

# A Guide to Money Energy and Leadership



Investopedia defines Leadership like this:



### Leadership

*[ˈlē-dər-,ship]*

The capacity of a company's management to set and achieve challenging goals, take fast and decisive action when needed, outperform the competition, and inspire others to perform at the highest level they can.

 Investopedia

But there is more to Leadership. Every part of the statement above has a money component. It is in the very fabric of every decision made in organizations, so it is critical to understand a decision-making leader's approach to money.

While, in a tangible sense, money is a currency used as a means of exchange, it is also what you decide it is. Your decision about money is a function of your conscious and subconscious mind, and life perspectives. For every person in leadership, money somehow triggers some emotional response or action. Whether you like it or not, whether you acknowledge it or not, money is there in whatever tangible and intangible way it shows up. Money has an energy around it.

Whatever form that energy takes or is stored, it is a potential force waiting to be unleashed. In this sense, we define "money energy" as the stored force at which money can potentially flow into your life at any particular time. Your money energy will go up and down through the ebbs and flow of life.

"Money energy" is the power and capacity to generate wealth that becomes a stored force releasable into your life at any time.

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And so, the measure of leadership and money begins with understanding the leaders financial personality – their Financial DNA®. That is, are they savers, spenders, planners, or risk takers? Do they subscribe to transparent conversations around money in their family, and how does this translate into the workplace?

Addressing money energy is not only for investors and individuals making key life and family decisions. It is also essential for organizations, boards, CEO's and the leadership team.

In our experience of facilitating boards, CEO's and leadership teams since 2001 we have observed how every decision made or policy set by an organization is a reflection in some way of the money energy of the people making that decision. The problem is that many decision-makers are blind to the impact of their money energy on the decisions that get made and this can lead the organization away from its purpose and down the wrong path. Also, the energy of money can mean that functional problems are not identified and solved.

Our perspective is that if optimal decisions are going to be made around organizational opportunities and challenges then the issue of money energy and in particular revealing the extent of money energy in leadership and how it is manifesting itself must be addressed. Otherwise, a huge dynamic in the decision-making will be

ignored which could have long-term repercussions for the organization. While many team building events are held so that the employees build bonds so that engagement and productivity will be built, this is somewhat pointless if the financial engineering of the organization is inherently flawed.

If you look back at some critical decisions made by you and your organization, it should become easier to see how the money energy of the decision-makers was a significant factor. This is not necessarily saying there was bad intent, but it could be reflective of a blind spot. As was explained in the book *Noise* by Daniel Kahneman, in many cases, it is the authoritarian bias of one person who influences the decision-making.

The other important aspect to address is the reality that many leaders are, by nature, results driven which means they could be blind to the importance of employee relationships and happiness. If there is no balance of results and relationships in an organization, then there will be a lot of stress on every person in the business. That will have an impact on health and decision-making. The book *Leadership Behavior DNA* by Lee Ellis and Hugh Massie provides much insight on leadership behaviors and how to balance results and relationships.

## Leadership Perspectives on Money Energy in Decision-Making:

At a recent executive round table hosted by DNA Behavior, business leaders from a range of different backgrounds and organizations were asked the following question:



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*What does building an enhanced relationship with money mean to you as a leader in terms of the energy of money when making leadership decisions?*

Here are some anonymous excerpts from their responses.

*“Financial wellness is a critical component of energy. It's often overlooked because people don't like talking about money.”*

*“There's much fear if you think about making decisions in general, and then you add money into it. You think about spending money wisely or making money; a judgment also comes into play there. So, I believe it could be paralyzing when you're thinking about deciding how to spend or what to spend. So, to understand what your drivers are when you're making decisions would help to get some of that fear of judgment, maybe insecurity, out of the way. Understanding your motivations and tendencies will help alleviate hesitation when deciding when making big financial decisions.”*

*“The thing about energy is that anything in motion is energy to me. Depending on the situation, you could have positive or negative energy when you've got money involved. I always looked at the decisions from the perspective of the impact on my number one resource, employees, and the impact that decision would have, knowing decisions though stressful, can bring negative energy and how to turn that energy to help people understand the why of decisions made.”*

*“As a leader working with people and clients, everything comes down to mindset regarding money. People come from two distinct mindsets abundance and scarcity. It is essential to understand the mindset of the people on your team and clients, their mindset of abundance or scarcity, and whether they have financial training and education to manage either state.”*

*“A leader's mindset is critical and will play into decisions. Leaders sometimes act out of fear leading to how they communicate and deal with money, and the key is for leaders to become emotionally mature with a growth and social impact mindset.”*

Motivation in the context of an organization is key to understanding money energy.

