

With the 'get up and go' of executives slipping, Theresa Welbourne shares what we need to do about it.

Energy Crisis in the Corner Office

THE TERM "LEADER" CONJURES UP VISIONS OF JACK WELCH, MICHAEL DELL, Bill Gates, titans of

grandeur and business success. But what happens when managers become overly stressed or demotivated?

To understand today's business executives, I started a research study with a large sample of leaders (approximately 4,000 to date). Rather than learning from the business superstars, my research focuses on everyday leaders in companies where you might be working. Since June 2003, I have asked these executives every two months about their energy at work, as well as other questions about their state of mind.

The results over a year and a half are not pretty:

- Leadership confidence – including confidence in their own teams – has declined since summer 2003.
- Leadership energy is below where leaders say it should be in order for them to be productive.
- Leadership energy declined significantly from August 2003 to November 2004, the last period measured.

I've been measuring energy at work since 1996, when a series of large-scale studies by my research teams at Cornell University and the University of Michigan Business School began to track predictors of initial public offering success. The multiple studies showed one factor – having a high-energy culture – that made a significant difference in such measures as stock price growth post-IPO, earnings per share growth and firm survival in later years.

Keep in mind that high energy is not necessarily high satisfaction. Profits come from change, and change is not very "satisfying," at least in the short term.

But we still needed a way to assess individual employee energy inside the firm. So, I began to ask employees one question frequently to determine that energy. The question uses a 1 to 10 scale, where at low levels employees report not being energized at work, at mid levels they start becoming "energized" or challenged and at the very top of the scale (9-10), they report being overly energized or burned out.

The ideal can vary from group to group. Software programmers, for instance, are most productive at a 5; they often work best with few distractions and without being "pushed" by managers or others. Salespeople, on the other hand, say they're

best at an 8, seeking high energy levels to stay motivated through the inevitable customer rejection.

Once we determine the optimal productivity level for a group of workers, we take the optimal number and build a zone around it, so that managers receive data showing if their people are in or out of their own customized zone.

We also found that leadership confidence is crucial. So, we added five questions to gauge confidence, again tracking since summer 2003:

- The economic climate for their business
- Their own leadership teams
- That they have the right people and skills
- Their firm's ability to execute on its vision
- Their firm's ability to change as needed

Inside the Results

On the leadership confidence measures, only one – economic climate – has improved since June 2003.

All other answers have trended downward, with confidence that they have the right people and skills showing the greatest decline from 74 percent saying they were confident in fall 2003 to only 62 percent in summer 2004 – a 12-point decline. Similarly, ability to execute on vision declined by 8 points, ability to change as needed by 7 points, and confidence in themselves (their own leadership teams) by 5 points.

In terms of energy, the average energy score for the most senior executives (CEO, CFO, CIO and the like) is 6.96, but their optimal "zone" (where they are most productive) was calculated at 7.81 to 8.85.

Doing More With Less

Why are those measures sinking? The comments from leaders were striking:

- "The need to do more with less has been a battle cry for a while now. It is difficult to be at your highest when you feel underappreciated and undervalued for what you have already been doing."

