

Leadership Pulse Report



February, 2009

*Resource Movement:
Can we predict growth
and decline?*

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The Resource Movement dialogue sought to understand how leaders are allocating their firm's resources during challenging economic times.

Introduction to Leadership Pulse

- Leadership Pulse is an on-going learning opportunity for leaders from around the world to share their ideas and thoughts on issues relevant to leaders in today's ever changing business environment.
- The current Leadership Pulse Dialogue sought to:
 - 1) understand where leaders are allocating scarce resources during challenging economic times, and
 - 2) continue tracking of leader energy.

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Winter, 2008 Data

- Ran leadership pulse dialogue in November 2008.
- Suspended survey to wait out the US election and economic news that was making respondents unable to answer.
- Comments saying “we want to participate, but we don’t know how”
- After November, we called it quits; no reminders. We waited until after Holidays to release the data.

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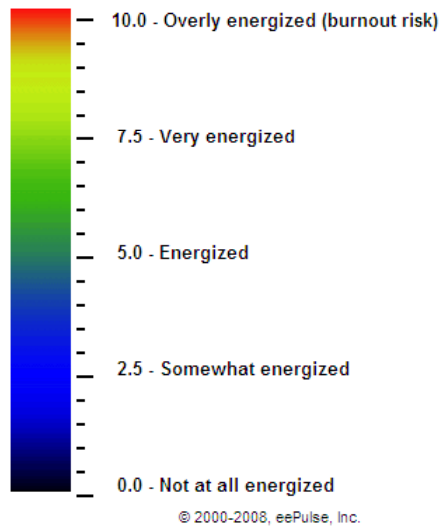
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The response rate was the lowest we had in 2008 (350 people). However, the data remain representative of the industries studied, firm size, performance, and more.

Energy

Using the 0 to 10 scale below, rate the degree to which you feel energized by your work. Think of energy as the degree of motivation or internal drive you are experiencing at work. You can respond with any number on the scale, from 0 to 10 (it's okay to use decimals such as 5.5, 6.8, etc.).



To learn more about energy, [click here](#).

To learn more about how the energy scoring works, [click here](#).

ENERGY PULSE™

1. Overall, how would you rate your current energy level at work? (Enter a number from 0 to 10 using the Energy Pulse scale on left.)

2. What is your energy level when you are the most productive at work? (Enter a number from 0 to 10 using the Energy Pulse scale on left.)

3. Please use this space to share with our research team the factors that are affecting your energy at work. The more detail you can provide, the better, as we are trying to uncover and share the drivers of optimal energy. Thank you!

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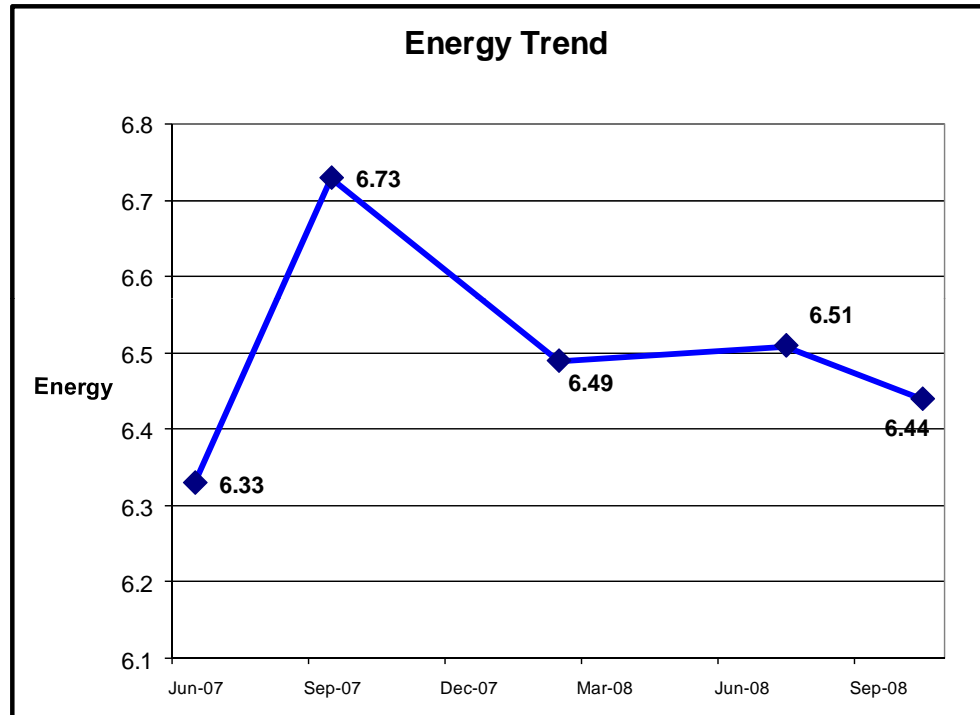
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*Energy Pulse Question:
Reminder to show how
question is posed*

