

LEADERS SPEAK OUT ON ENERGY AND DIVERSITY

2019 REPORT

"We have been trending leadership energy and engaging them in learning through the pulse project since 2003. Energy is defined as the 'ability to do work,' and it should be optimized not maximized (like your body pulse – think target heart rate). Reflecting on what is learned leads to positive changes."

Theresa M. Welbourne, PhD

Overview of the Leadership Pulse® and the Diversity Study

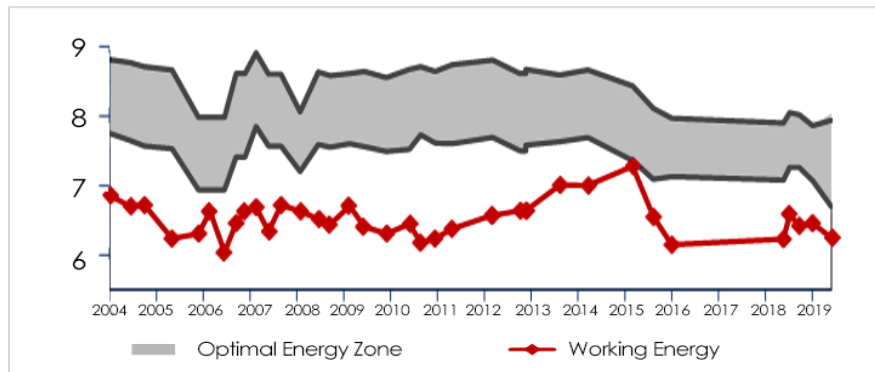
The Leadership Pulse began as an online research study in 2003 and initially focused on leadership confidence. In January of 2004, leader energy was added to the question set and has been a staple in the ongoing study ever since. The latest Leadership Pulse was a continuation of this focus on energy and for the first time we explore diversity, belonging and equality.

We added equality because, although the word seems to evoke more emotion and concern than any others in the diversity field, it also is something that major companies are moving to pursue. Look at Salesforce, for example, and the latest 2019 Accenture report on equality and innovation. It's

clearly a trending and important concept for leaders to understand.

Energy Pulse®: The Driver of Performance

Leader energy was at an optimal rate in early 2015, just reaching the low point in the productivity zone (where people say their energy is optimized). Leaders rated their average energy at 6.24 on the Leadership Pulse energy optimization scale. When we isolate the individuals that responded to both pulses, the drop is almost identical, demonstrating that the drop is not due to an influx of low energy leaders, but is something experienced by the entire set of respondents. Using the same energy scale, these leaders in 2015 reported that their average working (vs. optimal) energy was 7.32.



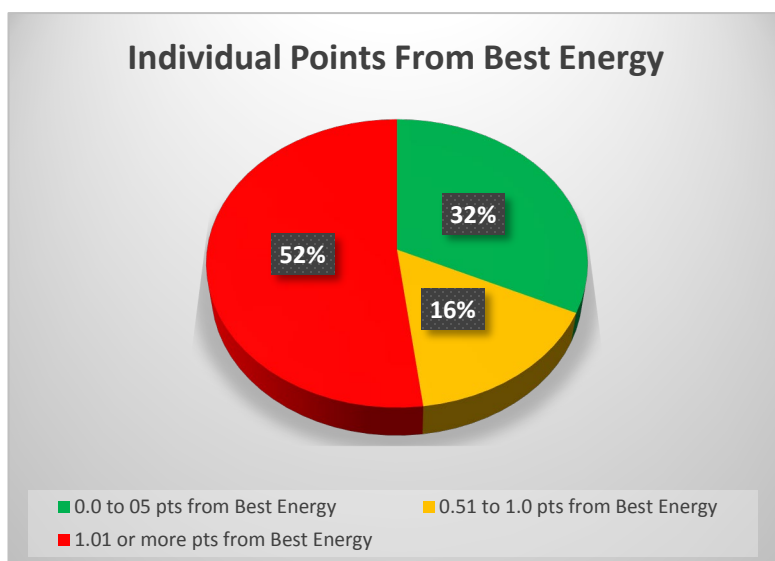
82%

of the approximately 200 leaders who participated in the Fall 2019 study reported that they were working below their optimal energy level.

