



Energy

The X Factor in Engagement,
Productivity & Performance





THE WAY WE'RE WORKING ISN'T WORKING

The defining mantra in the modern workplace is more, bigger, faster. More information than ever is available to people, and they are expected to juggle more balls than ever and get more done in less time. The constant urgency and endless distractions that characterize most corporate cultures undermine creativity, quality, engagement, thoughtful deliberation, and ultimately, performance.

According to a 2008 Towers Perrin Global Workforce Study of 90,000 employees across 18 countries, only 20 percent of them – 1 out of every five – feel fully engaged at work. Forty percent are actively disengaged. Over 100 studies have now demonstrated the correlation between employee engagement and business performance.

All of that translates directly to the bottom line. The companies with the most engaged employees in the Towers Perrin study reported a 19% year-to-year increase in operating income and a 28% growth in earnings per share. Ninety percent of their employees reported no plans to leave.

By contrast, companies with the lowest levels of engagement in the study reported a 32% year-to-year decline in operating income, while their earnings dropped more than 11%. Fifty percent of employees in those companies said they were considering leaving during the next year.

ABOUT THE ENERGY AUDIT™

The Energy Project was founded in 2003 by bestselling author and performance expert Tony Schwartz. During the past eight years, we have worked with Fortune 500 companies such as Google, Sony, Ford, Apple, Marriott, Ernst and Young, and Pfizer to drive higher levels of engagement, focus, and productivity by harnessing the science of high performance.

The Energy Audit™, our primary diagnostic tool, measures how effectively individuals manage their personal energy across the four key energy dimensions. We have used this tool with thousands of employees at dozens of companies over the past eight years. In 2010, we began to formally collect data from the public at large in order to take a broader pulse of the world at work.

Respondents get an overall audit score between 0 and 20. The higher the score, the less effectively the individual is managing his/her energy and the greater the likely impact on performance over time. The audit also includes separate category scores, which capture how well respondents are managing energy in the physical, emotional, mental, and spiritual dimensions.

“There’s no question that this investment we’ve made in our employees has energized and motivated them and helped us as a company to stay strong in the midst of very tough times in our industry.”

Amy Pascal
Co-Chairman
Sony Pictures Entertainment



THE RESULTS

Between January and December 2010, 16,290 people from 95 countries took The Energy Audit™. The average score was 12.29, which suggests that the vast majority of workers are struggling with significant energy deficits that influence their productivity over time, and may eventually lead to burnout.

The data also suggests that the challenges of managing energy are universal and show up across disparate corporate cultures and countries. What follows are some of the most notable results.

PHYSICAL

I DON'T REGULARLY GET 7 TO 8 HOURS OF SLEEP AND/OR I OFTEN WAKE UP FEELING TIRED.



No single behavior more fundamentally influences effectiveness during waking life than sleep. More than 95 percent of us need at least 7-8 hours of sleep every night in order to feel fully rested.¹ Nonetheless, we continue to live by the myth that sacrificing one hour of sleep gives us one additional hour of productivity. In fact, even small amounts of sleep deprivation take a toll not just on health and emotional well being, but also lead to significant cognitive deficits that undermine performance.

Consequences of Sleep Deprivation:

- Extreme fatigue
- Compromised cognitive capacity
- More mistakes, lower quality of work
- Higher impatience, frustration, irritability, anger
- More missed work days
- Lower productivity

I DON'T TAKE REGULAR BREAKS DURING THE DAY TO RENEW AND RECHARGE.



The most basic human need is to spend and recover energy. All systems in the body pulse rhythmically when they are healthy, ranging from blood pressure to brain waves. The human body operates in 90-minute cycles, known as “ultradian rhythms,” during which we move from alertness to fatigue.²

It's not the number of hours employees work that determines the value they produce, but rather the quantity, quality and focus of energy they bring to the hours they work. The research of Anders Ericsson³ and others makes clear that great performers characteristically focus for periods of no longer than 90 minutes,

“The Energy Project curriculum has made a major impact on our leadership. In the future, it will be a key component of what great leadership looks like in Sony Europe.”

Roy White
Vice-President
Human Resources
Sony Europe

¹“40 Facts about Sleep You Probably Didn't Know... (or Were Too Tired to Think About),” The National Sleep Research Project (Australian Broadcasting Corporation, 2000), www.abc.net.au/science/sleep/facts.htm (accessed December 16, 2010)

² Ernest Rossi, with David Nimmons, *The 20-Minute Break* (Los Angeles: L.P. Tarcher, 1991), viii.

