Taking the Pulse of Leaders to Optimize and Direct Employee Energy at Work

Theresa M. Welbourne

The news reports are alarming. CEO turnover is at record highs while employee disengagement is on the rise. Growth and innovation are necessary to compete, but employees are burned out, tired of being tied to technology, and frustrated by lack of promotion and salary increases. Managers are working managers who are multitasking and not at their best, and their employers do not have adequate budget or time to train them. At the same time, HR professionals are trying to use their human capital data to predict and help curtail losses while maximizing growth.

In this article, we describe strategies to reduce these problems with minimal cost. The suggestions come from results of several large-scale research projects that predict firm performance. In this work, we first found that a culture with a high sense of urgency was critical for firm-level success. As the sense of urgency increases, employers need to provide value to employees. When urgency and value were in balance, the data show that growth and profitability follow.

With compelling research findings, business executives began to ask us how to operationalize the work. How does a company maintain a high sense of urgency and still assure employees are valued and at their best?

Responding to these questions, we developed a diagnostic tool with 15 questions called the Valour Pulse to assess the levels of energy and urgency and show how these interact to either increase or decrease engagement and performance. We use the acronym VALOUR to represent the four key constructs that make up the Valour Pulse:

VAL—stands for value; we ask questions that assess the degree to which employees feel valued by their managers and peers

O—represents the word "ownership," and it covers questions that assess the degree to which employees feel a sense of ownership in their job and their company.

U—is for sense of urgency, or the culture or atmosphere for moving forward, driving in a fast-paced environment.

R—reflects rewards, that employees feel paid for performance, that rewards are fair.

We found that in the balanced cultures (where there is a high sense of urgency and VAL-O-R) employees were in ideal energy states. Think of a sports analogy. When you exercise, you take your pulse to make sure you are "in the zone." You want to exert yourself enough so that you are optimally burning calories but not causing your body damage (working too hard so that you have a heart attack). Every person has his or her own target heart rate, which is a function of age, physical condition, and more. The goal of an exercise program is to get to the target heart rate and minimize variation, or stay in the zone to do your best.
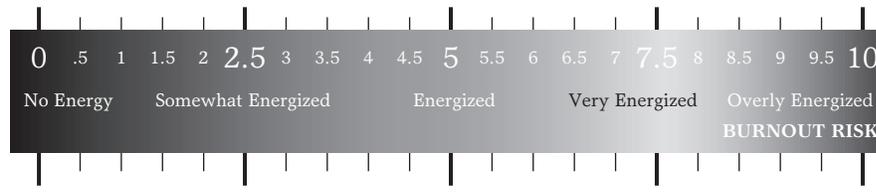
Exhibit 1. *Sample Energy Pulse® Graphic to Accompany Questions*

The same rule applies to employee energy at work. There can be too much energy exerted at a given effort. Too much energy expended in exercise can cause heart damage. Too much energy going into a light bulb makes it burn out. And too much energy being exerted day after day at work can lead to low performance, burnout, health problems, and more. We also learned that while value, ownership, rewards, and most of the components of traditional employee engagement assessments are stable over time, sense of urgency fluctuated more frequently. Thus, to manage sense of urgency, organizations need to measure it more than once a year or every other year, which is the traditional schedule for employee or engagement surveys. Learning about energy led to a simpler and easier way to use human-capital metrics as leading indicators.

EMPLOYEE-ENERGY MEASUREMENT

Energy can be assessed with only three questions.[1] The first two questions are quantitative, include a scale like the one depicted in **Exhibit 1**, and ask employees to (1) rate the energy level where you are today and (2) rate the energy level where you are at your best or most productive. The third question asks for an open-ended comment and changes from assessment to assessment (from "pulse to pulse"). Employees are asked what's affecting their energy, for ideas about how to optimize energy, and in some cases to report success stories that have improved their energy-management skills.

