Hope Springs Eternal,

But it is Still Not a Strategy

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Introduction to the Leadership Pulse Project: Over 20 Years of Learning

We started eePulse in1996 to transform how companies use employee survey data and to commercialize the work I was doing on employee energy, which required a more frequent measurement process because it is the fluctuation of energy, not measurement at one point in time, which predicts performance outcomes.

I then started the Leadership Pulse in 2023 in order to take the learning from organizations and use it to transform how data was gathered from leaders and for leaders. I was able to use the eePulse fast reporting process to allow each individual survey participant to receive his or her own personal reports and benchmarking data. In other words, I did not have to take the time to analyze the data and put it into a PowerPoint or other type of report for everyone. I could automate the process and provide each participant with a personalized report with benchmarking.

The Leadership Pulse tackles important topics for our population of leader respondents, and while it gives me research data to study and share, it also provides each participant with his/her own data, and we give leaders the option of adding in their direct reports, giving each individual a team report in addition to access to benchmarking.

Introduction to the May 2025 Report.

Hope Springs Eternal, But it is Still Not a Strategy.

I came to this title after reviewing the key learnings from this report. Recently, we have been tracking **growth** metrics. We did a little more frequent measuring than usual over the last few months as the economic environment has been very different from what most leaders have experienced in the past. I attended a webinar last week that was run by an organization assessing the venture capital and initial public offering markets. The most frequently used term in the program was “chaos.” Leaders from the financial sector said that investments will be lower due to chaos. Their point was that the current environment has taken away any ability to predict; investors and business leaders do not have the same kind of data they did in the past and cannot assess whether markets will be the same, better, or worse.

The results in this report reflect that same sense of the unknown. Overall, we found that in the last few months this lack of real data to ascertain facts also translated to differences in how the most senior leaders’ expectations of the future differ from more junior leader respondents. . Their reports of what they expect in the future on growth questions were very different because the two groups of leaders are not necessarily looking at the same facts to answer the questions. More junior level leaders are making assessments based on guesses when there is a significant lack of information.

This is where the concept of hope comes into play. The predictions of growth on all key measures we used went down significantly from March to May. These individuals are faced with the lack of data they usually have, and their assessment of the current environment is closer to what I heard in the financial reporting webinar I mentioned earlier. The unknown, the chaos and the constantly changing signals from the outside environment are leading those senior leaders to lower their expectations of growth.

At the same time, the level of leadership less in touch with the changing economic factors and probably in less conversations with people monitoring economics saw a marked increase in their growth expectations. This is where I see the impact of hope. They are hoping that the economic fluctuations are temporary, and they hope that the senior leadership in the country is making decisions that will help them individually and their companies, while at the same time, they have less access to some of the facts that may make other leaders lower their expectations for growth.

What I want to point out is that the old saying “hope is not a strategy” is something we should all adhere to during these unknown and changing times. But even though hope is not a strategy, perhaps some form of hope is needed to keep employees energized and optimistic about possibilities. It also is easy to get bogged down in the many changes we have experienced that are not part of our shared experiences of the past. This can be concerning and lower growth expectations, but perhaps having some of the hope from the parts of your management team that are positive and still hopeful can help everyone come together and create strategies to deal with what some people call “chaos.”

Thus, hope may not be a strategy, but if it can help your organization move forward during trying times, hanging on to it may become a very positive part of your organizational culture that can get you through the unknowns that we see now and that lie ahead.

Executive Summary

This report analyzes organizational sentiment based on leaders' self-identified job level and organization performance tiers. Using responses from the Leadership Pulse, the focus is on evaluating **leader confidence, expectations for growth in the next six months, and leader energy at work.**

When reviewing the data at the "All Responses" level, confidence, growth outlook, and energy all look favorable. However, as we reveal in the body of the report, there is a wide difference in subgroups of job level and performance level. This clearly shows that if we only look at the broadest spectrum of data, we can miss the true story hidden in the details.