Leader Energy Trend Data



Prior research with over 1 million data points in multiple organizations shows that energy is a leading indicator of several key outcomes (360 performance ratings, turnover, absenteeism, customer satisfaction, etc.).

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The trend data reveals leader energy continues to decline.

Energy Details Total Sample

Response Scale	Percent
8.76 - 10.0 Overly energized	9%
6.26 - 8.75 Very energized	50%
3.75 - 6.25 Energized	31%
1.25 - 3.74 Somewhat energized	10%
0.0 - 1.24 Not energized	1%

Results indicate that 2 out of 10 leaders are either in danger of burnout (e.g., overly energized for extended periods) or negatively impacting follower energy (e.g., low leader energy affects follower creating a spiraling energy effect)

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20% of leaders are reporting in what we call "danger zones" (either overly energized (9%) or under-energized (11%).

Energy by Reported Performance Level

Performance Level	Energy	Change	Zone
Very High Performance	6.81	-0.07	-0.83
High Performance	6.52	-0.20	-1.10
Average Performance	6.57	0.43	-0.88
Low Performance	5.64	-0.51	-1.74
Very Low Performance	6.40	1.21	-1.54

The highest performing firms report the highest absolute energy and are closest to where they report being most productive (zone).

Lower performing firms are furthest from where they report being most productive. This holds true even for "very low" performers who gained 1.21 points in energy from the previous dialogue.

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Industry Zone Status (Top/Bottom Three)

Industry	Energy	Zone
Transportation and Warehousing	7.84	0.21
Retail Trade	7.14	0.00
Wholesale Trade	7.00	-0.21
Real Estate and Rental and Leasing	5.63	-2.18
Arts, Entertainment, and Recreation	7.63	-2.37
Public Administration	5.00	-2.78

Only two industries report energy at or above where they are most productive.

Leaders from the Public Administration sector are reporting energy nearly 3 points (on a ten-point scale) below where they are most productive.

Leaders from Transportation and warehousing sector are reporting energy slightly higher than where they report being most productive

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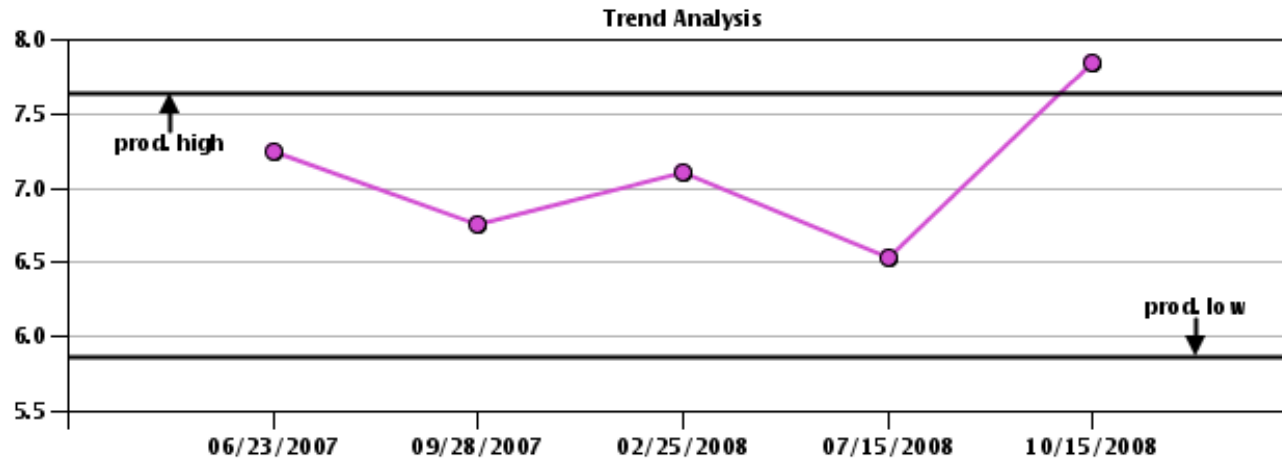