*“Motivation in the context of an organization is key to understanding money energy. For instance, a sales team and their understanding of a compensation structure for sales and pointing out the care taken to craft compensation plans to avoid unintended consequences. Executive leadership leading different parts of a large organization can become competitive as the motivational drive is to grow their part of the business. However, whether confident or risk-averse, the individual's personality may not have led back to their financial position growing up but be their behavioral wiring. It leaves me thinking that a leader could not guide a management team without knowing the team's money, energy, and motivational drivers. And how to manage those salespeople whose motivation and confidence level always ensure they go for the incremental gain. Especially when the leader has personal drivers as well.”*

*“A highly authoritarian and confident leader could drive decision-making very hard, getting great results. But it could also have negative consequences for the organization. Hidden motivation can cause a team to overreach and raises the question of whether the leader is naturally overconfident or is there a hidden motivation coming from their environment or existence – which is important to understand.”*

*“Individuals make decisions from their own historical experiences. Everyone makes decisions from two positions, one strategic and one tactical, and believes any money decision is tactical, pointing out that a strategy should have informed the tactical spending of money. Depending on what mindset a leader is in, they’re going to have a tactical way of spending money that has nothing to do with strategy because they’re trying to survive in the short term. Yet how we think about decisions comes down to context and whether or not they can align strategy with tactics. This is the tension between strategy and tactics.”*

*“To understand how people go about making the decisions they make, which are the drivers of their behaviors and generate outcomes, understanding leads to better results. Decisions are made from a lack of alignment between the organization and teams and their impact. Adding that, many would have seen a lack of alignment in decisions caused by biases, self-dealing, conflicts of interest, and at heart is a person's relationship with money and how that drives behavior, motivation, and actions.”*

The catch-22 of “no money without people and no people without money” is a challenging proposition for organizations. So, the organization's relationship to money needs to be addressed in its decision-making policies and structure. This brings into question the financial strategy, board governance, employee and customer engagement practices and the behavioral style of the CEO and the leadership team.

Every decision made in an organization has its foundation in money. There needs to be money alignment in all areas of the organization:

1. Culture
2. Growth
3. Productivity
4. Compensation for the team
5. Product development and innovation
6. Training
7. Social impact
8. Investing in the customers, partners and ecosystem which feed the organization

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Over the last 20 years, we have seen the relationship to money aspect generally being ignored by boards, leaders, coaches, and consultants. However, when you unravel the reasons for organizational success and failure, the CEO and leader's relationship to money is a vital part of the causation. For instance, at times, you will see a massive expansion plan with much debt, and then in other cases, you see a very cautious approach and a lack of preparedness to change or invest in innovation.

But like most organizational issues, everything begins at the senior leadership level. If leaders do not understand their relationship with money, in other words, its energy in their life, what drives the organizational decisions they make? The energy of money is powerful and can significantly impact what they decide, rightly or wrongly.

As part of the journey of being a CEO of an organization, they will sometimes be faced with making big decisions (or leading the process of making them). These decisions may be about product innovation, business acquisition, international expansion, or restructuring. That is all part of making great things happen for organizational growth and sustainability.

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In making the big decisions, there will be many considerations, data points, and questions that have to be considered. However, the leaders, the board, and other stakeholders often overlook the issue of identity alignment for themselves and the organization. How is the big decision at hand aligned with the identity of your leader? Have your leaders got the clarity of what their identity is? Are they getting ahead of themselves in deciding, or are they holding back from their true identity? The CEOs who continually make good decisions lead in synch with their identity and that of their organization.

The following question is usually overlooked: What is your relationship to money? Your relationship to money will reflect your deeper motivations for making the decision and what you expect to gain from the outcome. Again, have you got yourself aligned? The same questions must be asked of the organization (in effect, the board ratifying the decision).

Next time as a leader, when you have a significant organizational decision, think about how you are showing up in the decision and whether you have got your priorities right, including the financial motivations.

