

## Study Shows Leaders De-Energized and Why

### Respondents rate their energy levels in University of Michigan, Leadership Pulse

The majority of the 911 executive leaders who responded to the January 2004 Leadership Pulse, a research project conducted by Dr. Theresa Welbourne of the Michigan Business School and eePulse, Inc., indicated that they are feeling less productive than usual and somewhat de-energized at work due to various reasons including lack of sleep, health, planning, responsibility, appreciation levels, personal problems, and other issues. The results suggest that stress on executives may be at an all time high, and this stress may be leading to executives doubting their abilities.

In the study, senior leaders (61% of whom were C- or VP-level executives) rated their personal levels of energy (or motivation) at work and the level at which they are most productive. In every view of the data (when cut by job level, performance level, respondent occupation, size of firm, and more), respondents rated their current energy levels as being lower than their most optimal and most productive energy levels. In over seven years of research using this metric, this result has not been so consistently found among a senior group of executives.

#### **Study Specifics**

The study questions were based on an optimization scale, where the target number that is best for someone is not the high end of the scale (a ten) but somewhere in between low (1) and high (10). Below are sample statistics showing results for firms in different organization performance categories:

<b>Rating of firm performance</b>	<b>Average Energy Level*</b>	<b>Energy Where Executives Are Most Productive*</b>
Low	5.99	8.09
Average	6.61	8.24
Very high	7.21	8.36

\* 1 to 10 scale; 1=no energy; 8=very high energy; 10=overly energized (burnout).

Note that the energy ratings and the scores where the executives think they are most productive increase as you go from lower to higher performing organizations. This is not surprising as prior research has documented that the self-rating of energy predicts productivity, individual, team, and firm performance. However, the data also shows gaps between where the executives are most productive and their current self-rating of energy, and no matter what the performance level of the firm (or any other demographic point for that matter), executives are rating themselves lower than where they are most productive.

#### **Results**

"This result is very surprising," states Welbourne. "In studies of over 70 organizations over the last 7 years, I would expect to see leaders rating their current energy levels at or above their most productive levels. I'm afraid these results suggest the effects of an economy and work environment where our most senior executives are feeling less confident than they were in the past. The downturn in the economy might be finally taking its toll on senior executives."

In order to further understand the findings, two open-ended comments questions were asked. Respondents reported the types of things that made them feel positively energized at work and those things that made their energy ratings go into the too low or too high (burnout) zones. The findings suggest the following:

- Sleep, exercise, and overall health levels are having profound impacts on leaders.
- Clarity of vision, adequate planning, and execution followed by success are key for energizing leaders. Lack of these things de-energizes leaders.

- On a personal level, leaders respond positively to the same things employees need: sense of appreciation, challenging work, positive feedback, and ability to have time to get their work done.
- Reducing barriers to performance by minimizing meetings, reducing bureaucracy and helping teams work better together all optimize energy levels.
- Many personal problems, such as death in families, illness, alcohol, and more lead to de-energizing events.
- Negativism, dishonesty, lack of cash and sales, and dysfunctional leadership at any level in the company makes leaders feel de-energized.

"In the October data, we found that leaders were feeling more confident about the economy but less confident in themselves, their ability to execute on vision, their strategy, and that they have the right people and skills," states Welbourne. "I worry that the stress on executives is at an all time high, and that stress has finally led to executives doubting their own abilities."

Persons requesting more detailed analyses of these data or individual managers who wish to be included in the Leadership Pulse study can contact Dr. Welbourne at 734.996.2321. A website is available for those organizations that would like to have up to 50 senior leaders participate in the study. If a company participates with multiple executives, it will receive monthly benchmark data at no charge. If interested in individual participation or expanded participation for benchmark reports, please visit either [www.eepulse.com](http://www.eepulse.com) (see Leadership Pulse) for more information or sign up at the following web site: [www.umbs.leadership.eepulse.com](http://www.umbs.leadership.eepulse.com).