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Deeper Dive –Transportation and Warehousing Sector



Challenging work
Change management
Teamwork
Resources
Recognition

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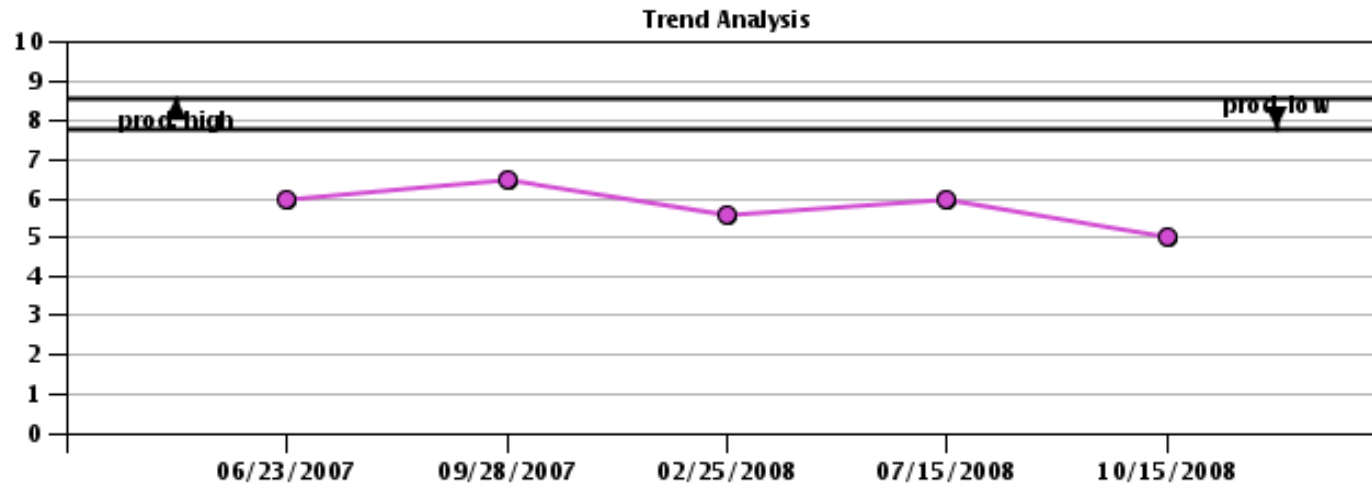
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Transportation and Warehousing has consistently remained within or near where they report being most productive. Comment themes presented above suggest what is affecting leader energy in this sector.

Deeper Dive –Public Administration Sector



Stress

Physical Health

Pressure to perform while under heavy workload

Slow period (no current challenge)

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Trend data for Public Administration reveal leaders from this sector report energy consistently below where they report being most productive. Comments reveal possible reasons for lower energy.

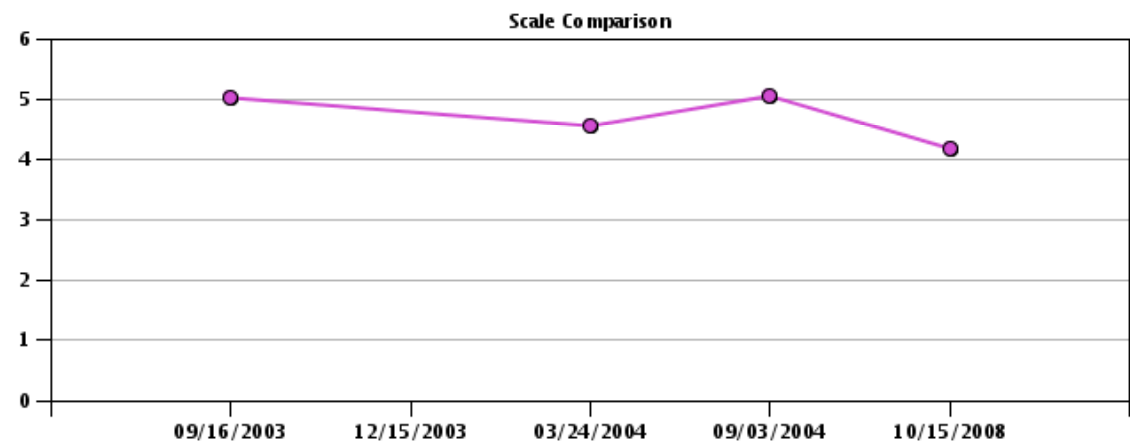
Resource Movement Index Past and Present