The table below shows sixteen behavioral business decision-making risks that can all be draining of money energy. These risks are identified in our Business DNA® reporting. While these behavioral business risks can apply to each of us at any time, there will usually be two or three more dominant ones based on our DNA Behavioral style.

DNA Factor	Behavioral Business Risk
Take Charge	Tends to set unrealistic goals, does not consult others and may reject others opinions
Co-operative	Can withhold true opinions, may be hesitant in making decisions, too dependent on others
Outgoing	May be too open with information, can make emotional decisions, likely to overspend
Reserved	Less willing to share problems, more withdrawn and too private, not easy to approach
Patient	May procrastinate in decision-making, lacks decision-making and can compromise too much

Fast Paced	Can over react to problems, makes changes too fast and may be too short term results focused
Planned	Tendency to over analyze, be inflexible in planning and resist change when needed
Spontaneous	May be impulsive in decision-making, over look the details and not be sufficiently prepared
Trusting	Can accept representations at face value, does not set boundaries and can fail to inspect
Skeptical	May get in the way of ideas, resists delegating and not transparent, and may be intimidating
Pioneering	May be overly focused on success, too driven and not properly recognize resources needed
Content	Tends not to change the status quo, may not follow through enough and fail to initiate action
Risk Taker	Can create exposures, may cut corners and properly see the dangers of decisions
Cautious	Tends to miss opportunities, avoids new challenges and can be too fearful of the unknown
Creative	Not always practical, can fail to execute consistently, makes too many changes
Anchored	May overly rely on proven methods, discounts new ideas, can be too fixed on experiences.

## Safe Money Conversations in the Workplace:

Before we leave this topic of money and leadership it's important to consider money as part of the lives of the workforce. Coming with the topic of money is the unhappiness and stress of the workforce which have been significant leadership blind spots for a long time. One such suggestion raised in our executive roundtables was the need to have a safe 'place' for employees to share their own life and money stories and get further coaching and development. There is no doubt stress over money impacts every area of life, therefore, to ensure teams perform to their optimum they need to have a 'wellness center' to be able to share these concerns.

The independence of this wellness center away from the mainstream organization (including the HR department) would need to be assured. Confidentiality would build trust and the wellness center would have independent access to wise counsel to assist the employee.

Dr. Amy Edmondson, the Harvard Business School professor who coined the term *psychological safety*, defines it as, "a belief that one will not be punished or humiliated for speaking up with ideas, questions, concerns or mistakes."

Edmondson pointed to psychological safety as a critical factor for high-performing teams. More recently, [Google's research](#) on characteristics of high-performing teams identified psychological safety as their top indicator of the performance of a team.

As a leader remembering the importance of asking people how they are doing may well elicit a response that enables you to refer the employee to your wellness center. When leaders take responsibility for caring for their employees, it demonstrates more than concern and trust for the job they do, it shows that leadership is concerned about every aspect of their people's lives.

Moving On From the Great Resignation:

One key area to consider is the valuable asset of people and the people culture of your organization.

Currently, we are in the phase of the Great Resignation. However, for organizations to retain talent, they will quickly need to move into the Great Financial Re-alignment phase. Gen X and particularly Gen Y do not go to work only for the money. They need other non-financial workplace benefits on a wide range of fronts.

The Great Resignation, a phrase coined by Professor Anthony Klotz, University of Oklahoma, Texas, refers to the phenomenon of many professionals resigning worldwide.

As the approach towards work has changed over time, employees in all major industries are considering leaving their jobs or transferring to better opportunities.

There is, however, a step to be considered before the resignation, and that is having a purpose in life. There is no doubt that purpose must be considered in light of understanding the great resignation and the unhappiness and stress issues in terms of lack of purpose that may increase your risk of dying early.

Researchers analyzed data from nearly 7,000 American adults between the ages of 51 and 61 who filled out psychological questionnaires on the relationship between mortality and life purpose.

What they found shocked them, according to Celeste Leigh Pearce, one of the study's authors published in *JAMA Current Open*.

Source:

<https://www.npr.org/sections/health-shots/2019/05/25/726695968/whats-your-purpose-finding-a-sense-of-meaning-in-life-is-linked-to-health>

But lack of purpose does not lie exclusively with the fifty- to sixty-year-olds. William Damon in his book and study titled *The Path to Purpose: How Young People Find Their Calling in Life*, says that one-fifth of youth today are thriving—highly engaged in activities they love and developing a clear sense of what they want to do with their lives—but approximately one-fourth are still rudderless, at serious risk of never fulfilling their potential.