Energy Pulse questions are simple, and the metrics have been used effectively in more than 50 countries. What we learned about measuring energy and implementing what we call Energy Pulsing (the overall process) within organizations can be summarized as follows:

1. Variance in energy was more important than the average energy score alone. Variance predicts performance, with big swings being negative.
2. Energy is an optimization scale. There are individual differences in where people are most productive or at their best. The average energy can vary, but the metric still predicts performance in the same way, with variance (standard deviation) being the key statistic.
3. The gap between where people say their energy is today and where they are most productive or at their best also is a predictive metric. The absolute value of the gap is calculated and assessed. Our research shows that a gap of 1 or more increases the risk of low performance and unwanted turnover.
4. There are occupational differences in optimal energy level. For example, salespeople report their best energy at a 9, stating they need to be at continuous higher energy to handle rejections. At the

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same time, programmers often report their most productive or best energy at a 5 or 6, commenting that they need more calm to concentrate and produce.

5. Energy data identify trends, and the reports could be used like a weather map, allowing managers to focus their efforts on the groups in most need. However, the energy metric alone does not provide data on what actions can improve energy.

6. Open-ended comment data are powerful input for the design of tactical interventions.

7. Employees are ultimately responsible for their own energy at work. Interventions designed to teach employees about energy management, along with tools to measure their own energy, track energy, and log the events affecting energy, have provided low-cost and high-value methods to improve energy at work.

8. Teaching managers to help direct energy has led to improvements in business metrics, particularly for firms going fast or through high change.

9. The process of regularly measuring energy is an intervention that makes employees feel more valued, improves their sense of ownership in their jobs and company, and improves rewards. We found that energy helped leaders maintain a high and consistent level of sense of urgency, while the actions associated with their energy work affected the other part of the Valour Pulse equation—value, ownership, and rewards.

APPLYING THE VALOUR AND ENERGY CONCEPTS TO LEADERSHIP

A project called the Leadership Pulse[2] began as a way to help leaders learn from each other by sharing data. Participants all
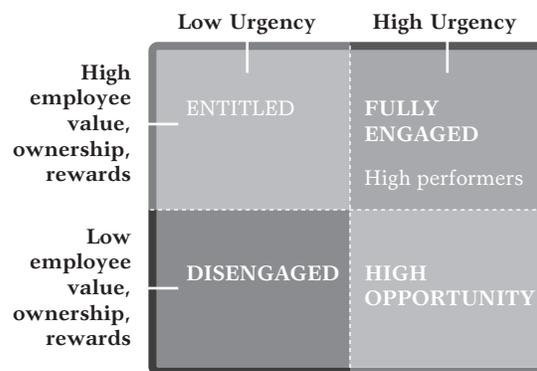

Exhibit 2. The Interaction Between Value, Ownership, and Rewards with Urgency

received online access to personal benchmarking reports in exchange for participation. The Leadership Pulse has been conducted since 2003, and recently the Valour and Energy questions were asked.

The results of the Valour questions depict the concept of balance by displaying data in a 2 × 2 report (see **Exhibit 2**). When in balance, employees are in the upper right, or fully engaged bucket. The majority of leaders in our sample, 53 percent, are fully engaged. These individuals report experiencing a high sense of urgency as well as a feeling that their contributions are valued, that they are recognized and rewarded for their work.

The high opportunity and disengaged quadrants are less than half that, each with 21 percent of the leaders. High-opportunity individuals have a high sense of urgency but do not feel valued or recognized for their contributions. The disengaged individuals do not feel valued or recognized; they also have a low sense of urgency. By creating an environment that promotes a high sense of urgency, these individuals either move into the high opportunity quadrant or move out of the company. Finally, the entitled quadrant is very low, with only 5 percent of the leaders. These individuals have a high sense of value,

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ownership, and rewards but little urgency. They are comfortable in their jobs and are often resistant to change. (See **Exhibit 3**.)

We can further break the leadership sample down by looking at job level. **Exhibit 4** shows the percentage of individuals in each quadrant based on job level. CEOs and presidents are the most fully engaged group, with 82 percent in that quadrant. This is not a surprise, as the job level innately has a high sense of value and ownership, is well rewarded, and requires a sense of urgency. However, the other C-core individuals have the same sense of urgency, but with 38 percent in the high opportunity quadrant, fewer have the same sense of value, ownership, and rewards as the CEO group does. In this case, it is the questions around rewards in particular that average nearly one point less than questions around value and

ownership for the other C-core group. Senior managers are the most disengaged group, with 45 percent of individuals in that quadrant as opposed to 41 percent in the fully engaged quadrant. And although vice presidents have the highest number (11 percent) of individuals in the entitled quadrant, this is still a relatively low number.