Leadership Confidence

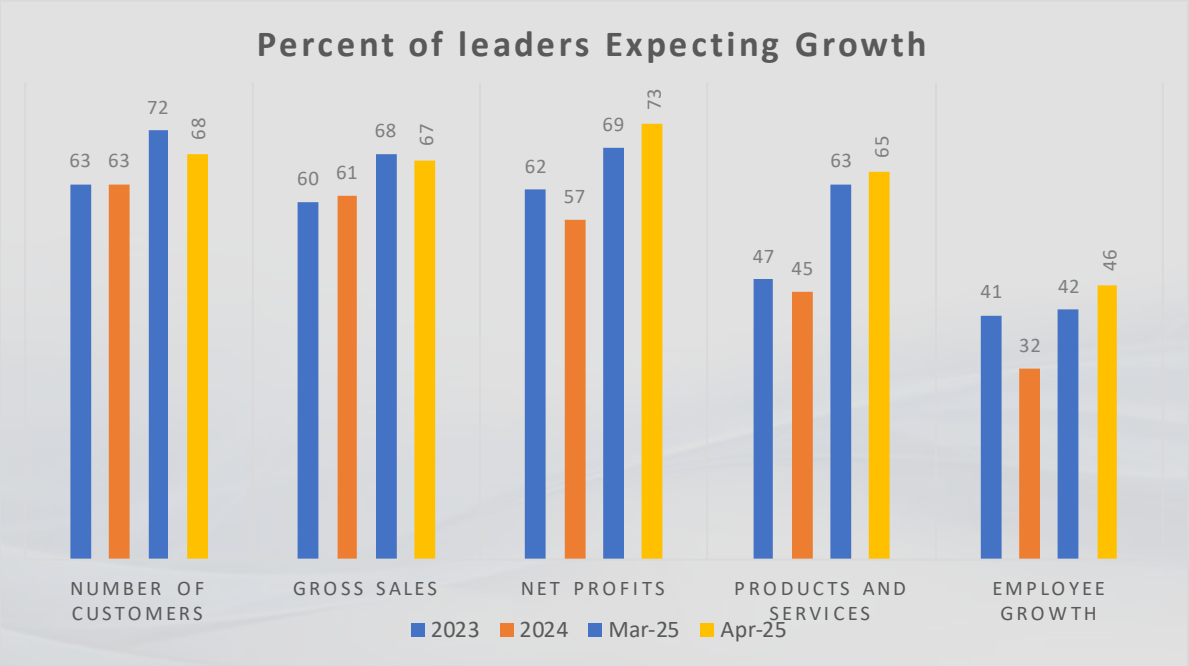
The Leadership Confidence question set asks leaders to rate their confidence in 7 items on a 1 to 5 scale where 1 is not at all confident and 5 is very confident. The Leadership Confidence Index is the average of these 7 items. Historically, while individual items may change, the overall index does not vary much. However, the Leadership Confidence Index has steadily risen since March 2023 and is higher than it has been in the past 14 years and has soared in early 2025. In the same way that consumer confidence predicts sales, we see that leadership confidence predicts wanted retention, productivity, sales and other business outcomes.