5 steps to becoming an Energized Team and Organization:

- *Personally, become an energy leader*
- *Teach managers to be energy directors*
- *Provide employees with the learning to optimize and direct their energy at work*
- *Redirect energy when needed--learn to be agile*
- *Integrate energy management into your core metrics and business strategy*

When we move past the group averages and look at how individual leaders rate their working energy versus optimal energy, the results are equally as concerning. Just over 52% of leaders are more than a full point away from their optimal level of energy. These individuals are at a greater risk of underperforming at work because they lack the level of energy necessary in order to be at their peak. When energy is consistently low, the effects can trickle-down to others and influence the performance of the entire organization. In comparison, only 32% of leaders reported that their energy was within half a point of their optimal level.



Breaking this down further, we looked at how the percentage of leaders at their optimal or best energy levels varies across organizations at different financial performance levels. We have consistently seen a direct relationship between leaders being close to optimal energy and organizational financial performance. We continue to find this trend, as 33% of leaders from very high and high performing organizations rate working energy close to optimal energy levels. In comparison, 26% of leaders in average or below performing organizations rate themselves close to their optimal energy.

High Performing Organizations have leaders whose Optimal Energy at work is close to their Working Energy (energy reported at a point in time).

Diversity, Belonging and Equality

In this Leadership Pulse we focused on Diversity, Belonging and Equality. The overall results are shown below. When we look at different demographics, we see clear differences in how these key aspects are viewed.

We asked 9 questions on a Strongly Disagree (1) to Strongly Agree (5) scale.

Three questions focused on each area: Diversity, Belonging, and Equality, relating to the respondents, their teams, and their organizations.

	Diversity	Belonging	Equality
Me	I personally do everything I can to promote diversity at work.	I try to create an environment where everyone feels like he/she belongs (I am welcoming to others).	I believe that all people should be treated equally at work.
Team	My team works to promote diversity at work.	Our team works in a way that welcomes others; we support the values of belonging and inclusion.	My team believes in treating others equally (we don't show favoritism).
Company	Our company works to promote diversity at work.	My company is striving to have a culture of inclusion and belonging for all employees.	Equality is an important value in my organization.










Average scores are provided in the graphic below, with the columns (indicated by color) representing Diversity, Belonging, and Equality, and the rows (indicated by shape) representing the respondent, their team, and their organization.

	Diversity	Belonging	Equality
Me	4.27	4.61	4.22
Team	4.23	4.29	3.95
Company	3.95	4.08	3.73

*This table shows that individuals believe they support diversity, belonging and equality more than their teams and that their teams promote these goals more than the overall organization. All levels **view equality lower than diversity and belonging and that belonging is rated highest compared to diversity and equality.***










	Questions	Percent Positive
	I try to create an environment where everyone feels like he/she belongs (I am welcoming to others).	96%
	Our team works in a way that welcomes others; we support the values of belonging and inclusion.	90%
	I personally do everything I can to promote diversity at work.	88%
	My team works to promote diversity at work.	83%
	My company is striving to have a culture of inclusion and belonging for all employees.	83%
	I believe that all people should be treated equally at work.	80%
	Our company works to promote diversity at work.	75%
	My team believes in treating others equally (we don't show favoritism).	72%
	Equality is an important value in my organization.	63%

Those who can most affect the view of equality (CEOs) think **equality is less positive compared to the other items studied.**

