

GFC hangover: 2010 brings a corporate headache

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GFC: The passion-killer

Dr Clark Perry, Director, rogenSi

A year after the Global Financial Crisis, the 2010 rogenSi Global Mindset Index has uncovered a corporate environment much changed for the worse, in terms of the self-confidence, enthusiasm and drive of employees.

Uncertainty and nervousness across the global marketplace have become internalised creating a corporate sector where employees recognise that while their organisation's performance and prospects have improved, their own performance has been impacted by a substantial fall in their passion for work, self-belief and overall mental strength.

The results reveal a global workforce mentality that is clearly defined by age and sex: the younger you are, the worse your state of mind is, and for females, the year after the Global Financial Crisis has been a nervous one. Where these two sectors of the workforce are concerned, it would appear that leaders are not doing enough to communicate effectively an organisation's commitment to them, are failing to provide

adequate feedback on their performance and are neglecting to outline their workers' future professional progression within the organisation beyond the current volatile economic climate.

The time for leaders to take positive action to rebuild energy, belief and enthusiasm in their team is now. The outcome of disaffected team members is, and can only be, negative: attaining Exceptional Performance will become

tougher, while retaining skilled and capable staff with years of service and potential ahead of them will become a challenge.

However, it's not just leaders who need to make a behavioural change: employees also need to reaffirm their self-belief and commitment to their organisational cause — no longer "playing the victim" and empowering themselves to perform beyond their current psychological confines.

Background

In 2009, rogenSi introduced the Global Mindset Survey (GMS) — a comprehensive look inside the mindset of the global workforce across a number of distinct behaviours and constructs. These included company prospects, passion, work ethic, motivation, leadership, emotional and cognitive stability, optimism, self-belief, organisational strategy, social support and teamwork.

For 2010, rogenSi added new categories to the Survey to create the 2010 Global Mindset Index (GMI) which provides an

even clearer picture of the global corporate mindset, including questions that help to evaluate how successfully (or not) leaders help build self-belief in their team members, determine leaders' appreciation of individual efforts, calculate the level of trust individuals have in the abilities of their colleagues, understand the degree of organisational enthusiasm, and assess the level of nervousness in the workplace.

The sample surveyed all levels of employees from around the world. The participants included

respondents from Africa, Asia Pacific, Europe, the Middle East, North America, South America and the United Kingdom, across all industry sectors.

The questions that formed the 2010 GMI are outlined in the table opposite. In order to counteract a response bias (where respondents establish a 'pattern' of response) 8 items are negative statements and therefore reverse scored. Questions with a "reverse score" are marked with an R.