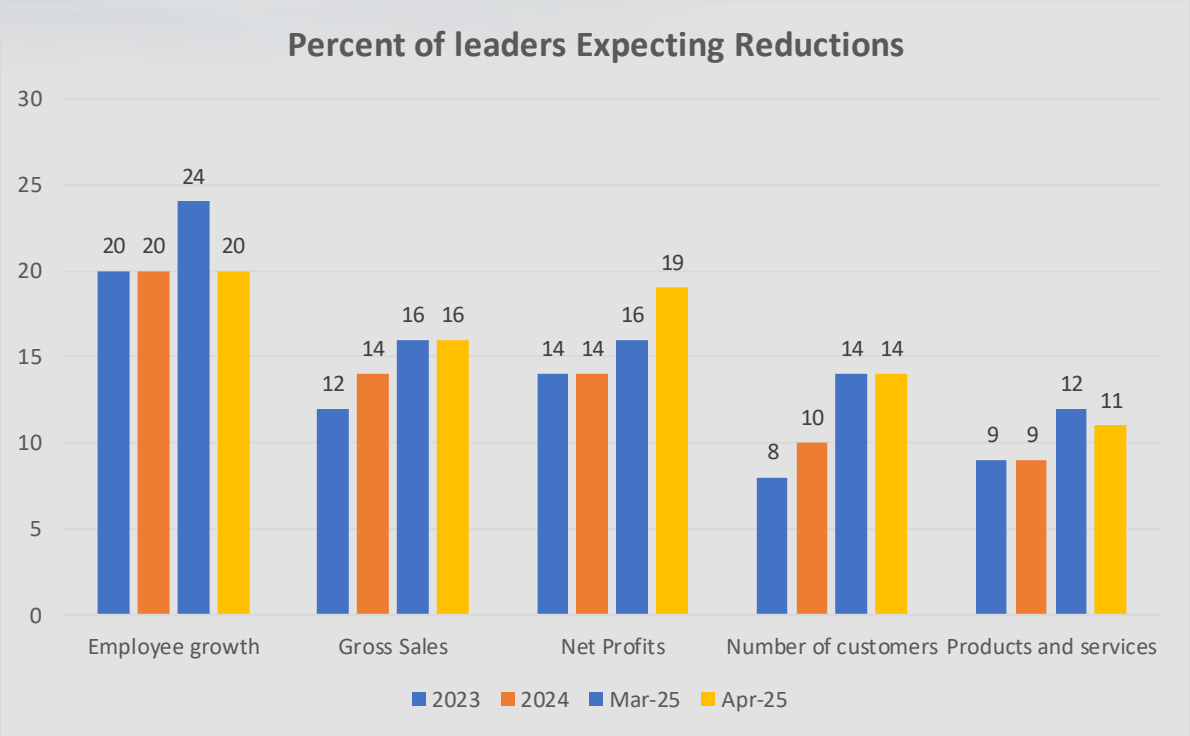
The table below shows data on the individual items that make up the Leadership Pulse index scores. At each individual item, we see that the primary drivers of this overall increase are in the economic climate for your organization. (+0.2), ability to execute on vision (+.05), strategy process (+01), your own personal leadership and management skills. (-.04), right people and skills (+..06), the “organization’s leadership team overall (-.10), and ability to change (+.07).

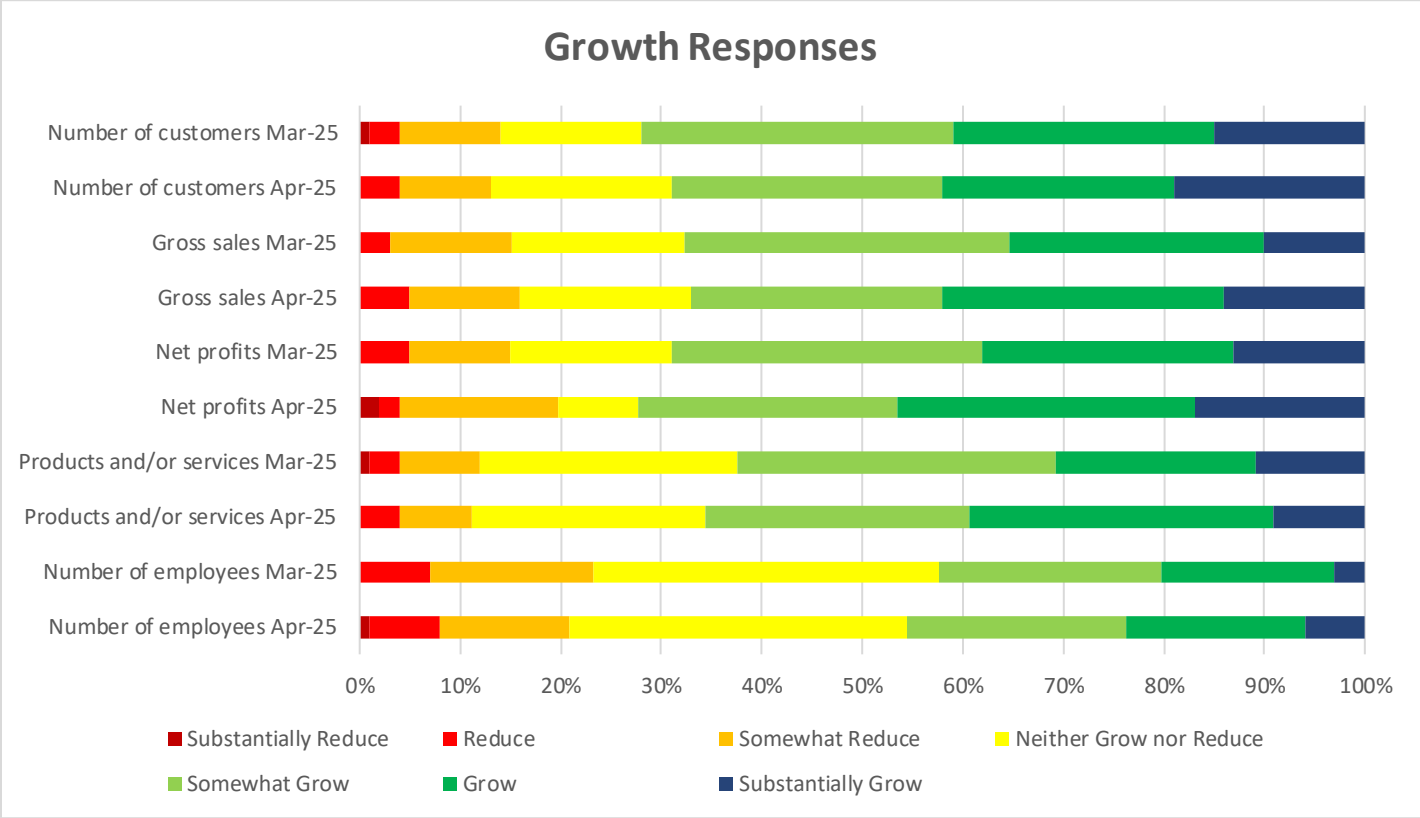
When the economic climate is positive, we have seen a rise in personal leadership confidence and when the climate is poor, we see a drop in personal leadership and an increase in leadership team confidence. With the many major changes the current administration is implementing, looking at growth expectations, confidence, and energy will be a good indicator of how these changes are perceived and are affecting leaders.