Energy Results for Leadership Pulse

Average energy in this Leadership Pulse (using the 0 to 10 scale) was 7.01. This is the highest average energy for the Leadership Pulse sample measured to date (the Leadership Pulse began in 2003). The latest increase is statistically significant ($p \leq 0.05$), calculated from the prior average energy of 6.64 measured at the end of 2012. **Exhibit 5** shows that the overall average energy is on the rise and has been since September 2010.

Although we cannot effectively predict whether energy will continue to rise, we do know that energy is not yet close to its optimum level. In fact, the average energy where participants stated they were at their best was 8.11. Only 16.1 percent of respondents indicated they were at their best energy, and only another 11.0 percent of respondents were half a point or closer to
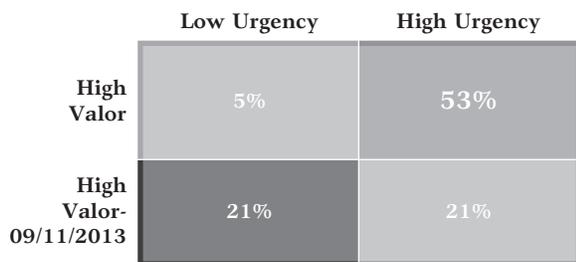
	Low Urgency	High Urgency
High Valor	5%	53%
High Valor- 09/11/2013	21%	21%

Exhibit 3. *Valour Quadrants for All Leadership Participants*

Job Level	Entitled	Disengaged	High Opportunity	Fully Engaged
CEO/President	4%	4%	7%	82%
Other C-Core (CFO, CIO, etc.)		13%	38%	50%
Senior VP or Executive VP	8%	17%		75%
VP	11%	15%	15%	59%
Director	7%	21%	26%	47%
Senior Manager		45%	14%	41%
Manager/Supervisor	4%	8%	31%	58%

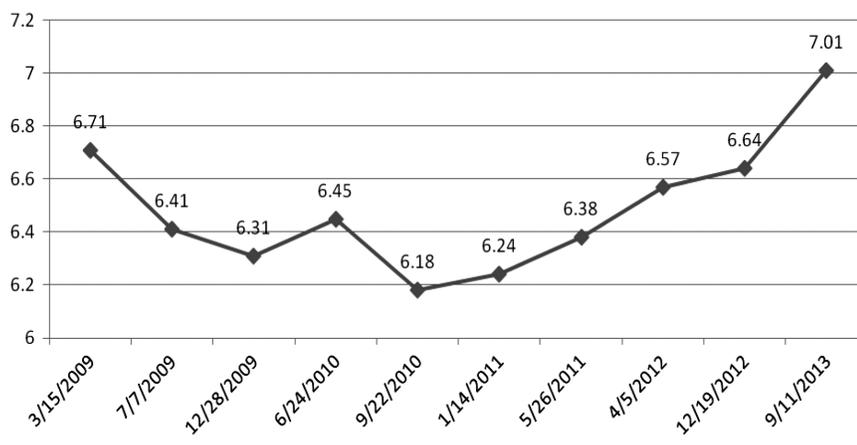**Exhibit 4.** *Valour Quadrants by Job Level*

Exhibit 5. *Energy Trend for All Leadership Participants*

their best energy. Over 50 percent of leaders who responded were 1 point or more away from their best energy. From the research we have conducted with more than 1 million data points on energy, we know that being one or more points away from the ideal energy level increases the risk of lower performance.

The relationship between energy and financial performance is depicted with the energy data. **Exhibit 6** data represent a statistically significant difference ($p \leq .10$) in the average energy of individuals in high- to very-high-performing organizations[3] as compared with average-performing organizations and low- to very-low-performing organizations. The difference between the high- and very-high-performing organizations and the low- and very-low-performing organizations is nearly a full point.