Job Level	Percent Positive			
	CEO/ President	Senior VP or Executive VP	Manager/ Supervisor	Overall
 I personally do everything I can to promote diversity at work.	94%	91%	70%	88%
 I try to create an environment where everyone feels like he/she belongs (I am welcoming to others).	94%	100%	100%	96%
 Our team works in a way that welcomes others; we support the values of belonging and inclusion.	89%	91%	90%	90%
 My company is striving to have a culture of inclusion and belonging for all employees.	88%	91%	60%	83%
 My team works to promote diversity at work.	83%	82%	80%	83%
 My team believes in treating others equally (we don't show favoritism).	83%	55%	67%	72%
 Our company works to promote diversity at work.	82%	80%	44%	75%
 I believe that all people should be treated equally at work.	72%	73%	70%	80%
 Equality is an important value in my organization.	67%	55%	50%	63%

Equality in the organization is more important to women than men.










Women also rated their team belief in equality lower than men rated theirs.

Gender	Percent Positive	
	Female	Male
 I try to create an environment where everyone feels like he/she belongs (I am welcoming to others).	98%	95%
 Our team works in a way that welcomes others; we support the values of belonging and inclusion.	89%	89%
 I personally do everything I can to promote diversity at work.	87%	84%
 I believe that all people should be treated equally at work.	87%	70%
 My team works to promote diversity at work.	85%	81%
 My company is striving to have a culture of inclusion and belonging for all employees.	80%	89%
 Our company works to promote diversity at work.	77%	69%
 Equality is an important value in my organization.	65%	62%
 My team believes in treating others equally (we don't show favoritism).	64%	78%

Very high performing firms have a somewhat higher ranking of the importance of equality to the organization.

Financial Performance		Percent Positive		
		Average or Below	High	Very High
	I try to create an environment where everyone feels like he/she belongs (I am welcoming to others).	95%	100%	100%
	I personally do everything I can to promote diversity at work.	89%	87%	85%
	Our team works in a way that welcomes others; we support the values of belonging and inclusion.	89%	94%	90%
	My team works to promote diversity at work.	83%	84%	80%
	I believe that all people should be treated equally at work.	78%	84%	75%
	My company is striving to have a culture of inclusion and belonging for all employees.	78%	90%	85%
	Our company works to promote diversity at work.	76%	86%	70%
	My team believes in treating others equally (we don't show favoritism).	72%	68%	75%
	Equality is an important value in my organization.	54%	74%	55%

Those who identify as “Black or African American” rated the team and organization lower than those who identify as “White”. Those who identify as “Two or More Races” rated all levels of equality significantly lower than those who identify as “White”.

Race		Percent Positive			
		Other	Two or More Races	White	Black or African American
	I try to create an environment where everyone feels like he/she belongs (I am welcoming to others).	94%	100%	97%	100%
	Our team works in a way that welcomes others; we support the values of belonging and inclusion.	94%	100%	92%	73%
	I personally do everything I can to promote diversity at work.	90%	80%	85%	100%
	My company is striving to have a culture of inclusion and belonging for all employees.	84%	80%	88%	55%
	I believe that all people should be treated equally at work.	81%	60%	82%	73%
	My team works to promote diversity at work.	81%	100%	88%	64%
	Our company works to promote diversity at work.	78%	50%	83%	36%
	My team believes in treating others equally (we don't show favoritism).	77%	60%	77%	45%
	Equality is an important value in my organization.	59%	40%	70%	36%

There is a wide distribution of scores when examining data by firm size category. **Little difference is reported on “importance of equality in the organization” for very large firms compared to very small firms.**

Company Size by Number of Employees		Percent Positive				Overall
		<100	1000-2500	10K-25K	>50K	
 I try to create an environment where everyone feels like he/she belongs (I am welcoming to others).		94%	100%	100%	91%	96%
 Our team works in a way that welcomes others; we support the values of belonging and inclusion.		94%	100%	71%	100%	90%
 My company is striving to have a culture of inclusion and belonging for all employees.		93%	100%	86%	91%	83%
 I personally do everything I can to promote diversity at work.		87%	88%	86%	91%	88%
 My team works to promote diversity at work.		87%	75%	71%	90%	83%
 Our company works to promote diversity at work.		87%	63%	71%	80%	75%
 I believe that all people should be treated equally at work.		74%	75%	86%	73%	80%
 My team believes in treating others equally (we don't show favoritism).		68%	71%	71%	73%	72%
 Equality is an important value in my organization.		68%	50%	71%	64%	63%

Scores for the highest change organizations are the lowest for “equality is an important value in my organization”.