Organization Growth

The data show that leaders are more optimistic about their organization's prospects than pessimistic,.







There is a large difference in future outlook by subgroups.

The confidence and growth stories look very different when viewed from two sub-cohorts: senior and lower-level leaders and viewed from high-performance vs low-performance organizations.. The change scores from early March to late April 2025 show **senior leaders are much more pessimistic about growth, and their confidence has dropped in almost every area**. Lower-level leaders expect growth in every area, and their confidence is higher except for confidence in the leadership team overall. Notably, the responses reflect a **significant perception gap** between **senior leaders** and **lower-level leaders**, with important implications for strategic alignment, organizational communication, and future planning.

Confidence: change scores over time, March to April 2025 Question - Please rate your confidence in:	Overall	Senior leader	Lower-level leaders
Index score (average of all questions)	0.07	-0.41	0.12
Your organization's ability to change as needed.	0.09	-0.43	0.16
The economic climate for your organization.	0.31	-0.86	0.36
Your organization's ability to execute on its vision.	0.08	-0.14	0.13
Your own personal leadership and management skills.	-0.03	0	0.09
Your organization's strategy making process (the method your organization uses for creating your business strategy).	0.02	-0.57	0.08
Your organization's leadership team overall.	-0.11	-0.43	-0.1
That your organization has the right people and skills.	0.07	-0.47	0.11

Growth Expectations: change scores over time, March to April 2025 Question - Please rate the level of movement (from growth to reduction) that you expect in each of the following resources for the next six months:	Overall	Senior leader	Lower-level leaders
Overall	0.17	-1.11	0.46
Gross Sakes	0.15	-0.57	0.41
Number of employees	0.16	-1.85	0.47
Number of customers	0.11	-1.29	0.43
Net Profits	0.26	-1.29	0.54
Products and/or services	0.15	-0.57	0.45

A similar pattern holds when looking at high-performance vs low-performance organizations. In general, very high performers are much more pessimistic than average or below-average performers.