It is not just the energy level but how close the groups are to their optimal energy that predicts performance. **Exhibit 7** shows that high- and very-high-performing organizations are both just over half a point below their best energy, whereas low- and very-low-performing organizations are more than a full point from their best energy.
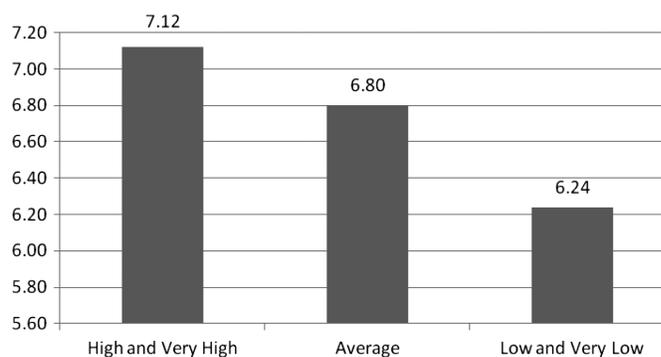

Exhibit 6. *Energy vs. Financial Performance*

Firm Performance Level	Distance from Average Best Energy
Very High	−0.57
High	−0.54
Average	−0.83
Low	−1.32
Very Low	−1.58

Exhibit 7. *Distance from Average Best Energy by Firms' Financial Performance*

Fully engaged individuals are high-energy people, usually working at an energy level close to their optimal energy. The average energy for the fully engaged quadrant is 7.68,

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compared with the average energy of the other quadrants of 6.27 (a difference of 1.41 is statistically significant at the $p \leq .001$ level). Also, fully engaged individuals are closer to their best energy. The fully engaged group has an average energy that is .54 below their average best energy, whereas the other quadrants have an average energy that is 1.76 below their average best energy (a difference of 1.22 is also statistically significant at $p \leq .001$).

LEARNING ABOUT LEADERS FROM THE LEADERSHIP PULSE

The increasing trend in energy has the potential to tell a positive story about leaders.

Leader energy continues to hover at levels away from their ideal energy; this gap represents lost productivity and the risk of unwanted turnover to organizations.

However, the Energy Pulse gap and Valour Pulse continue to show that the increase in energy is not necessarily a positive outcome. Leader energy continues to hover at levels away from their ideal energy; this gap represents lost productivity and the risk of unwanted turnover to organizations.

Qualitative Data Fill in the Gaps

The data from the Leadership Pulse parallel studies done within companies. We continue to see that leaders are struggling with the constantly changing demands in their work. It is difficult for managers and leaders to help coach employees when their own work environments are not ideal. In a research project using the open-ended comment data from the Leadership Pulse and from within-company studies, we examined what employees talked about when they had a two-point increase or decrease in energy. Two major themes emerged from this work.

❑ *Theme #1: Relationships matter*. Employees report significant increases and decreases when relationships improve or falter. We use the term relationship in a broad manner, looking at relationships between employees and their:
  • jobs
  • peers
  • managers
  • top leaders
  • clients
  • career

About 30 percent of the comments address these types of relationships.

❑ *Theme #2: Direction.* Many more people (70 percent) talked about the second topic, what we call direction. They were focused on knowing how to reprioritize and redirect. These comments were not about business strategy; employees understood these goals. They were frustrated by the constant addition of projects and work while nothing was being taken away or reprioritized. Employees also wanted some of their new work to be interesting and challenging. The net is that the mix of work and amount of work needed to be better project managed. Leaders and managers, as well as employees, comment about the lack of adequate direction negatively affecting their energy at work.

The Leadership Pulse reported in this article included open-ended comment questions. Here are some of the comments from leaders who rated their energy in the "overly energized" zone.

"Three very large projects going on—keeping me up at night too."

"Constant change with little explanation of why. And no clarity around role expectations."

"Large changes in leadership and transformation in culture. Change in the market and business that are impacting how we are doing business in an industry and company."

"Lack of staff. Work expectancy unrealistic. No breaks. Work late all the time. Pressures on meeting targets. Lack of resources. Bullying tactics. Low staff morale. Pressure to provide an unrealistic service!!"

"Division growth and bureaucracy coupled with budget constraints combine to produce constant challenges that can tend to 'temper' enthusiasm."

"Starting to burn out. Multiple competing priorities."

Compare those quotes with comments from people reporting they are energized but not at high risk:

"I'm always busy, so my energy is generally high just to keep up. When I'm working on something new and interesting that will be shared and benefit others, my energy increases and I do my best work."

"Lots of projects. Lots of interesting things to do. Lots of opportunities."

"I need feeling of action and activity. Slack time is frustrating to me."

