive, adaptable, innovative, smart and engages employees in just about everything is a major undertaking. As we explain in other sections, the good news is people want that and it's what's needed. So it isn't as difficult as it seems. Really, the perfect leadership opportunity.

Investment-First Leadership and Tenet 2

It's an understatement to say that the investment-first leader has to have a certain level of practical wisdom about human nature and behaviors. Exceptional leaders have always known that alignment of the various aspects of their field of endeavor with people's higher nature (the human spirit) yields the highest performance. The all-time great UCLA Basketball Coach John Wooden makes that clear in his famous "pyramid of success". And Vince Lombardi's quotes are filled with insights about aligning values with the aptitudes and skills necessary to succeed in football. That allowed him to tap into his player's higher nature and get them to bring what was best in them to the moment.

These great leaders didn't ask their players for victories. They invested fully in their players providing them not only with x's and o's type knowledge and physical conditioning but they connected all these things with their growth and maturation as human beings. Wooden and Lombardi constantly poured wisdom about values and self-awareness into their players causing them to align their self-image and behaviors with these ideas and principles (higher nature) and then with the activities specific to their craft. This alignment between one's sense of self, values and principles, and the work itself is what makes the endeavor highly meaningful. And as we discuss in Tenet 2, when something is meaningful to us we will ask much of ourselves in order to achieve it. Clearly, Wooden and Lombardi were investment-first leaders. They invested not only resources but also their energy and ideas and therefore much of themselves into their players. So once these investments were made in their people, that in turn made work meaningful and positioned their players to want to find what was best in themselves. From there the performance bar could be set very high and players pushed to their limits by themselves, each other, and the leader. The results speak for themselves in terms of objectives met and character building. The two come from the same stuff.

Tenet 2 provides human nature and behavioral insights that allow the leader to understand how to align work with people's higher nature, to make work meaningful, and therefore to get the most out of people willingly. That ability to connect what's best in people with workplace structures and practices is the most important "skill package" a leader can have to create enduring success and employee satisfaction in today's business environment.

Per this knowledge of human nature and as covered in more detail in Tenet 2, one basic truth that investment-first leaders need to fully understand is the source of sustained high performance in all people including themselves. Organizations have traditionally operated from a fundamental lack of understanding on this subject, so it may require some perception or paradigm adjustment.



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Aside - On paradigms and perceptions. Paradigms are made up of all kinds of preconceptions that become a reference point from which we view the rest of the world. If you're going to maintain a reference point, you must accept that no matter how smart and experienced you are, you'll inevitably be blind to many things and probably many important things. Take that for granted. Knowing you don't know is the takeoff point for wisdom. Business leadership requires smarts and passion but it also requires wisdom. And wisdom comes from humility. Humility is acceptance of weakness, frailty, and unknowing while at the same time possessing great confidence in one's purpose and therefore one's self and one's potential to do great things. We might say that humility is the strongest possible self-image as the self is given to purpose. That allows for very clear thinking with little or no negativity, as there is no ego-self to establish or defend. A person has to be able to look themselves in the mirror and know that they are trying to do the right thing to in order to earn that level of confidence.

We were saying above that few people, let alone organizations, have a thorough understanding of human nature and as a result are unable to consistently access what's best in people in order to promote the very behaviors they need from their employees to ensure success. Given that, it's no wonder that potential is so often unmet.

Tenet 2 goes into the following in more detail but for our purposes here we'll just say this. There's only one thing that can drive the high level of sustained performance that it takes to make a company into a powerful ever-evolving enterprise. And that's meaning. It's in something being meaningful that people will jump over the fence from a self-interest - "what's in it for me / how can I get more / make my life easier" mode to a contributory - "what can I do / how can I give more / make my role challenging" mode.

Throughout history people have routinely given much, even their lives, to things that are of high meaning (values and principles). So it's obvious that people will move to an "ask of themselves in order to contribute" mode if the environment around them is right. In other words, if they see work and the workplace as meaningful. Enthusiasm, commitment, perseverance, initiative, creativity, and supportive behaviors from teamwork to love become possible when whatever we are engaged in is meaningful. And of course these attributes can easily be translated into high performance and success. The leader needs to understand that the workplace has the potential to either move the needle towards weakness and selfishness or strength and contribution. And of course it's in moving it to the strength and contribution side that potential is maximized and enduring success achieved for all participants.