Confidence Question - Please rate your confidence in:	Overall	Very High Performance	Average or below average Performance
Index score (average of all questions)	0.04	-0.40	0.05
Your organization's ability to change as needed.	0.07	0.15	0.04
The economic climate for your organization.	0.20	-0.18	0.32
Your organization's ability to execute on its vision.	0.05	-0.50	0.09
Your own personal leadership and management skills.	-0.04	-0.49	0.02
Your organization's strategy making process (the method your organization uses for creating your business strategy).	0.01	-0.87	-0.09
Your organization's leadership team overall.	-0.10	-0.51	-0.13
That your organization has the right people and skills.	0.06	-0.39	0.05

Growth Expectations Question - Please rate the level of movement (from growth to reduction) that you expect in each of the following resources for the next six months:	Overall	Very High Performance	Average or below average Performance
Overall	0.09	-0.34	0.07
Gross Sakes	0.06	0.04	-0.2
Number of employees	0.12	0.14	-0.4
Number of customers	0.01	-0.71	-0.4
Net Profits	0.13	-0.41	0.2
Products and/or services	0.09	-0.76	-0.2

Sample Comments From Higher-Level Leaders:

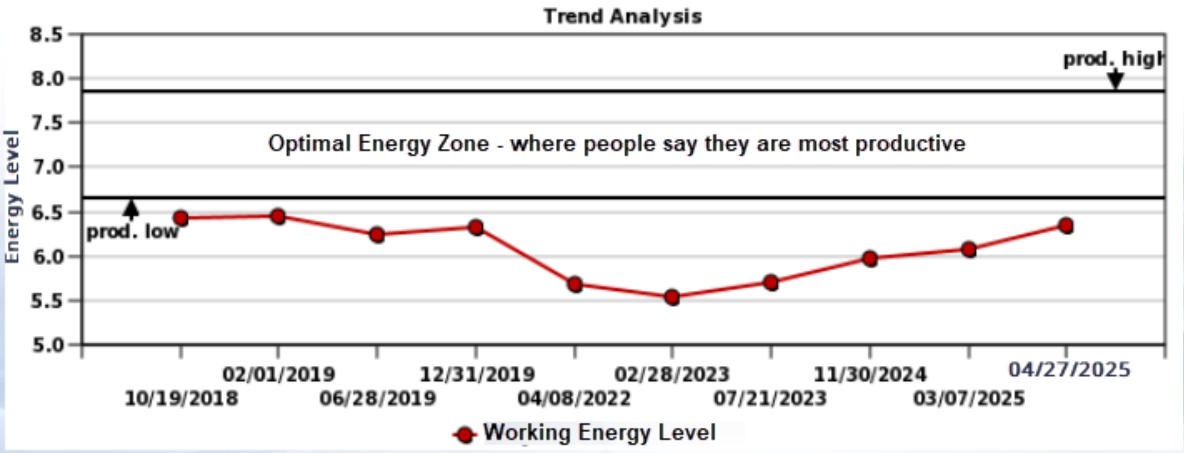
- “We're a public university run by the state and with the uncertainty and policy changes that are coming at the federal and state level, I don't really foresee us making it through unscathed.
- Fearing recession, I fear we will lose customers and decrease the number of transactions. We are, however, spending capital to hedge the market and offer products more suited to the economic climate.
- We are insulated from foreign businesses, and our projects are not government-funded, so we feel safer than many others right now.
- Changes in the environment are so quick that we did not get prepared in advance
- Trump and project 2025
- Volatility in the economy and our government. We are in extremely dangerous times, and I spend a fair amount of time each day reading up on things that are going wrong. It seems that the current administration is playing darts with their policies, which are all almost completely random and unhinged from objective reality.
- Washington is killing business.”

Sample Comments- other

- “We have strong plans and strategies in place for all the above
- My organization is building new AI's so I feel confident that the economic climate for this work is going to just improve in get more plentiful.
- While my team is very much oriented and community led, I believe we do have some issues when it comes to strategy processing and leadership.
- My company is very good except they are hesitant to change or establish new business practices.
- I feel confident in my company’s leadership, economic climate, talent, execution, and strategy-making process. However, I’m only neutral about our ability to adapt to change, which suggests we may need to improve our flexibility. While we have strong foundations, staying agile in a shifting environment remains a key area for growth.
- My team and I are very inclined to do a good job no matter what comes our way
- My company is always trying to improve, which makes me more confident about the future and growth of the company.
- Our projections over the last few years have been accurate as our niche grows. It is projected to keep growing.
- Leadership, Industry trends, financial health, Market position, and competitiveness.”