UMBS Leadership Pulse for 01/30/2004

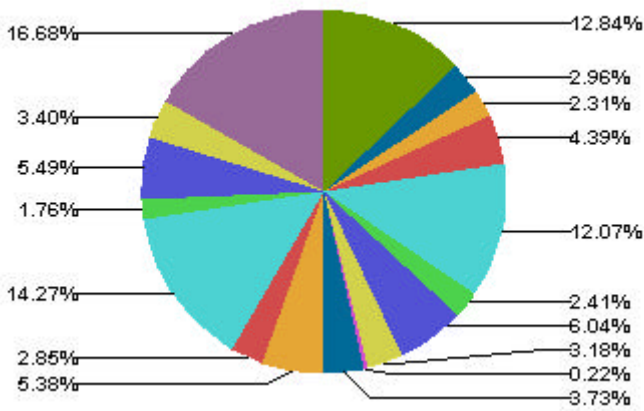
Leadership Results Organization  
All Industries



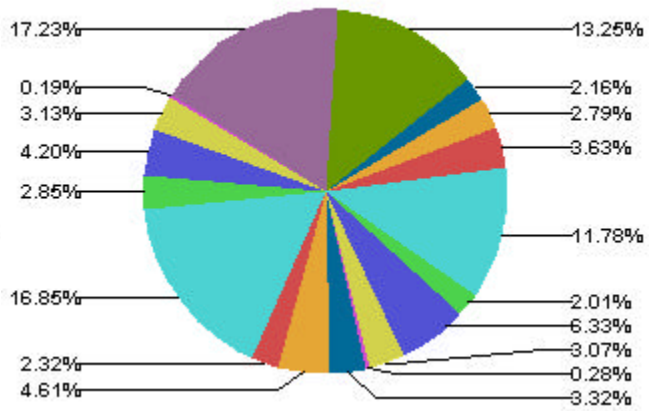
Pulse Survey Summary

RESPONSE SUMMARY

Distribution of respondents<sup>a</sup>



Distribution of population<sup>b</sup>



- Agriculture
- Biotechnology
- Communications
- Construction
- Consulting
- Engineering
- Finance, Insurance, and Real Estate
- Government
- Information Technology
- Manufacturing
- Mining
- Not-For-Profit Agency
- Other
- Retail Trade
- Services (other than consulting)
- Transportation and Public Utilities
- Web-based Technology
- Wholesale Trade

<sup>a</sup> Distribution by group of people who took the survey.

<sup>b</sup> Distribution by group of people eligible to take the survey.

Group	Instantaneous <sup>a</sup>		Change <sup>b,e</sup>		Cumulative <sup>c</sup>		Since Inception <sup>d</sup>	
	%	(#)	%	(#)	%	(#)	%	(#)
All Industries	29%	(911)	↓ -3%	(-15)	86%	(2893)	100%	(3378)
Agriculture	22%	(2)	↓ -18%	(0)	78%	(7)	100%	(9)
Biotechnology	30%	(29)	↑ 16%	(20)	89%	(87)	100%	(98)
Communications	27%	(55)	↑ 14%	(36)	91%	(193)	100%	(213)
Construction	34%	(22)	↑ 15%	(14)	100%	(69)	100%	(69)
Consulting	29%	(110)	↑ 13%	(60)	90%	(365)	100%	(407)
Engineering	34%	(40)	↑ 7%	(19)	90%	(108)	100%	(120)
Finance, Insurance, and Real Estate	24%	(21)	↑ 3%	(3)	100%	(92)	100%	(92)
Government	39%	(27)	↑ 14%	(14)	83%	(60)	100%	(72)
Information Technology	28%	(117)	↑ 12%	(69)	93%	(412)	100%	(445)
Manufacturing	28%	(152)	↑ 9%	(71)	77%	(452)	100%	(585)