Finally on this subject, it's worth knowing that more than anything, people want to grow themselves, ask of themselves, and contribute. These are basic components of happiness. As we explain further in Tenet 2 (and in my book Assembling the Happiness Puzzle) these "two pillars" of best self and contribution link to our higher or spiritual nature. In this mode our motivations change and behaviors center around values and principles. Everyone can do this as we're fully pre-wired for it. But of course we're also pre-wired to go other directions. But people, other than exceptional cases, won't move towards the positive side if they see the environment around them as promoting selfishness. And for sure, if people perceive those at the top of the organization as operating from a "self-serving mode", then there is little chance that "contribution mode" will be the rule down the organization. Selfishness and high meaning don't align.

KNOWING ONE'S SELF

Per the leader's ability to lead one's self. As part of the NLW we have a values-based leadership component that isn't included in this article. The following very briefly summarizes some of what is involved in values-based leadership.



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Being a leader (again, see definition) requires us to put our self-centered weaknesses aside. That means getting rid of or reducing the effects of the ego. Our ego is the part of us that needs to be recognized by others as “special” so that we can feel good about ourselves. Smarter, more attractive, more successful, more influential, wealthier, funnier, etc. than others. There’s no end to the things that our ego can use as comparators with others to gauge worth in people including ourselves. But the reality of the ego is that when we need these things to feel good about ourselves (trapped by our needs), it’s actually an admission of weakness. What our neediness is saying is that without these things we don’t feel good about ourselves. Leaders must move towards “absolute self-worth” as opposed to this “comparative self-worth”. In order to invest in others and provide others with the means to succeed, our own neediness must be set aside. We have to feel very good about ourselves without having to win, be right, have more, be in control, etc. Leaders can’t afford to suffer from this lower level of confidence and self-worth. In order to make investments in others the top priority, one has to move beyond the needy ego-based self.

For the leader, winning at the “ego-game” is no better than losing at it. Being in the game, valuing self and others based on “transactional” stuff (appearance, wealth, possessions, position, intelligence, etc.), is the loss itself because it doesn’t coincide with the selfless motivations that leadership requires. Leaders must move beyond that mode in order to leverage the capacity of others. Perhaps it’s asking too much, but ideally defining themselves spiritually rather than in any transactional terms. Again, humility, which is reveling in one’s vast weaknesses while simultaneously believing passionately in one’s purpose and vast strengths, is the “energy level” of investment-first leaders.

Investment-First Leadership and Tenet 3

Tenet 3 describes the concept of higher value work. The whole basis for investment-first leadership is to “position” people to do higher value work. Prosperity and wealth creation is an output of higher value work.

Far too many companies and managers within them operate from what Tenet 3 calls “limited resource thinking”. Sometimes management is the practice of limitation. Limited resource thinking doesn’t see potential and then fulfill it. It sees the enterprise, people, and work in general as they are or have been with no sense of what they could be, let alone an idea of how to make more of them. Sure we have to be realistic. But leading from that limited view isn’t leadership. Winning in today’s knowledge and idea economy is not going to come from limited resource thinking that assumes a certain size pie and then focuses only on how it’s sliced. Winners in today’s environment will be comprised of enthused and energized employees using all kinds of tools, techniques, and methods to do their work more effectively, to improve how they do their work, and to apply their continually advancing knowledge to generate and implement ideas, upgrading all aspects of work and making their enterprise stronger.

Getting an organization in that winning mode is what investment-first leadership is all about. As Tenet 3 makes clear, value of work thinking largely describes the “store - office - factory - worksite operational reality” of what causes wealth creation. Strangely, these ideas about manifestation (going from imagination to idea to implementation) that are the real lifeblood of business, are more common in philosophical, spiritual, and self-help books than business circles. Buddha and other spiritual figures remind us that everything is an output of our thoughts (“We are what we think. With our thoughts we make the world”). In other words, it’s all about ideas and if we can get everyone developing ideas towards common objectives, we’ll do very well and enjoy doing it. Whereas business parlance has drifted, for the most part towards the world of financial statements, Wall Street, market indexes, stock analysis, ROI, ROE, EBITDA, technical indicators, balance sheets, derivatives, economic reports, etc. as if that’s business. But that’s after-the-fact analysis, scorekeeping, and money changing on steroids. Those activities make money for some people but they have little to do with productivity and true wealth generation and prosperity. Toyota tells the world it’s operational secrets including that “*standard work is the foundation for continuous improvement*”. Few listen. Yet that one statement contains more meaningful wisdom for generating prosperity than the next 100 financial shows any of us will watch. If standard work were effectively implemented in all American companies the wealth increase would be incredible. Consistent with value of work thinking, standard work raises the value of a unit of work by



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generating ideas that when applied eliminate waste / increase efficiency and translate into better ways of doing things which makes products and services more effective, etc. And it engages employees directly in the process. That's what generates wealth and prosperity. And the opportunity to learn and implement new ways of doing things that generate ideas that in turn generate additional prosperity is endless. Now that's exciting business news!