Damon shows that the key ingredient for the highly engaged is that they have developed a clear sense of purpose in their lives that motivates them and gives them direction.

Life purpose is central to the motivating aims of your life.

Purpose influences and guides life decisions, behaviors, goals, and how you apply your money energy. Purpose brings a sense of direction and adds meaning to your life all of which delivers the one important human state of happiness.

It would be interesting, therefore, to understand where lack of purpose in individuals' lives has driven and informed the great resignation debate!

The great resignation: quit or stay? Everyone seems to be on the verge of quitting their jobs. Gayatri Jayaraman writing for Money Control suggests using the right technique to evaluate whether it's the right decision for you.

Source: <https://www.moneycontrol.com/news/trends/features/healing-space-the-great-resignation-quit-or-stay-7401611.html>



Leadership needs to address:

1. Why employees are leaving?
2. Why they can't hire the talent they need?
3. What employees want/need to stay with them?
4. When employee turnover occurs – is there a trigger?
5. What industries are most susceptible to this great resignation?
6. Is it all about changes in mindset as a consequence of the Pandemic?
7. What role has working from home played in increasing lifestyle roles that employees don't want to give up?
8. Balance – too much pressure leading to stress as organizations fight for market share?

New workplace incentives must be explored as employees take more and more control over their careers.

Whether a leader or raising a leader, times have changed, and the old ways no longer work. The next generation of leaders and employees expect a greater work/life balance, leading to better mental health. Further, this next generation wants to know that the big issues are being addressed by their leadership. Topics such as the environment and community participation and the big one, resolving the Diversity, Equity and Inclusion (DEI) issues.

You and your C-suite executives looking to invest in your talent pipeline must offer more. Many future young leaders and the not-so-young are currently concerned about their career paths. Economic uncertainty and fear of a further pandemic have changed the landscape of career advancement forever. They are demanding more.

To attract great talent, you must have a stronger voice in the topics that matter to your people. Running mentorship/coaching programs led by members of the management team will show a real commitment to talking about the subjects that matter to your employees. Conversations can take place that explore career development and go deeper into the status of health, debt, anxiety, and what keeps them awake at night. Showing a real concern for the challenges that your people face and having strategies to work with them to resolve the issues ensures a committed purpose-driven workforce.

Further, if these people are to be your future leaders, the energy they experience around money should be explored. Remember, they may soon be accountable for managing your budgets – so knowing the energy they will bring to that responsibility is key. In addition, your organization has to invest in such training and development, which is a money energy issue.

The world needs a different leadership style that is more visionary, effective, pragmatic, engaging, empowering, compassionate and transparent.

*“The world needs a different leadership style that is more visionary, effective, pragmatic, engaging, empowering, compassionate, and transparent. In the age of continuous disruption, there is a dire need for leaders who are humble, trustworthy, and willing to reach out to their constituencies and ecosystems for guidance, so they can effectively navigate through the endless uncertainties.”*

*Source: Sherif Kamel, Dean of the School of Business at The American University in Cairo and President of the American Chamber of Commerce in Egypt, (Sherif Kamel, “NextGen Leaders in a post-COVID-19 World,” CEMS.org, Jan 28, 2021)*

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Rising generations are increasingly committed to driving change. They expect the private and public sectors to leverage their influence for good. They will leverage their influence—as consumers, voters, employees, entrepreneurs, and influencers—to create the world they want to live in.

But above all else is the call from people to work for organizations whose integrity is not in doubt. Whose values are sustainable, where leaders serve their people and invest in them to deliver the organization's needs, not the other way around.

DNA Behavior has many experiences of people at all levels who, since 2001, have experienced an epiphany, a realization that there is more to life than the daily grind and are looking for something different in their careers.

They want transparent employers, a personalized career, and a life map based on who they are, including their natural behavior, talents, and relationship to money. Further, they want to work and live a healthier, more prosperous life based on self-knowledge of inherent behavioral drivers. They want a clear pathway to achieve life goals, which will mean more time off. As they understand the energy flow of money in their lives, they expect their employers to have the same understanding. Again, this requires the leaders and the organization to have a more employee and client-centered relationship to money.