Rate of Change in the Organization		Percent Positive				
		Unknown	21-40%	40-60%	60-80%	80-100%
 I personally do everything I can to promote diversity at work.		95%	83%	86%	86%	93%
 I try to create an environment where everyone feels like he/she belongs (I am welcoming to others).		95%	100%	97%	98%	93%
 I believe that all people should be treated equally at work.		86%	83%	76%	79%	86%
 My team works to promote diversity at work.		90%	83%	79%	90%	62%
 Our team works in a way that welcomes others; we support the values of belonging and inclusion.		95%	83%	83%	98%	86%
 My team believes in treating others equally (we don't show favoritism).		79%	67%	68%	71%	79%
 Our company works to promote diversity at work.		76%	67%	71%	80%	77%
 My company is striving to have a culture of inclusion and belonging for all employees.		81%	100%	81%	83%	86%
 Equality is an important value in my organization.		71%	67%	55%	69%	50%

Energy and Diversity Learning

A concluding note from Dr. Theresa M. Welbourne:

As part of the analyses, we looked at the relationship between individual energy and the scores in the diversity focused section of the pulse. We found that leaders who are “in the zone” or reporting their optimal energy is close to their working energy have more positive attitudes toward diversity. Looking at comment data and combining these results with other focus groups and interviews on this topic, my conclusion is that:

People who report positive scores on diversity-related questions are experiencing belonging and equality at work, and their attitudes about diversity reflect their own personal and positive experiences at work. As a result of being able to be open (not hiding who they are at work), their energy levels at work are more positive.

Also, the study of equality yielded interesting data. The comment data showed that more extreme and emotional words were used when talking about equality. **Business leaders, to some extent, are fearful of using this term.** They argue that they have worked for many years to create a merit-based system at work, and in this situation, not everyone is equal. Some people are higher performers than others.

The reason that we many other respondents, on the other hand, respond very emotionally positive about equality is because they want **equality in opportunity.**

Thus, the key is EQUALITY of what, and that is what firms like Salesforce are currently doing to help move their diversity initiatives forward. Also, on the first page we mention the latest 2019 Accenture report on innovation; with a very large survey they show that firms focused on equality are experiencing higher levels of innovation.

We also heard from respondents that equity is more important than equality; however, it is interesting to note that developing equity is a path to creating equality.

Next Steps

What we know from this work and related studies is that raising the conversation, letting people talk about their experiences and creating situations where employees and leaders can REFLECT are all important steps in making the workplace more productive, open, innovative and inviting. Regardless of the terms you use in your own company, be fearless when it comes to creating situations and conversations that provide what I like to call collision points.

Take some of these charts (pick your favorite one) and share them with your colleagues. Ask them to start a conversation about what they see in the data and how it may play out in their own daily work. The beauty of data-driven conversations is that people can talk about what the data says. This frees up dialogue in a way that can produce the kind of reflection and goal setting that can help your business move the needle in a positive way on improving things related to diversity and personal energy at work.

Best of luck to all leaders looking to make a positive difference for their people and organizations.

For more information about topics discussed and related resources:

www.salesforce.com/company/equality/

www.accenture.com/us-en/about/inclusion-diversity/gender-equality-innovation-research

www.leadershippulse.com

<https://ceo.usc.edu/our-expertise/diversity-equity-inclusion-and-employee-resource-groups/>