Everybody wants to do higher value work, it's just a matter of positioning people to do so. It's certainly more rewarding to do something efficiently than wastefully. And more rewarding yet to figure out a way to do something better and have everyone adopt it and benefit from it. And more rewarding yet to teach others to do things in a way that allows them to think for themselves and make their own improvements. And more rewarding yet to invent something that leads to huge productivity increases. And so forth. As the value of work increases so does efficiency, effectiveness, employee reward, and the bottom line. The investment-first leader aims to get value of work thinking embedded in the hearts and minds of every employee. Like many positive things, value of work thinking is just common sense defined. So the leader need only explain to people something they already know intuitively (see Tenet 3 for all "levels" of work value) and position them to do it.

As mentioned in Tenet 3, value of work thinking can be brutal in revealing how wasteful much of the "work" that people do is. That's probably more true for managers than any other employees. Not because they are bad at what they do. It's just that our traditional systems sets them up to be unproductive and they respond accordingly. The opportunity to do better and improve company results and employee reward is massive. But it takes leadership.

The NLW proposes that value of work thinking become the norm for evaluating work effectiveness. It's simple, intuitive, and allows for a higher level of dialogue among employees. It also makes it easy to discuss work effectiveness systematically, without blame, and with an eye towards continuous improvement and shared objectives all the time. Additionally, the beauty of value of work thinking is that it's both honest and energizing. It creates a perspective that makes the need for investments in people obvious. These investments are clearly required if we want to generate initiative (creative effort), ideas (creative output), and innovations (idea implementation) that reduce and eliminate low value work and replace it with higher value work and that drive success.

Some final thoughts on higher value work and leadership's role. People will live up or down to the expectations of the entity of which they're a part. They will generate very few ideas if that's what's "organizationally expected". Or they will generate endless streams of ideas. And to the degree people clearly understand organizational objectives, their ideas will be aligned with those objectives. That's just what people do. When the environment promotes our higher nature, higher nature behaviors such as creativity are activated. Leaders need to know that kind of stuff. So what we're saying is, that people, if properly invested in and "positioned", will generate ideas to whatever degree "asked". And there's no limit to people's collective capacity for creativity and innovation. This is the closest thing to a silver bullet that exists in business. It's the silver bullet of maximizing your people's capacity so they can help you win. That's exactly what they want you to do and they'll be glad to help you do it.

Every improvement, be it taking 10 seconds out of a task, an increase in product or service quality, a process breakthrough, new client, or new product or service offering starts with an idea. And where do ideas come from? People's imagination (gee, what's that?). If one clearly understands his/her job and the jobs of those around them; if one is clear on what the organization's objectives are and feels he/she is an important part of the enterprise; if there's an expectation of creativity and a defined system for putting forth ideas and having them considered and implemented; then of course people will generate ideas. They want to. But if any part of that "total CI system chain" is missing then they probably won't.

So the question to the leader is. Do you understand that? If so, how are you going to make the necessary investments in people to create a system / culture that makes idea generation and implementation the norm? By the way, as is mentioned in Tenet 3, the highest value level of work is



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leadership. Positioning others to be their best is the greatest form of leverage and has the greatest impact on results. So, do it.

Investment-First Leadership and Tenet 4

In tenet 4 we talk about the world of continuous improvement (CI) tools, techniques, methods, principles, etc. The leadership opportunity related to this tenet is one that a number of managers / leaders are running with and much good has come of it. There are many examples of CI system implementations that have literally moved businesses from the brink of failure to the top of their industries. And numerous others that have revitalized organizations and changed the culture significantly for the better. As mentioned throughout the NLW, there are many starting points to transition from one's current state towards becoming a responsive, adaptable, innovative, and bottom-to-top smarter and more energized entity built for today's Three C environment. The tools and techniques of CI must play some part in that. And depending on the enterprise, can also be the starting point and primary driver. On our trip to becoming that entity, there are various ways to get there.

