

The Leadership Energy Crisis

In this most recent Leadership Pulse survey, we asked leaders to talk about their response in the prior survey (January). In that data, we found that results from over 900 leaders indicated that leaders were working at energy levels (personal energy at work, motivation levels, etc.) that are LOWER than where they said they were most productive. In addition to other findings showing that leader confidence has been decreasing, we wanted to understand more about what was causing these results.

In the March survey, over 560 executives wrote about WHY they are feeling de-energized at work, and the results are somewhat alarming. There seems to be growing evidence that leaders are not doing well; they are burned out, tired, running out of ideas, and feeling less confident.

I just finished a study that showed leader energy levels at time 1 predict employee energy levels at time 2. Now, take a few moments to consider what this means to us. If leaders are de-energized (the quantitative and comment data indicate this is the case), then employee energy levels are bound to drop. If leaders and employees become less energized at work, the next thing to drop will be firm performance.

Perhaps the multi-tasking, lack of resources, constant reorganizations, and more are finally taking their toll on our leaders. Combine this with the fact that high level executive talent is hard to come by, and you see the makings of a Leadership Energy Crisis.

Below please find a summary of leaders' comments about the apparent energy crisis. The full version of the report and an article about it are also available on the web site.

NEW EXECUTIVE LEARNING GROUP

In response to these findings, we are in the process of starting an Executive Learning Group. This group will agree to some type of data collection from managers in their organizations, share benchmark data, agree to Executive Education meetings (at least twice a year), and each member will share best practice and results of interventions developed based on our data. There will be a fee for membership, and we anticipate that we will create a group for large firms and another for small and medium-size organizations.

If you are interested in obtaining more information on the Executive Learning Group, please write to me at twelbour@umich.edu.

Thank you,

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UMBS Leadership Pulse for 03/24/2004

Comment Summary

Please share your insights about the February findings (which indicate that leaders are feeling de-energized by their work).

Due to business environment, economic conditions, and the need to do more with less has been a battle cry for awhile now. It is difficult to be at your highest when you feel underappreciated and undervalued for what you have already been doing. Top level leadership needs to come forth with a rally cry and strategic plan how to survive in these tough times.

I believe that most leaders are really stretched to do more with less. In today's very competitive economy, we are all taking on tasks that used to be tasks that could have been delegated to other. Since money is tight, we now do our own work and the work of others as well. Also, I would be interested to know the ages of the "leaders" who are being surveyed. A personal opinion that I hold is that "baby boomers" such as I, have a higher work ethic than other upcoming generations. Therefore, we tend to pick up the slack for others and this makes up tired.

There is a weariness creeping in. The economy is still sluggish and most executives are not seeing high growth prospects. The uncertainty of what promises to be a contentious election year and concerns about terrorism, the war in Iraq, etcetera have dampened the collective conscience.

We are being beaten down by a variety of factors, the much hyped turnaround in the economy and world situations are not happening-things appear to be worsening our own customers are using us to beat one another up on prices and move jobs off-shore. We cannot compete with labor costs below minimum wage...people have started to think if manufacturing is leaving the US what is left? The answers for the short-range is devastating; where will our already marginalized workers go? What will they do? The inability to compete will demotivate leaders.

Perhaps because with the down economy, leader's energy has taken a hit after working on issues to minimize the impact but have not been as successful as they hoped

A lot more Government in their lives than necessary (HIPPA, Sarbanes-Oxley, USA Patriot Act, etc.)

I think it is the time of the year. We have just finished the end of the year push and the holiday season so pressures in our personal lives probably add to the fact that we had to finish up the end of the year goals at work. You need to have a small time to recover and gear up for the coming year.

Energy can be a direct result of morale, which I believe is at an all time low in corporate America. We are all doing much more with less resources and the news isn't getting any better. When things are good economically and the work load is still high, you have reason to push forward and can find motivation in the fact that you see a bright future. All we have seen is layoff after layoff and economic news that has yet to hold promise for us.

For me it is a simple issue of having too much on my plate and working too many hours which does not give me time to rejuvenate.

NO WORK LIFE BALANCE

I think it is a combination of the economy and the weather. It has been a long, hard winter for many parts of the country. The economy is not growing at expected levels. I think people in general are feeling listless.

It seems to me that many of our leaders and management in general have lost what Dr. Demming called "the joy of work". That many leaders [managers] feel what they do has little impact on the results of the big picture. Instead of fostering the motivational factors that spur one on to peak performance, we encourage the 'don't make waves' theory of work. This is in complete contrast to one being able to use their full potential. Pressure on everyone is high right now. There is uncertainty internationally, but more importantly nationally--security, the economy, culture conflicts, etc. There is uncertainty in the workplace, particularly fueled by the need to do more with less. As a result, the support that comes from a sense of community is reduced, and significantly this is becoming more pronounced. Associated with these business pressures are the pressures around family and relationships, which appear to be under great strain--divorce, family problems, etc. The buffers that used to be there are not as present. Additionally, the speed and complexity of our world are increasing, requiring faster responses with greater likelihood of failure. If you look at the number of people who are "ending well," whether that be their tenure as CEO, senior exec, or manager, you find a tendency that is moving downward. A fairly recent HBR article points to this as does other related research. Keeping positive in this atmosphere is becoming increasingly challenging.

