RESOURCE MOVEMENT:
CAN WE PREDICT GROWTH AND DECLINE?

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Resource Movement: Can we predict growth and decline?

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The Resource Movement dialogue sought to understand how leaders are allocating their firm’s resources during challenging economic times.
Leadership Pulse is an on-going learning opportunity for leaders from around the world to share their ideas and thoughts on issues relevant to leaders in today’s ever changing business environment.

The current Leadership Pulse Dialogue sought to:

1) understand where leaders are allocating scarce resources during challenging economic times, and

2) continue tracking of leader energy.
Winter, 2008 Data

- Ran leadership pulse dialogue in November 2008.
- Suspended survey to wait out the US election and economic news that was making respondents unable to answer.
- Comments saying “we want to participate, but we don’t know how”
- After November, we called it quits; no reminders. We waited until after Holidays to release the data.

The response rate was the lowest we had in 2008 (350 people). However, the data remain representative of the industries studied, firm size, performance, and more.
Energy Pulse Question:
Reminder to show how question is posed
Leader Energy Trend Data

Prior research with over 1 million data points in multiple organizations shows that energy is a leading indicator of several key outcomes (360 performance ratings, turnover, absenteeism, customer satisfaction, etc.).

The trend data reveals leader energy continues to decline.
Results indicate that 2 out of 10 leaders are either in danger of burnout (e.g., overly energized for extended periods) or negatively impacting follower energy (e.g., low leader energy affects follower creating a spiraling energy effect).
### Energy by Reported Performance Level

<table>
<thead>
<tr>
<th>Performance Level</th>
<th>Energy</th>
<th>Change</th>
<th>Zone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very High Performance</td>
<td>6.81</td>
<td>-0.07</td>
<td>-0.83</td>
</tr>
<tr>
<td>High Performance</td>
<td>6.52</td>
<td>-0.20</td>
<td>-1.10</td>
</tr>
<tr>
<td>Average Performance</td>
<td>6.57</td>
<td>0.43</td>
<td>-0.88</td>
</tr>
<tr>
<td>Low Performance</td>
<td>5.64</td>
<td>-0.51</td>
<td>-1.74</td>
</tr>
<tr>
<td>Very Low Performance</td>
<td>6.40</td>
<td>1.21</td>
<td>-1.54</td>
</tr>
</tbody>
</table>

The highest performing firms report the highest absolute energy and are closest to where they report being most productive (zone).

Lower performing firms are furthest from where they report being most productive. This holds true even for “very low” performers who gained 1.21 points in energy from the previous dialogue.
### Industry Zone Status (Top/ Bottom Three)

<table>
<thead>
<tr>
<th>Industry</th>
<th>Energy</th>
<th>Zone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transportation and Warehousing</td>
<td>7.84</td>
<td>0.21</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>7.14</td>
<td>0.00</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>7.00</td>
<td>-0.21</td>
</tr>
<tr>
<td>Real Estate and Rental and Leasing</td>
<td>5.63</td>
<td>-2.18</td>
</tr>
<tr>
<td>Arts, Entertainment, and Recreation</td>
<td>7.63</td>
<td>-2.37</td>
</tr>
<tr>
<td><strong>Public Administration</strong></td>
<td>5.00</td>
<td>-2.78</td>
</tr>
</tbody>
</table>

Only two industries report energy at or above where they are most productive.

Leaders from the Public Administration sector are reporting energy nearly 3 points (on a ten-point scale) below where they are most productive.

Leaders from Transportation and warehousing sector are reporting energy slightly higher than where they report being most productive.
Deeper Dive – Transportation and Warehousing Sector

Challenging work
Change management
Teamwork
Recognition

Transportation and Warehousing has consistently remained within or near where they report being most productive. Comment themes presented above suggest what is affecting leader energy in this sector.
Deeper Dive – Public Administration Sector

Trend data for Public Administration reveal leaders from this sector report energy consistently below where they report being most productive. Comments reveal possible reasons for lower energy.

Stress

Physical Health

Pressure to perform while under heavy workload

Slow period (no current challenge)
Leaders were asked in 2003, 2004 and 2008:

“Please rate the level of movement (from reduction to growth) that you expect for the remainder of 2008 in each of the following 5 resources”

• Gross Sales
• Number of Employees
• Number of Customers
• Net Profits
• Products and/or Services

Trend data of the Resource index (all five items) reveal less growth expected compared to any other point in time since tracking began in 2003.
In 2008 *products and/or services* ranked as the most important growth resource along with *number of customers*.

In 2004 leaders were focused on growing *sales, profits and number of customers*.
Regardless of the rate change experienced leaders report the greatest amount of growth in the *products/services* area and the least in *number of employees*.
Energy continues its downward trend. Moreover, leaders NOT reporting at energy where they report being most productive.

Resource movement trend data indicates a steep drop in expected growth for net profits, gross sales, number of employees and customers as well as new products and services.

In 2004 growth in profits, sales and number of customers was key. Today leaders are looking towards growth in their product and service offerings.
Next Steps

- Participants may review on-line personal reports
- Review your results vs. your industry vs. the entire sample

- Go to: www.leadershippulse.com for research reports
- Go to: www.energizeengage.com for discussion and ideas for using these data to drive success in your organization

Sign up for the leadership team pulse before February 20th and participate in the annual leadership confidence pulse.