Donna Peters, founder of the Me-Suite and former Accenture partner, has written an excellent book *Options Are Power: Career Strategies for High Performers Who Want a Life - which is helpful* for any executive evaluating their career and how to manage it. One of the stories involves a woman considering whether to move from a professional services firm to a C-Suite position in a corporate. She wanted prestige and a 30% pay raise. They offered her the position but not the pay jump she was expecting. This choice challenged her relationship with money. Ultimately, the women saw that deferring the pay rise for the developmental experience and long-term opportunity was more important.

This is the new approach to career satisfaction. So, how is your relationship with money impacting your career choices?

Diversity, Equity, And Inclusion:

*Our ability to reach unity in diversity will be the beauty and the test of our civilization.*  
*Mahatma Gandhi*

The topic of DEI, an acronym that refers to diversity, equity, and inclusion, has been brought to the forefront in recent years. Many leaders recognize their responsibility to create a diverse, equitable workplace with a clearly defined protocol that sets out what this means. DEI cannot be a "tick in box" topic; a commitment to and policies surrounding it must stand up to scrutiny and be included in the very fabric of organizations.

One of the most significant commitments leaders can bring to the wellness of their people is to show a deep interest in them. Understand how they and their culture approach life, work, and money. Listen

without judgment to stories from their lives about how the generations approach life and make decisions.

Without oversimplifying, where DEI often fails is the human tendency to pigeonhole or categorize people based on a prior experience or observation. A conversation that didn't go well, an expectation not met, or a deviation from an individual's known normal.

But it is important to remember that a common denominator is that every person, regardless of their natural behavior style, comes from the same foundation. That is a natural DNA behavior style with characteristics shaped by genetics and formed during the first three years of life.

For your organization to succeed, it is not enough to break down walls and start growing a diverse make-up so that a good picture is painted. An organization's DEI efforts must be driven by genuine concern for people's financial well-being and concern for their mental health.

Leaders need to be aware of times when their employees face bias, are stressed, and have no place to go to raise their issues safely and without repercussions. They are stoic in the face of adversity yet endure, recover and re-group from their challenges. But as a leader, without having the desire to 'know your people,' any programs to support them are meaningless.

Feeling psychologically stressed and isolated may be a consequence of being a part of a different or diverse community, but leaders who understand their employees at a deeper level and can share their feelings; who have empathy with their people are far better able to develop a fundamental understanding across cultures.

When you appreciate the motivations, difficulties, opportunities, and life dreams of others, you are far better able to form relationships with people you perceive as culturally different than yourself. As a leader, this sets the organization's most effective direction and tone.

In the current world economic climate, many will be facing financial stress. A critical part of knowing your people should be given to understanding their money story. You must know how different cultural influences impact their view of money and how they use it in their life.

The performance of your employees may not necessarily be affected just because they are a member of a minority group. Still, maybe their identity and culture directly impact their approach to finances.

Once the energy of money is understood, cultural backgrounds cannot be ignored. Every individual whose culture falls within the overarching DEI scope as we know it will have different ways of viewing money, the decisions they make involving money and how, or if, it forms part of healthy discussions in their private lives needs to be understood by leadership.

Money energy is powerful, as we have found, but adding the aspect of emotions, culture, stress, stoicism, and physiological isolation as a consequence of organizations failing to understand DEI will adversely impact any workforce.

Qualtrics lists some interesting studies<sup>1</sup> on the importance of some of the benefits of providing a diverse and equitable workplace:

- **Financial performance.** A [study conducted by McKinsey & Company](#) found that ethnically diverse companies are 35% more likely to have financial returns above their respective national industry medians. Gender-diverse companies are 15% more likely to outperform their respective national industry medians.
- **Employer of choice.** According to [Glassdoor](#), 67% of job seekers view a diverse workforce as important when evaluating companies and considering job offers.
- **Innovation and growth.** [Harvard Business Review](#) found that diverse companies are 70% likelier to capture a new market. They're also 45% more likely to report increased market share year-over-year.
- **They increased employee engagement.** [83% of millennials](#) report being actively [engaged](#) when they believe their organization fosters an inclusive workplace culture. That percentage drops to 60% when their organization does not foster an inclusive culture. (A Gallup study has assessed the cost of disengaged employees at up to \$350 billion per year in lost productivity.)
- **Powerful decision-making.** Diverse teams make better decisions up to 87% of the time, according to a [study conducted by Forbes](#).