³ K. Anders Ericsson, Ralf Th. Krampe, and Clemens Tesch-Romer, “The Role of Deliberate Practice in the Acquisition of Expert Performance,” *Psychological Review*, 100, no. 3 (1993): 363-406.



and then take breaks to rest, renew and refuel. By working in this more rhythmic way, it is possible to get more done in less time at a higher level of quality.

As demand intensifies, however, the instinctive tendency to push harder and work more continuously – which only further depletes people's energy reserves, undermines their productivity and sustainability.

The 62% of people who do not take regular breaks tend to become less productive, less engaged, less efficient and less focused.

EMOTIONAL

I FREQUENTLY FIND MYSELF FEELING IRRITABLE, IMPATIENCE OR ANXIOUS AT WORK, ESPECIALLY WHEN DEMAND IS HIGH.



Over the years, we've asked thousands of clients to describe the way they feel when they're performing at their best at work. Nearly without exception, they describe emotions such as happy, confident, enthusiastic, excited and engaged. What these emotions have in common is that they reflect both positive energy and high energy. We call this high positive energy state the "Performance Zone" and our work focuses on helping people spend as much time as possible in that zone when they're working towards a specific goal.

AMERICANS ARE ESPECIALLY BURNED OUT

Three out of four Americans have difficulty focusing on one thing at a time.

Americans are almost 10% less likely to be able to reflect, strategize, and think creatively than the rest of the world.

Americans are 14% more likely to eat lunch at their desks than their European counterparts.

Almost half of respondents from the United States, more than from any other country, don't feel passionately committed to what they do.

More than 75% of Americans rarely have time when their mind is quiet and free of thoughts.

"I am a huge fan of The Energy Project team. Their ideas and programs are refreshingly practical, engaging and challenging. Our company benefited greatly from them."

Ben Jenkins
Former Vice-Chairman and
Former President
General Bank at
Wachovia Corporation

Negative emotions are corrosive. They prompt greater reactivity, interfere with rational, reflective thinking and quickly burn down people's energy reserves. Rising demand, coupled with a recession that leads employees to fear for their



jobs, pushes people out of the Performance Zone and into what we call the Survival Zone, which is characterized by high negative emotions. Like energy itself, emotions are contagious, and the more intense they are, the more likely they are to influence others. This is especially so for managers and leaders.

All this shows up at the bottom line. How people feel profoundly influences how they perform. The more intentional they become about fueling themselves with positive emotions, the more effective they're likely to be. Leaders, in turn, need to see themselves as "Chief Energy Officers" and take greater responsibility for fueling, sustaining, and regularly renewing the positive energy of those they lead.

MENTAL

I SPEND MUCH OF MY TIME REACTING TO IMMEDIATE DEMANDS RATHER THAN FOCUSING ON ACTIVITIES WITH LONGER-TERM LEVERAGE.



Our attention is under siege. More information than ever is instantly available to us, and it is coming at us in more ways than ever. As the economist Herbert Simon put it so presciently back in 1978, "A wealth of information leads to a poverty of attention."⁴

More often than not, people are not making conscious choices about where to put their attention. Instead, they shift focus reactively whenever something new draws their attention. Rather than setting and adhering to an agenda of their own, people cede their attention to the most urgent request or demand at that moment.

Linda Stone, former Apple and Microsoft researcher, coined the term "continuous partial attention" to capture our habit of keeping the main object of focus in the forefront of our minds while concurrently scanning the environment for other, more exciting stimuli. When we split our attention this way, we not only undermine our relationships by, we also remember and retain less.

I HAVE DIFFICULTY FOCUSING ON ONE THING AT A TIME AND I AM EASILY DISTRACTED DURING THE DAY, ESPECIALLY BY EMAIL.



The concept of "multi-tasking" is actually a misnomer. Human brains process information sequentially and cannot process two cognitive tasks at the same time. Instead, what they're really doing is "task switching." This movement between tasks prompts significant costs. First and foremost, it is less efficient. The research shows that any time a person move attention from a primary task to another one, it adds an average of 25 percent to the time it takes to complete the initial task.⁵ It also affects the quality of work people do. When people switch

"The transformative power of this work lies in its ability to help very smart and already high-performing people change their current behaviors to be even more effective, fulfilled and connected to others. The foundations of good leadership are self-awareness and thoughtful action, and these ideas can be truly life-changing for both."