Leaders were asked in 2003, 2004 and 2008:

“Please rate the level of movement (from reduction to growth) that you expect for the remainder of 2008 in each of the following 5 resources”

- Gross Sales
- Number of Employees
- Number of Customers
- Net Profits
- Products and/or Services

Trend data of the Resource index (all five items) reveal less growth expected compared to any other point in time since tracking began in 2003



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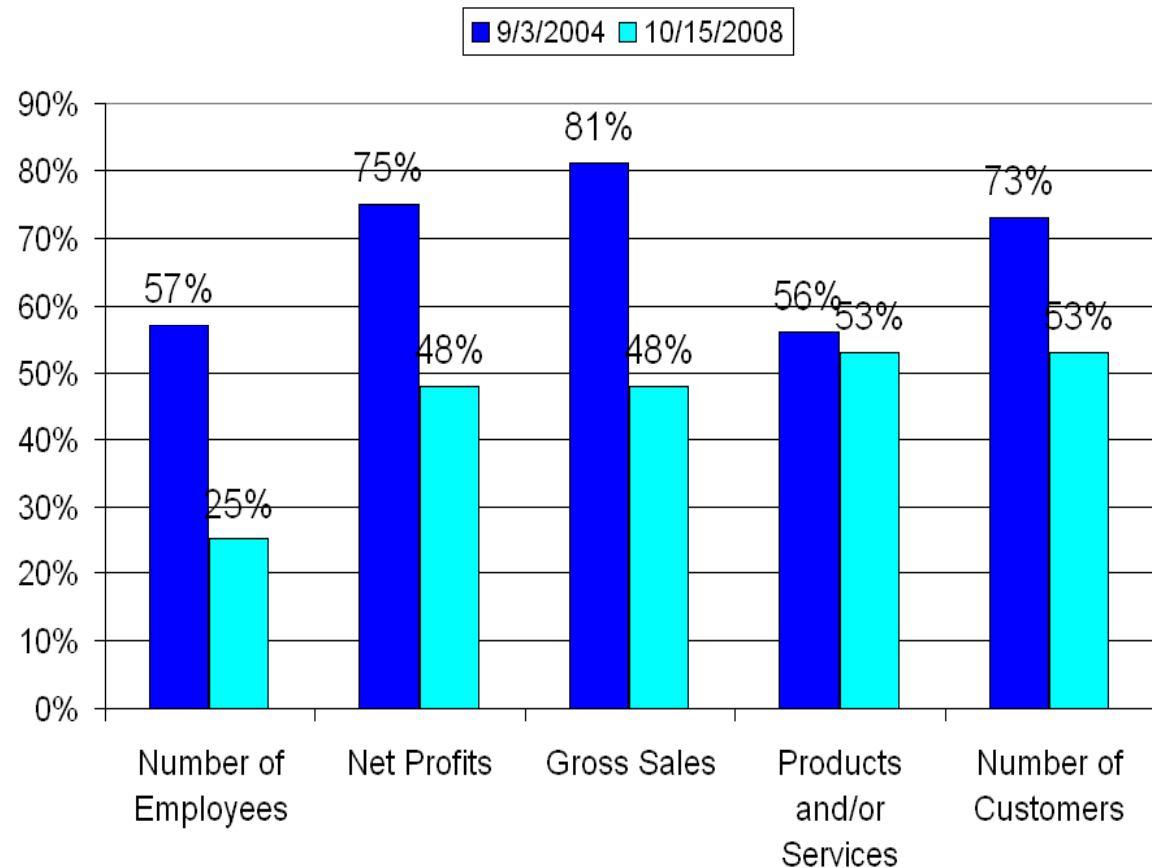


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Comparison of Resource Movement Items from 9/3/04 to 10/15/08

In 2008 *products and/or services* ranked as the most important growth resource along with *number of customers*.