## What Keeps Leaders Awake at Night

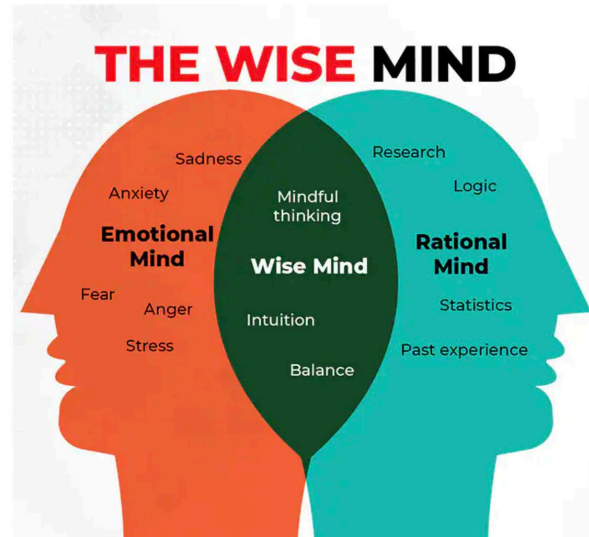
For any leader, there will be many challenges causing sleepless nights. Take time to break these down and consider how many have their root in money.

*"The ability to summon positive emotions during periods of intense stress lies at the heart of effective leadership." Source: Dr Jim Loehr, <http://wwwjim-loehr.com>*

One important starting point is protecting an organization from financial outlier behavior; the energy of money and leadership's lack of understanding of this phenomenon is key to protecting a business.

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<sup>1</sup> <https://www.qualtrics.com/au/experience-management/employee/dei/?rid=ip&prevsite=en&newsite=au&geo=AU&geomatch=au>



Every individual working in an organization views behavior and energy around money. Most don't know that. But if organizational challenges are to be faced and resolved, leaders must educate themselves on money energy, what it is, how it works, and how to manage it.

There is no place for ignorance in business. Lives depend on leaders knowing how to lead and continually learning.

Famously Albert Einstein said: *The only thing more dangerous than ignorance is arrogance.*

From the boardroom to the C-suite, leaders need to be a learning team able to admit when they don't know something and learn.

CEOs regularly face business challenges that require more than a quick fix or a hand-off to a department head to solve. They must tackle declining sales or profit margins, non-performing employees, navigating the great resignation, and finding (and keeping) replacement talent. These are huge responsibilities on the shoulders of leaders.

Admitting you don't have all the answers and surrounding yourself with great, trustworthy support is crucial in managing day-to-day leadership.

The long-term effects of sleep deprivation are real. It puts your physical and mental health at risk. Further, it impairs your decision-making.

Writing for Forbes, Eric Kaufmann, CEO of Sagatica, says this:

*Energy is the most critical element of life and the prime mover of all things. If you have a family but no energy, you'll be too listless to enjoy the relationships. If you have time but no energy, you won't do much with your time. If you have money and no energy, you'll spend your fortune trying to buy energy. If you have love but no energy, you won't be able to express and receive love fully. If you have influence but are too weak to wield it, it's of no use. Energy is the ultimate currency of existence.<sup>2</sup>*

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<sup>2</sup> Source: <https://www.forbes.com/sites/forbesbusinesscouncil/2022/01/03/how-business-leaders-can-plug-their-energy-leaks/?sh=1592e9823631>

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The use of energy in describing the challenges above is missing one key ingredient yet hints at it in the final phrase ....*Energy is the ultimate currency of existence...*

Money is moving – it's shakier now than ever before; therefore, ignorance of its energy in our lives must be addressed head-on. No longer can the following be acceptable:

*"Ignorance is bliss" is a phrase coined by [Thomas Gray](#) in 1768. The sentiment was already expressed by [Publius Syrus](#): *In nil sapiendo vita iucundissima est. (In knowing nothing, life is most delightful.)**

What is needed is not the bliss of ignorance but the bliss of a healthy night's sleep. There is much for leadership to face in this century, not least of which will be the energy of money and its impact on every aspect of our lives.

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To learn more about DNA Behavior International and the solutions we offer, please visit: [www.dnabehavior.com](http://www.dnabehavior.com)

If you have any questions or would like to discuss Money Energy with an executive on our team, please email us at: [inquiries@dnabehavior.com](mailto:inquiries@dnabehavior.com)