		NA		NA		NA		NA
<b>Mining</b>								
<b>Not-For-Profit Agency</b>	31%	(31)	↑ 16%	(17)	69%	(75)	100%	(109)
<b>Other</b>	37%	(50)	↓ -52%	(-493)	95%	(136)	98%	(140)
<b>Retail Trade</b>	18%	(16)	↑ 5%	(7)	77%	(73)	100%	(95)
<b>Services (other than consulting)</b>	24%	(130)	↑ 12%	(78)	78%	(446)	100%	(569)
<b>Transportation and Public Utilities</b>	35%	(26)	↑ 20%	(17)	81%	(62)	100%	(77)
<b>Web-based Technology</b>	33%	(49)	↑ 20%	(34)	95%	(152)	100%	(160)
<b>Wholesale Trade</b>	32%	(34)	↑ 15%	(20)	88%	(98)	100%	(112)

<sup>a</sup> The percentage responding in most recent pulse survey. | <sup>b</sup> The percentage change from the previous pulse survey.

<sup>c</sup> The percentage responding at least once in the last 5 pulses. | <sup>d</sup> The percentage responding since the pulse process started.

<sup>e</sup> ↑ = 0 to 5%; ↗ = 5.1 to 10%; ↑ = 10.1%+;

## ENERGY SUMMARY - PULSE

Group	Pulse (SD) <sup>a</sup>	Zone <sup>d</sup>	PLow <sup>e</sup>	PHigh <sup>f</sup>	Energy (%)		
					Low Energy (0.0 - 3.74)	Medium Energy (3.75 - 6.25)	High Energy (6.26 - 10.0)
<b>All Industries</b>	6.88 (1.93)	-0.87	7.75	8.81	7	25	67
<b>Agriculture</b>	8.13 (0.88)	-0.62	8.75	8.75			100
<b>Biotechnology</b>	6.76 (2.13)	-1.11	7.87	8.89	7	34	59
<b>Communications</b>	7.15 (1.58)	-0.61	7.76	8.74	4	24	73
<b>Construction</b>	6.89 (2.04)	-0.44	7.33	8.67	5	32	64
<b>Consulting</b>	6.60 (2.04)	-1.16	7.76	8.88	13	20	67
<b>Engineering</b>	7.11 (1.59)	-0.86	7.97	8.79		28	73
<b>Finance, Insurance, and Real Estate</b>	6.38 (1.93)	-1.52	7.90	8.49	10	30	60
<b>Government</b>	7.07 (1.95)	-1.06	8.13	8.94	4	22	74
<b>Information Technology</b>	7.07 (1.87)	-0.69	7.76	8.89	5	23	71
<b>Manufacturing</b>	6.88 (1.94)	-0.84	7.72	8.75	7	26	67
<b>Mining</b>		NA	NA	NA			NA
<b>Not-For-Profit Agency</b>	6.68 (2.01)	-0.81	7.49	9.13	10	27	63
<b>Other</b>	6.93 (1.85)	-0.88	7.81	8.89	4	33	63
<b>Retail Trade</b>	5.77 (2.16)	-2.22	7.99	8.62	19	38	44
<b>Services (other than consulting)</b>	6.76 (2.02)	-0.91	7.67	8.78	10	27	64
<b>Transportation and Public Utilities</b>	6.53 (2.33)	-1.17	7.70	8.77	15	19	65
<b>Web-based Technology</b>	7.27 (1.84)	-0.72	7.99	8.97	4	23	73
<b>Wholesale Trade</b>	7.32 (1.63)	-0.28	7.60	8.61	3	21	76

<sup>a</sup> Average (Standard Deviation) | <sup>b</sup> Change from Previous Time Asked | <sup>c</sup> Change for Respondents Answering two periods in a row

<sup>d</sup> Points above or below Productivity Zone | <sup>e</sup> Lower Productivity Boundary | <sup>f</sup> Upper Productivity Boundary

<sup>g</sup> ↑ = 0 to 2.5%; ↗ = 2.6 to 5%; ↑ = 5.1%+;