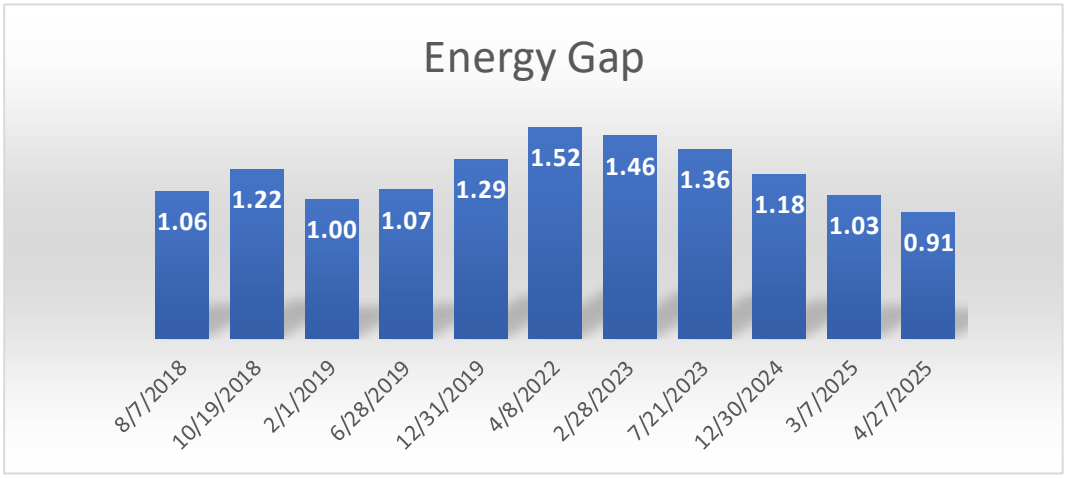
Employee Energy Index

One of the key constructs used in the Leadership Pulse is human energy exerted at work. We measure both current or working energy and optimal energy (energy where we are at our best and most productive). This measurement and the gap between working and optimal energy predict numerous performance measures (e.g., sales, unwanted turnover, patient satisfaction, and more). We have seen leader working energy consistently below optimal energy and working energy has moved upwards after several periods of declining energy in 2022 and early 2023.



Energy Gap

The gap between working energy and optimal energy also is a strong predictor of performance and turnover. As the employees' gap exceeds one point, we begin to see negative impacts on performance with the negative issues increasing as the gap increases. Since 2018 we have seen a consistent gap of 1 or over 1 point for respondents to the Leadership Pulse. The gap in all years is negative, with working energy being lower than optimal energy. This indicates there is an opportunity for improving productivity.



Again, the details show a contrasting picture.

At the All level, energy seems to be improving with scores going up and the energy gap going down. he Energy Risk factor for those that are more than one point away from their optimal energy remained steady at 47% for both March and April data collections.

However, when we look at job level we find that senior leaders risk factor went from 43% in March to 63% in April. **This is a clear indication that senior leaders are having issues with the current environment.**

Lower-level leaders' risk factor went from 55% in March to 51% in April, consistent with their confidence and growth expectations being more positive than those of senior leaders.

Low-performing organizations' gap went from 51% in March to 67% in April, while senior leaders' gap rose from 14% to 36%. Both increases were large, but the 22% increase for senior leaders is more than double the risk in March and may indicate additional stress due to the current volatile business environment.

Summary

While lower-level leaders exhibit moderate confidence across most categories, senior leaders expressed substantial concern, particularly regarding economic conditions, organizational agility, and leadership effectiveness.

Senior leaders appear to lack confidence in the organization's strategic direction and leadership capabilities, with particularly low confidence in macroeconomic stability (-0.86) and the organization's ability to craft and execute strategy (-0.57, right people and skis -0.47 respectively). In contrast, lower-level leaders express cautious optimism or neutrality, suggesting either a lack of full visibility into the organization's challenges or more confidence in their direct teams.