The 2010 rogenSi Global Mindset Index Questions

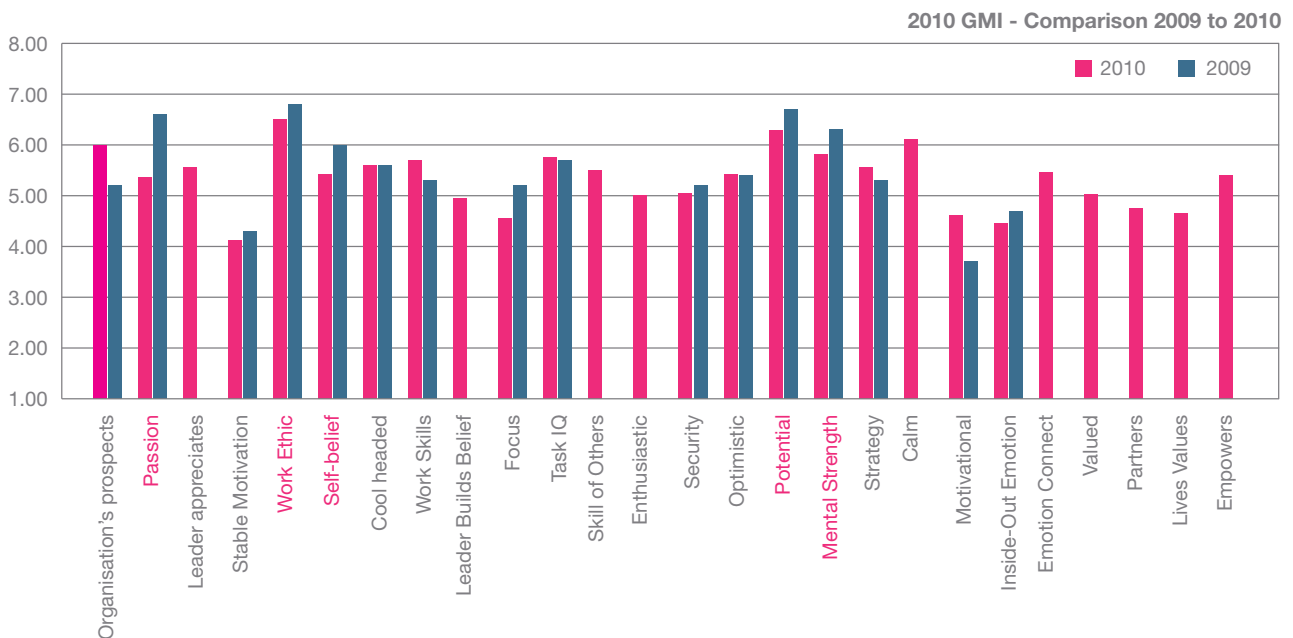
1	Prospects		How would you currently rate your organisations prospects?
2	Passion		Over the last 30 days I have felt consistently passionate about my work.
3	Leader Appreciates		My leader openly appreciates what I do at work.
4	Stable Motivation	R	My motivation is very 'up-and-down' at the moment.
5	Work Ethic		I demand high performance of myself at work at the moment, rather than 'just good'.
6	Self-belief	R	Recently I have found myself starting to doubt myself under pressure at work.
7	Cool headed	R	Recently I have been overreacting to stressful situations at work.
8	Work Skills		My work skills are at an exceptional level.
9	Leader Builds Belief		My leader is good at building my self-belief.
10	Focus		It's hard to distract me at the moment. My concentration on the job at hand is rock solid.
11	Task IQ		I have a highly developed knowledge of how to handle the present challenges I'm facing at work.
12	Skill of Others		I trust that the people around me have the skills to get the job done.
13	Organisation -Enthusiastic		Over the last 30 days I've found it easy to be enthusiastic working in this organisation.
14	Security	R	I am concerned about my future at work.
15	Optimistic		I find it easy to be positive and optimistic in the face of negatives.
16	Potential		I feel I have great potential to perform well as we move forward at work.
17	Mental Strength		I currently feel mentally strong.
18	Organisational Strategy		I believe in my organisation's strategy for the next 6 months.
19	Calm	R	During the last 30 days, I've been nervous to the point of being uncomfortable.
20	Leader - Motivational		Recently my leader has been creating an environment at work that I find motivational.
21	Inside-Out Emotion	R	My emotions over the last 30 days have been controlled by the results I'm achieving at work.
22	Organisation -Emotion Connect		I feel a strong emotional connection with what this organisation is trying to achieve.
23	Valued	R	Over the last 30 days I have felt undervalued at work.
24	Leader - Partners		My leader partners with me to set specific work goals.
25	Organisation -Lives Values	R	I'm disappointed we don't live up to what we're about in this organisation.
26	Leader -Empowers		My leader empowers me to do my job.

Answer	Score	Respondent %	Answer	Score	Respondent %
False, not like me	1	0.00%	Slightly True	5	57.14%
Mostly False	2	14.29%	Moderately True	6	71.43%
Moderately False	3	28.57%	Mostly True	7	85.71%
Slightly False	4	42.86%	True, like me	8	100.00%

Key findings

It can be seen that the mindset across the globe in 80% of the categories, when compared to 2009, has been negatively impacted. Nowhere is this clearer than in the results of passion, work ethic, self-belief, potential and mental strength – all key internal motivators and drivers of positive performance in employees. It would appear that across the board employees in a range of industries are feeling disenfranchised – with themselves individually, their career opportunities and their organisation’s ability to provide effective leadership to enable them to weather the storm.

The graph below shows the spectrum of responses across all respondents, grouped according to age and sex with comparative responses from the 2009 Global Mindset Survey included to assist with analysis.



Why is this?

rogenSi believes the following key issues are fuelling this mindset:

- Following the GFC, organisations appear to be operating at a more frenetic pace, and a higher demand to do more with less
- Businesses across the globe have become blinkered and solely focused on outcomes or indeed just survival
- There has been little to no rewards for effort.

Without urgent action businesses face a period of high resignations and a sustained period of negative performance as a direct result of losing competent and capable employees.

Particular attention needs to be paid to the female workforce. Females aged between 25-35 are suffering the most: in the majority of areas covered by the GMI, young females are feeling increasingly isolated and under valued – chipping away at their self-belief and passion for their work and negatively impacting organisational performance across the globe.

However, there are more worrying signs that affect both men and women, regardless of age or position. According to the 2010 GMI, some 26% of the surveyed workforce are suffering from depressive agitators: conditions and mindsets specified by the World Health Organisation (WHO) as being common indicators of depression. Clearly this has a major impact on both personal and organisational performance.

What can be done

Employers need to act quickly and do much more than they currently are. Risks of ignoring this advice and adopting a “business as usual” approach are severe: resignations will rise, retaining staff will become increasingly difficult and performance will plummet. Therefore:

- Find ways to recognise effort as well as performance
- Find ways to show an investment in your people – it doesn’t have to be monetary
- Sell your people on the Vision and the Pathway to the future. Ensure that they know what the work experience will be like going forward. Live up to your promises
- Build a strong Team culture that allows people to share in success.