As optimistic as the above statement is regarding CI tools, etc., the fact remains that many companies have no CI systems, programs, or familiarity with the tools, techniques, etc. Others have programs that look ok on the surface but haven't lifted the organization beyond occasional isolated improvements. And some companies have fairly vigorous CI "programs" and benefit from them. But very few come close to fulfilling the potential that these tools and techniques offer. There are various reasons for that but there's one in particular that needs to be considered. Oversimplified, it stems from the perception that CI methods are a professional toolkit requiring deep learning (black-belts, six sigma, etc.) so they can be applied by professionals. This isn't completely wrong, it's just wrong enough to provide only a partial and sometimes minimal benefit. The truth about CI methods is that they only offer their explosive potential when the leader realizes that these are simple common-sense tools that need to be known and applied by all employees at every level of the organization. They are modern day work tools for all employees to use, not so much to do their jobs but to do the job of continually improving how they do their jobs. Get it? Part of every job these days needs to be continual improvement. And that includes not only one's job itself but the processes / supply chains in which one works as a stakeholder. So importantly, it isn't so much deep learning by a few as it is shallower learning and ongoing application by many that the CI tools become central to lifting an enterprise towards it's potential. Stated another way, it's within the context of all the organizational, people, and operational practices and ideas that the NLW proposes that CI tools and processes yield their explosive potential.

Some will argue... "How can we give employees time off their regular jobs to make improvements when we're already busy and barely getting by"? Or... "How can we stop reacting and scrambling long enough to get better"? Good questions, these reflect classic pre-meltdown views that have to be addressed realistically. No doubt that when you're instrument is out of tune and you're in the middle of a performance, yeah getting where you want to be isn't easy. So what are the answers? Let's start with a brief comparison of where we're at and where we want to be. Clearly, if those are the questions, then we need to move towards stability and away from reactivity, towards standardization and repeatability and away from one-off autonomous scrambling, towards continuous improvement and away from moment-to-moment fire-fighting, and in general towards becoming an enterprise built for complexity and change. There just aren't any other answers. The right or next question then is... How to?

That transition isn't easy or immediate. But it is possible. The NLW defines the structures and practices to do that in as comprehensive yet clear and integrated a way as we've seen anywhere. And as mentioned in other sections, these practices can be applied with "selective emphasis" that focuses on immediate needs but with an eye towards strategic improvement. That effort requires a well-considered balance between "staying alive and getting stronger" (short-term survival and strategic improvement). The good news is that momentum is our friend and tends to show up earlier than we expect once we really commit to a vision of something better, get everyone on board, and keep chugging towards it.



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And back to our questions about employee involvement in CI activities... In the old world where things stayed relatively the same, it may have been better to have each employee on the job 100% of the time. But when things are changing and getting more complex and competitive, that's just not enough. If we aren't continually upgrading the way we do our jobs, the processes we work within, the tools and equipment we use, the knowledge we have, etc. then we won't be around for long. That's especially true if our competition has figured out how to do those things. There's just no getting around the fact that along with their regular jobs we have to get our employees engaged in continuous improvement. There's no other path to what we seek. How that's done is a challenge, but the realization that in today's environment we need to have all employees spending some percentage of their time "working on improving the work" if we want to survive and thrive, is a basic perspective of the No Limits Leader. Those who think that this continual improvement doesn't need to happen or that the managerial / professional group can do it for employees simply don't understand what's going on around them. The only avenue of success is to provide your employees with the tools and the opportunity. Do that effectively and they'll give you success. Continuing to react and scramble isn't an answer.

Any employee can learn and learn to apply basic process mapping, 5S, brainstorming techniques, basic problem solving, and standard work techniques and principles. When these learning investments are made in a workforce, and the org' structures (tenet 5) are put in place to promote their use, and increasing the value of work is made a common objective (tenet 3), a true CI culture will emerge and expand indefinitely. The investment-first leader knows that and does that. It's fair to say that the know-how to supply this toolkit to one's employees is a requirement for fulfilling the "leverage human capacity" component of leadership. And as with all these things it can be done progressively. The path to a CI system and culture isn't about arriving at a point, it's a process and is much about getting on a path and creating momentum.

Investment-First Leadership and Tenet 5

Tenet 5 is about org' structures. When we say "org' structures" we mean that in the broadest sense. Reporting relationships, role and responsibility definitions, employee teams of all kinds both ad hoc and ongoing. A company's org' structures, presumed roles and responsibilities, and degree of autonomy or control within them both reflect the existing culture and determine or maintain it. Org' structures speak powerfully when it comes to creating or maintaining assumptions and perceptions about "how work works around here". So changing them is key to moving towards becoming that more responsive, innovative, engaged and continually evolving outfit we want to be. It's pretty much impossible to continually evolve for the better when our org' structures centralize authority and decision-making.