"Good projects and challenges; surrounded by good and trustworthy people. Good home life, confidence and encouragement by supervisor, attitude

of gratitude are present, positive outlooks for the Company."

"Excitement about the ability to impact our business."

I could continue with comments, but the story that evolves is one consistent with the theory and research work presented earlier. Leaders, as well as other employees, are at their best when urgency is balanced with VAL-O-R and when their energy is optimized. People enjoy working at higher energy levels; however, they need to feel that their efforts are appreciated.

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Measurement Reality: The How

Energy needs to be assessed frequently because it changes often, and variance is a key predictor. It is impossible to obtain variance over time data if one only measures energy once a year. However, the thought of frequent measurement baffles most HR professionals. They envision the traditional employee survey, with all of its pain and bureaucracy, happening frequently and throw up their hands because they can't make it work.

The secret that not many organizations seem to know is that you do not need data

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from everyone. I would suggest this does not mean collecting random sample data.[4] The superior mode of operation, in our work, has been to create a high-quality program with leaders and managers.

Creating a program and intervention is different from doing a survey. When Energy Pulsing is conducted with management, a few things happen:

❏ The data are valuable for understanding management and employees. The same patterns seen with management are evident with all employees. The means or average scores may be higher for managers (in most cases they are), but the trend lines will be similar.

❏ Frequent pulsing has a positive effect on managers. Managers learn to optimize and direct energy at work. These lessons learned make managers better managers.

The story about energy is this: High performance requires optimizing and directing human energy at work.

Even without using the same Energy Pulsing process with all employees, the trickle-down effect will occur. As managers become more adept at directing energy, they will help their employees.

❏ Leader and manager data are less costly to obtain. Leaders and managers have computers, smartphones, and other devices for using technology to report out and collect data. In our implementations, we provide managers with online journals and action-taking software, and we build best-practice libraries. Leaders share what's working with one another.

❏ Leader data can be used to supplement learning. Use the stories in the data,

patterns in data, and other metrics to engage leaders in conversations about the business.

❏ Custom metrics strategies going beyond energy help build out a more sophisticated understanding of the leaders and business, as well as allow the use of questions that influence.

❏ Leaders are taught the power of the question. We teach managers to "ask to lead," not asking permission to lead but learning how to use inquiry and questions to influence action.

MAKE IT SIMPLE, MAKE IT WORK

We also learned a critical lesson in our more than 20 years of research on VALOUR and energy. The data and dialogue process that grew from the measurement work[5] gave employees voice in a way that was welcome and that led to immediate changes in the organization. The use of data and dialogue affected the sense of urgency and value and led to improved performance.

The key to performance was not the magic questions we developed, even though we have science and validation studies to support their use. The real magic is the dialogue. When leaders used the data to have conversations with employees, the interventions that grew out of the dialogue were ones that led to short-term tactical performance wins and to long-term strategic growth. A methodology was used by managers to do their job better, by leaders to be better informed about their business, and by HR, communications, and organization development professionals to create better tools and processes to retain and motivate their best people.

The story about energy is this: *High performance requires optimizing and directing human energy at work.*

This process can be simple. We have shown high return on investment through an easy-to-use methodology that involves data and dialogue. The system can be used with a subset of employees, leaders, and managers, and the spillover effect has positive impacts on organizations. In an era where growth, innovation, continuous improvement, and high performance are needed to survive, simple and effective processes can be the ones that sustain organizations.

NOTES

1. Energy graphic, questions, and reporting have registered trademarks. Permission of author required to use these metrics and reports.

2. A partnership with the Center for Effective Organizations at the University of Southern California, Mercer and eePulse, Inc.

3. Firm performance data were collected in the Leadership Pulse survey work. We also asked respondents with public firms to provide us with their ticker samples. Using these data, we were able to validate that the self-report data were accurate (correlating self-report data with reported financial data for the public firm subsample).

4. Random sample strategies can be used to obtain data, but they do not provide the benefit of being an intervention. With the lack of benefit and training, frequent measurement may lead to negative outcomes in random samples that are not seen when focusing on specific groups. Basically, Energy Pulsing is not a survey; it is a leadership tool. Thus, using it as a survey has different outcomes.

5. Data and Dialogue Driven Leadership™.

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