Evan Wittenberg
Head of Global Leadership
Development
Google Inc.

⁴ Herbert A. Simon, "Designing Organizations for an Information-Rich World," September 1, 1969 <http://zeus.zeit.de/2007/39/simon.pdf> (Accessed December 16, 2010)

⁵ Joshua S. Rubenstein, David E. Meyer and Jeffrey Evans, "Executive Control of Cognitive Process in Task Switching," *Journal of Experimental Psychology*, 27, no. 4 (2001): 763-797. <http://www.apa.org/pubs/journals/releases/xhp274763.pdf> (Accessed December 16, 2010)



reactively from one task to another, they are trading depth for breadth.

In our experience with executives across a wide range of industries, we have found that gaining control of attention is the number one challenge. Email, in turn, is the biggest distraction in the lives of the vast majority of employees with whom we work. Checking and answering email may provide people with the feeling that they are busy and productive, but it leads to constant task shifting and all the attendant consequences.

GENDER BIAS

Women are 10% more likely to skip breaks during the day.

Three out of four women take too little time for what they enjoy most.

Men are 8% less likely to stop and express appreciation or to celebrate and savor their accomplishments.

SPIRITUAL

**MY DECISIONS AT WORK ARE OFTEN MORE
INFLUENCED BY EXTERNAL DEMANDS RATHER THAN
BY A STRONG, CLEAR SENSE OF MY OWN PURPOSE.**



66%
agreed

Defining, reflecting upon and regularly revisiting our core values and our larger purpose at work is a powerful source of energy and direction. The challenge is that introspection requires quiet, uninterrupted time, an incredibly scarce commodity in today's world. The consequence is that few of us pause regularly to think about why we are doing what we are doing, where we are headed, or what the consequences are likely to be. Instead we spend our days feeling compelled to act, react and transact.

An organization is a human community that can realize its highest potential only when each individual is fully valued and feels fully vested in a shared purpose. The better people's needs are met, the better they feel and the better the organization functions as a whole. A company that invests in its people across all dimensions of their lives and rallies them around an inspiring purpose is actually investing in itself. As individuals grow and increase their capacity, the organization as a whole gets stronger.

SUMMARY

Employees, like the companies they work for, are largely unaware of the price they pay by neglecting their core energy needs. Distracted and overwhelmed, they become increasingly burned out, de-motivated, and disengaged.

**"The Energy Project
played a critical role
in helping us unlock
the full potential of our
leaders and employees.
They were the perfect
allies in our quest to
create a high positive
and fully engaged
workforce."**

David Furman
Executive Vice President
Wells Fargo



At the same time, companies continue to implement policies and procedures, and foster social norms and expectations, which prohibit or undermine the very behaviors that would most help to build and support sustainably high performance cultures. The casualties are efficiency, productivity, creativity, employee satisfaction, and ultimately, the company's bottom line.

Rather than trying to get more out of their people, organizations seeking competitive advantage are best served by systematically seeking to meet the four core energy needs of their employees in order to free, fuel, and inspire them to bring the best of themselves to work every day.

SOLUTION

While most training focuses on building skills and competencies, The Energy Project works with organizations to address the underlying issue of capacity, which is the critical fuel necessary to bring skill and talent to life

Drawing on the multidisciplinary science of high performance, we do this at three levels:

1. We teach individuals how to increase and regularly renew their own energy so that they can get more done, in less time, at a higher level of quality.
2. We train leaders to become "Chief Energy Officers," focused on mobilizing, inspiring, focusing and regularly refueling the energy of those they lead.
3. We partner with organizations to help them create the resources and tools, and implement the practices and policies that make it possible for their employees to perform at the highest level.

Over the course of the past eight years, The Energy Project has worked with over 30,000 employees at dozens of Fortune 500 companies.

Here are some of the results we've achieved:

- More than 95 percent of Sony Pictures 5000+ employees reported being more focused and productive after going through our program.
- More than 60% of Wachovia employees described an increased sense of positive engagement after going through our program – an especially significant finding given the anxiety many participants were experiencing as a result of Wachovia's being acquired by Wells Fargo during the course of our work.
- A key division at Sony Europe saw a 36% decrease in sick time and a 60% decrease in staff turnover during the year that we delivered our program.

"The Energy Project practices have truly changed my life and they've become guiding principles for all the members of my operating room team."

Mark Gillinov, M.D.
Cardiovascular Surgeon
Cleveland Clinic