Very High-Performance organizations anticipate **resource reductions** across multiple categories—including **customers**, **net profits**, and **offerings**. These leaders may be bracing for challenges related to scaling, saturation, or economic downturns. Interestingly, **Average or Below Average** organizations show **mixed expectations**, with positive views on net profits but negative projections for customers and staffing. This may reflect hopes for efficiency improvements or cost-focused growth strategies. Growth expectations and confidence have dropped for Senior leaders compared to less senior leaders. This may be due to senior leaders having more information and understanding of the current economics for the organization and their industry.

Senior leaders express strong expectations of contraction in the workforce (-1.85), customers (-1.29), and profits (-1.29), which are likely to reflect strategic planning for cost reduction or market downturns. In contrast, lower-level leaders foresee growth

across the board, possibly indicating a disconnect in communication or insight into high-level planning.

Leader energy is trending up, which is a good sign; however, the gap between working and optimal energy continues to be close to one point. This means there is an opportunity to improve productivity if the gap can be reduced.

Key Takeaways

- **Perception Gap**: There is a clear divide between senior and lower-level leaders. Senior leadership is significantly more pessimistic about both current confidence levels and future growth potential.
- **Strategic Risk**: The misalignment in expectations may lead to disengagement or confusion if lower-level leaders are unaware of strategic shifts being considered by senior leadership.
- **Communication Opportunity**: This moment presents an opportunity for senior leaders to increase transparency and alignment across the organization by sharing context and engaging others in shaping forward-looking plans.
- **Performance ≠ Confidence:** Leaders in top-performing organizations report the lowest levels of confidence, particularly around leadership effectiveness and strategic planning.
- **Pessimism Among the Successful:** Very High-Performance leaders expect more contraction than growth—indicating caution, risk awareness, or burnout at the top.
- **Inverse Confidence Trend**: Leaders from lower-performing organizations appear more optimistic, possibly reflecting renewed focus or efforts to recover.

Recommendations

1. **Facilitate Executive-Led Briefings**: Share strategic concerns and economic outlook more broadly to align leadership layers.
2. **Promote Data-Driven Dialogue**: Use Leadership Pulse results to initiate team conversations and gather real-time feedback.
3. **Monitor Over Time**: Conduct follow-up pulses to track changes in perception and validate the impact of strategic communications and to anticipate organizational stress points or leadership risk zones.

4. **Develop Targeted Interventions**: Consider programs or engagement initiatives tailored to rebuild senior leadership confidence or to manage expectations among lower-level leaders.

5. **Explore Leadership Fatigue:** Very High-Performance teams may be under immense pressure—assess whether burnout, resource strain, or leadership turnover are contributing factors.

6. **Strategic Communication Reset:** Revisit the strategic planning process to better align high-performing teams with future goals and restore trust in leadership direction.

ACTIONS TO IMPROVE PERSONAL AND FIRM PERFORMANCE

The methodology that we use when teaching is called the DDAR model (Data, Dialogue, Action, Results™). My suggestion is to use this report and data to engage your team in dialogue.

To what extent does your team think these findings parallel to what has happened in your organization? If you don't know, then extend the dialogue to other leaders, managers, or employees. Based on what you learn in the dialogue, create an action plan. Then continue the dialogue and measure your results. In 2025. We are seeing many signs that uncertainty will continue to plague our organizations. A data-driven strategy can aid any organization in prioritizing, measuring, and re-prioritizing when needed.

If you were part of the Leadership Pulse study, you have access to personal reports. You can login to the system and see what you scored when you took the pulse and then compare that to the benchmarking data. If you did not take this Leadership Pulse and are interested in the topic, there is an opportunity to run the study within your company.

Employees as informers

Employees are a great source of information to allow organizations to make better decisions. They work with various customers and suppliers, and they have information and data that leaders don't always see. In the latest Leadership Pulse, we asked questions on different aspects of expected organization growth, energy at work, and leaders' confidence. Tracking these validated metrics via the Leadership Pulse can help you engage in dialogue and action that will lead to higher results. Contact our team if you want to learn more: info@eepulse.com