Employees too need to make a change. The message to them is to not play the victim: you can empower your performance through simple measures, namely:

- Make sure that you are contributing to a positive work culture. It’s all too easy to blame management. Take ownership and be accountable for your actions
- Set short-term as well as long-term goals and celebrate the wins along the way
- Look for opportunities to ‘buddy’ up with colleagues in your workday. This creates greater efficiencies as well as improves the work experience.

For the 2010 GMI Report we will look, primarily, at the five most critical areas where responses have indicated behavioural change to be most relevant:

Passion:

Employees’ passion for their job has dropped significantly in 2010 (as measured by our scale of 1 to 8) from an average score of 6.60 to 5.36, which is a drop of 17.7%.

Self-Belief:

With passion waning, it’s no surprise that self-belief has also dropped in comparison with 2009.

Potential:

Employees’ sense of job potential has also fallen compared to 2009. Employees’ belief of their potential has dropped in 2010 from an average score of 6.70 to 6.28, which represents a drop of 6.0%.

Mental Strength:

The aftermath of the Global Financial Crisis has chipped away at the mental strength of the workforce. Employees’ belief in their own mental strength has dropped in 2010 from an average score of 6.30 to 5.82, which represents a drop of 6.9%.

Work Ethic:

Workers across all industries are demanding less of themselves in terms of performance in 2010 according to the survey. This is seen as a result of less pressure to maintain a high performance output now that the seemingly worst of the Global Financial Crisis is behind us and signs of economic and industrial recovery are becoming apparent. Employees’ work ethic has dropped in 2010 from an average score of 6.80 to 6.50, which represents a drop of 4.3%.

These findings are outlined in more detail on the following pages.

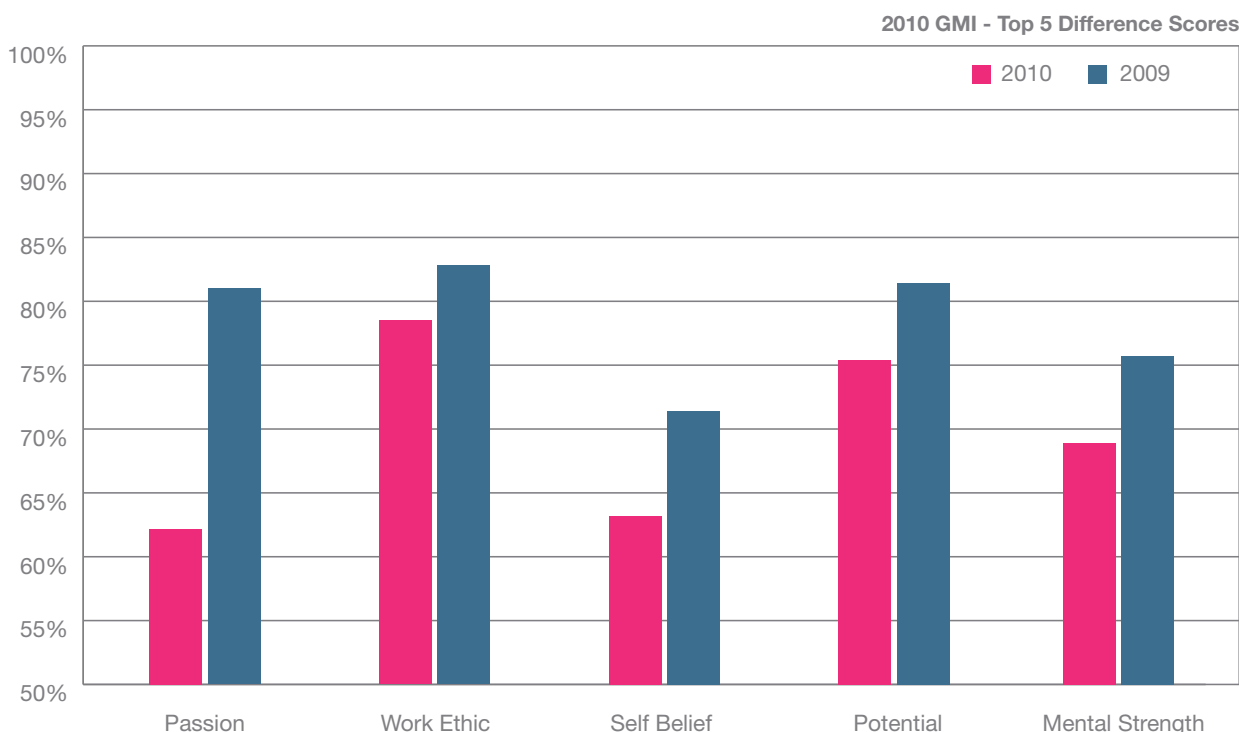
2010: A performance odyssey

What we're seeing

A dramatic downward trend in personal “motivators” — key internal mindsets that empower positive and Exceptional Performance. Each of these mindsets feeds the other —

without a sense of potential in a role, work ethic falters. When work ethic fades, passion for work and the individual's role tumbles. With no passion and no feeling of potential, self-belief

is dramatically reduced, directly impacting an employee's mental strength to get through what they perceive as a “tough time”.