Some bottom up / de-centralized org' structures exist in even the most top-down / centralized organizations. Stakeholder problem solving teams and employee safety teams are common examples. But the move from a top-down control-orientation that by its nature limits potential, to a bottom-up freedom & responsibility-orientation that engages all employees, is an absolute requirement for success in today's business environment. As we mention in Tenet 5, decentralized / democratic / participative org' structures align "naturally" with what's best in us. That's true whether the structures are political, social, economic, or any other. And centralized / authoritarian / non-participative org' structures don't align with what's best in us. Even when seemingly beneficial, these kinds of org' entities diminish what is best in people as they're controlling and promote dependency and weakness.

Rather than re-state Tenet 5, we advise the reader to give it a look. The primary takeaway for the investment-first leader is that structures matter and have major effect on culture. As mentioned above, if not changed, structures will, despite other changes, hold traditional approaches and perceptions in place. But when org' structures are changed in strategic alignment with other tenets of the NLW, those changes speak very clearly to all employees about the direction of the enterprise and what matters and what doesn't. And the very good news is that the structures that best support continuous improvement are common-sense outputs of the work itself. Employees will know the right structures as clearly, if not



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more clearly than managers because the structures are simply a function of what needs to be achieved.

It's clear that assignment of meaningful hi-impact work to decentralized org' units comprised of the right stakeholders is an important part of any high performance entity. Teams will of course need to be given proper direction, tools, and resources to ensure success. There's much available information on this subject especially from the best authors in the lean / continuous improvement area (Jeffery Liker, James Womack). But we don't want to limit to problem solving-type activity. That's just one area of stakeholder org' units. Companies involving front line employees in high level work such as policy development or strategic planning are benefiting greatly. The point for the investment-first leader is that there's probably no company activity that won't benefit from well-considered de-centralization. Like all this good stuff, employees want it and companies need it. See Tenet 5.

SUMMARY

What we're talking about here is leadership for the knowledge and idea economy. The human nature components never change. It's just whether we understand them and operate in accordance with them or not. But the particular strategies and tactics are specific to the requirements being dictated by the business reality we live in. And doesn't it make sense that in the knowledge and idea economy that those who manage knowledge and ideas the best will do the best. That's much of what investment-first leadership is about. As mentioned in our final words below, this complex reality is setting up beautifully for an age when success will depend on an organization's ability to tap into it's people's higher nature. What a wonderful challenge that presents for we Americans and our free enterprise system.

We said that leadership begins with knowing what it is (very few do). Our definition says that it's about succeeding through others by working with them to close the gaps between capacity - capability - and performance. We said that leadership requires an understanding that prosperity is the fruit of higher value work that promotes creativity, ideas, and the energy to turn these things into all kinds of work-related improvements. We made it clear that leadership requires depth of insight into human nature. We said that in making work meaningful, people in turn will ask more of themselves and want to contribute in as significant a way as possible. We identified structures, tools, methods, systems, processes, etc. that when properly initiated "position" people to do higher value work, apply their efforts towards organizational objectives, and making the enterprise continually stronger. All these things are investments in people that provide greatly compounded returns. And perhaps most importantly, we noted that a leader must be, or become one who operates as fully as possible from his / her higher nature; committed to self-development (knowledge, capability, and as a person [values]) and then using that best self to contribute in as meaningful a way as possible. In other words, doing exactly what people want leaders to do and exactly what they want leaders to help them do.

LAST WORDS AND "THE NO LIMITS VISION"

Finally, there's one thing that we ask leaders to burn into their hearts and minds as a flash thought or crystallized perception. An everyday reflection that can be accessed to provide motivation, enthusiasm, and passion. That's the following idea. We'll call it...

"The No Limits Vision"

Because of a convergence of trends that have shaped our socio-economic reality to what it is today, an opportunity exists, as never before, where what businesses need to succeed and what people most want from their work experience are the exact same thing! It's in the realization of this incredible win-win that enduring prosperity and individual reward are available to a degree never before possible.

Your job as a leader is to bring the very positive potential that this confluence of events offers into reality. The joy and purpose available in working hand-in-hand with your employees to do that is unlimited. All of your employees want that, they intuitively know it's possible, and they know it needs to happen for their benefit and the benefit of your enterprise. Helping you pull it all together is what the No Limits Workplace is about.