Only a guess, but coming off this long recession many managers are just plain "burned out". I agree that to operate at too high an energy level is not optimal productivity, but after 18 months or more of operating at very high energy levels required to combat a major manufacturing recession, managers feel like they have been banging their heads against the wall. After a few months of a recovering economy, which will make managers feel that all their work is finally paying off, and this attitude will revert back towards the norm.

You can be very productive (by doing fast and well the right things). However, if the content of the job isn't rich or challenging, you might be working at lower levels for this only reason.

(1) I can safely state that the executives are getting worn down from all the hype of an economic/manufacturing recovery (i.e., the jobless one!) that really hasn't trickled down to improve our enthusiasm and outlook for a bright future!

(2) Feb. Energy levels should have been compensated for the initial higher levels they reported in January, which were due to folks returning rejuvenated to work after the holiday/festival season - in Feb, reality sank in!

The economy has been down for a long time. We keep hearing that recovery is here but we just do not see it. To defend profits we continue to cut costs, this is a very draining process and we know that it is short term. We are just tired!!!

I was somewhat surprised considering all of the positive remarks about the economy heard in the press these days. Since we have seen only a modest upturn in activity at this point, the constant news of strong economic recovery has been making me question whether I was doing the right things for our company. I believe that the findings show that many others feel the same way. Perhaps this means we are doing better than we thought.

Two possible areas

those that fill surveys out might have too much time on their hands and thus a slightly skewed sample.

Business is down from a few years ago and execs are comparing to the rah rah days when they were busier. You could have reached a demographic of execs where business is flat or down and the execs have some spare time. I am one of those... Three years ago I likely would not have responded, now I have been looking to change things around and spent some time to research it..

For Public companies, the end of January marks the finalization of 2003 results. Take a breath and a break and get ready for 2004. Intensity begins to rev up for 2004 in March.

I would question the data-outcome is counterintuitive and not what I have personally experienced or observed-maybe the questions were not clear

We have just been through a very tough time... downsizing, lower business levels, bleak outlook etc. - all while still cranking out new products at a very high rate. This is all very "energy sapping" stuff. Now that things appear to be improving, the main question is "For how long?". The prospect of better business levels is exciting and motivating and adds to the energy level. But the starting energy deficit and uncertainty of the recovery tend to still "sap" a great deal of energy.

65% top line-84% bottom line for FY03. Brought the year in. Much more regulated environment-Sarbanes Oxley, many recent accounting changes and more on the horizon dealing with stock options, plant closure, revenue recognition, SOX 404. Very little timely guidance from regulatory agencies. Overwhelmed with magnitude of effort to comply.

In our organization are thin in the ranks of senior level leadership and our energies are taxed by the workload. We don't lack motivation, just the energy to do justice to all the opportunities and challenges we have.

I believe that when energy levels are "high" this tends to be a response to high input levels. A lot of data, demands on time, and other things "pulling" at your sleeve tend to raise awareness and activity.

This is not necessarily productive activity. When you have time to analyze and implement ideas and policies, which are considered more productive, the results are more positive than just "doing and reacting."

An almost "frantic" pace does not mean the outcomes are meaningful. Executives become more "doers" rather than managers. This results in a drop in meaningful executive decision making.

I believe it is related to the amount of work that is incoming into the business arena. Given the fact that productivity is higher per individual worker subjects us all to a drain on our resources rendering us lagging behind on finishing the amount of work at hand. This is to say that yes we are more productive yet we are not able to finish all the work at hand hence the feeling exhaustion creeps in and one feels at a lower energy level.

The preventative aspect of energy monitoring appeals to me. I have worked in several advertising agencies that supported very negative behavior and then tried to fix it with single day team building efforts. More frequent energy check-ins both employer/employee is a better approach, not allowing problems to grow.

We are all having to do a whole lot of multi-tasking. We are asked to do things now, due to hiring freezes, that we did not have to do in the past. This is an energy sucker for two reasons: 1) typically they are tasks that do not stimulate us or challenge us, but are necessary duties or tasks we shed some time ago -- and 2) less time to think, plan, assimilate -- we are much more in action mode i.e. being reactive more than proactive.

Look at the status of the world's civilizations. Information is provided to us to consider so much more quickly that it affects the mental status of everyone in a negative way on a daily basis. The electronic media is throwing so much more negative than positive that people are generally depressed. This in affects the mental stature of everyone, not just key executives. Your higher level executives are trained to be mentally tough and ALWAYS positive whether they concur with changes or not. Surveys tend to be more objective because they are less threatening when they are anonymous.

The current recovery has a high level of uncertainty about it. People are most energetic and productive when they are working towards something. Current requirements for leadership require a fair amount of defensive strategy - what do you do when you don't meet your goals? It's also less energizing when the outside environment has a huge

influence on whether you can make progress while you only have a small amount of influence on the forces operating outside of your business.