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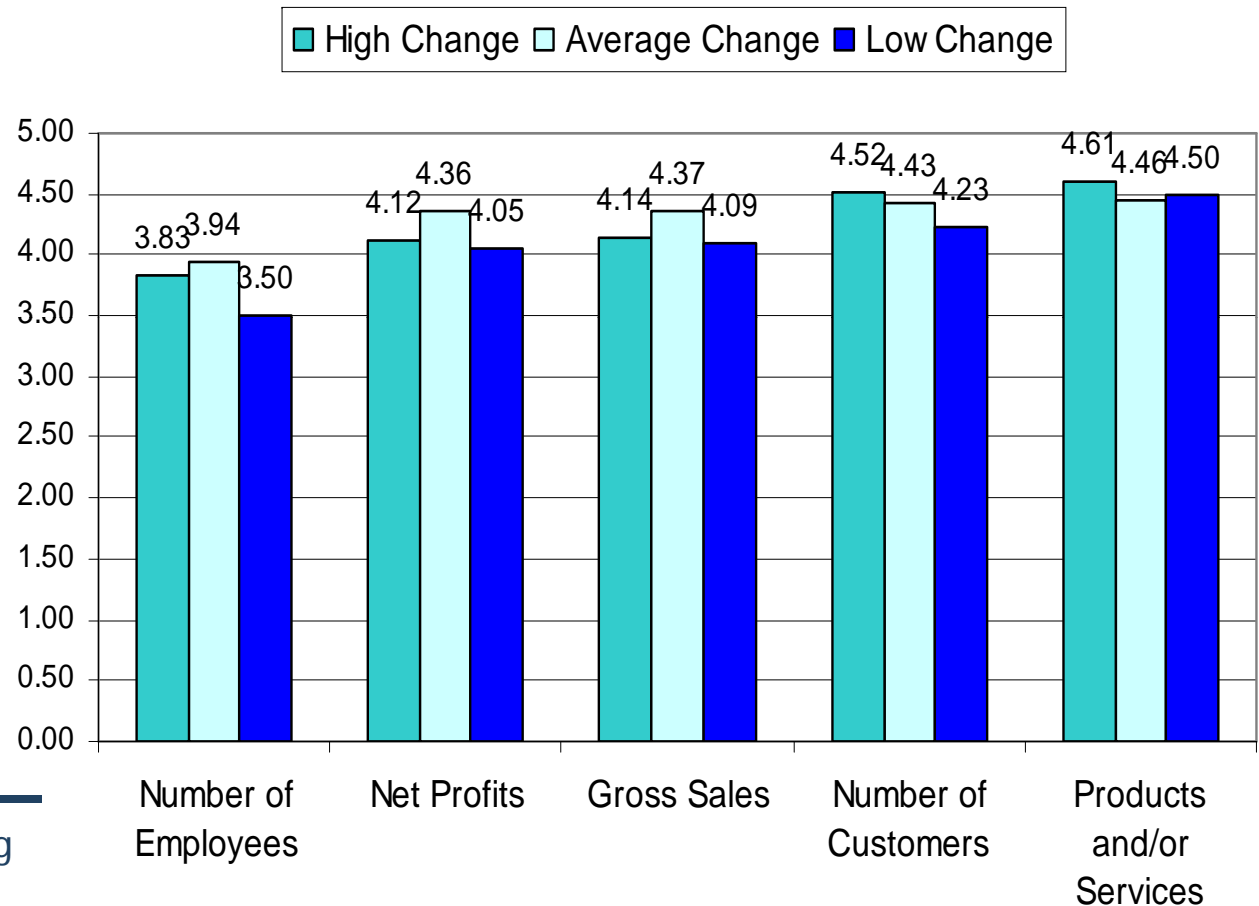
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In 2004 leaders were focused on growing sales, profits and number of customers.

Rate of Change and Resource Movement

Regardless of the rate change experienced leaders report the greatest amount of growth in the *products/services* area and the least in *number of employees*



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Conclusion

- Energy continues its downward trend. Moreover, leaders NOT reporting at energy where they report being most productive
- Resource movement trend data indicates a steep drop in expected growth for net profits, gross sales, number of employees and customers as well as new products and services.
- In 2004 growth in profits, sales and number of customers was key. Today leaders are looking towards growth in their product and service offerings,

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Next Steps

- Participants may review on-line personal reports
- Review your results vs. your industry vs. the entire sample
- Go to: www.leadershippulse.com for research reports
- Go to: www.energizeengage.com for discussion and ideas for using these data to drive success in your organization

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Sign up for the leadership team pulse before February 20th and participate in the annual leadership confidence pulse.