What this means

- Poor performance that will foster a lack of belief in the organisation and its leadership
- An increase in disaffected employees and a sense that there is nothing to work for – no potential for promotion, for example, and no positive affirmation from leadership that an employee's efforts are valued
- Major staff retention issues where staff feel the grass is greener in another organisation (potentially a rival organisation) and resign from their roles seeking a new opportunity with a new employer
- Negative impact on the organisation's bottom line and corporate and social reputation.

What can be done

- Leaders need to re-engage with their people
- The need for face-to-face conversations is paramount
- Leaders need to recognise the achievements of their people in a timely and significant way, with a real focus on attitude and behaviours
- Organisations need to invest in the development of their people, as many have felt neglected during the difficult time of the past 2 years.

The young and the not so restless

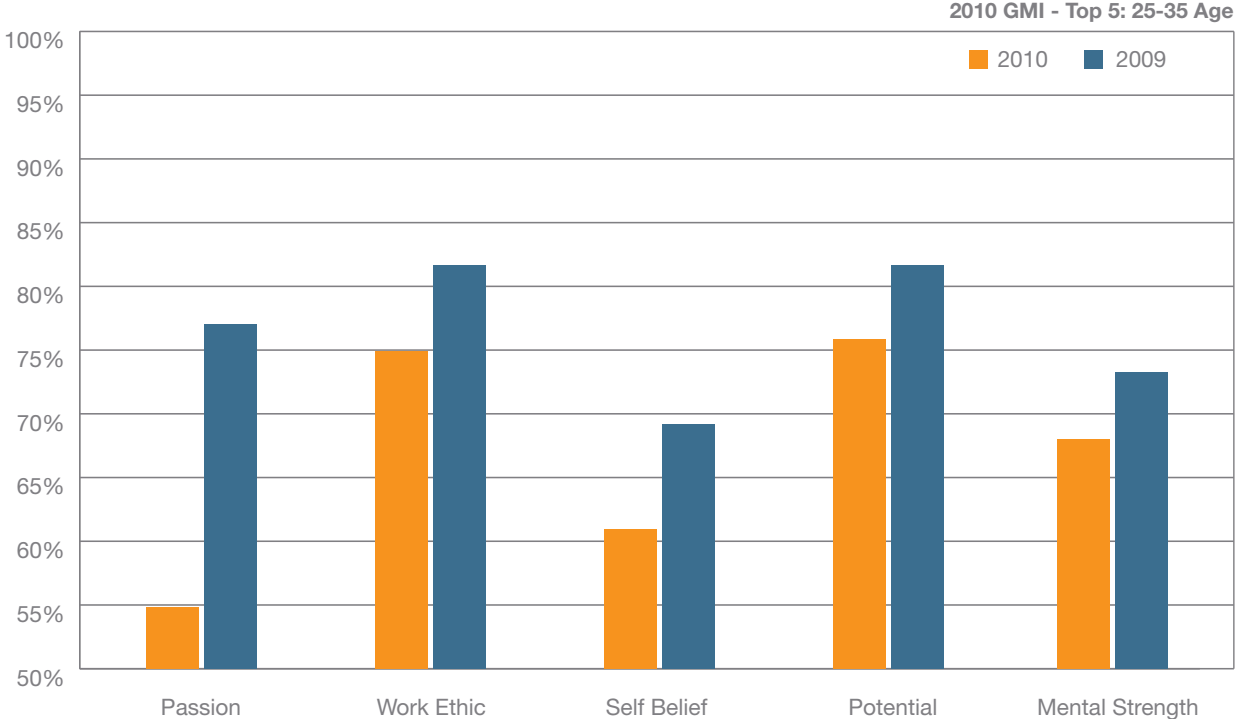
The results of the rogenSi 2010 GMI are clear: the younger you are, the worse the corporate environment and your mindset appears to be. The GMI respondents were split into groups according to age: 25-35; 36-50; and over 50. The results speak for themselves.

What we're seeing

Perhaps surprisingly, those who had more to work for – the youngest age bracket – were the people whose mindset and performance was the most troubling. Across the board,

younger employees (25-35 year olds) are questioning their self-belief, recording an almost 25% drop in passion for the job, the highest of any age group.

This has impacted not only on their performance, but also their mental strength, potential and work ethic – all key indicators of an organisation's underlying performance.

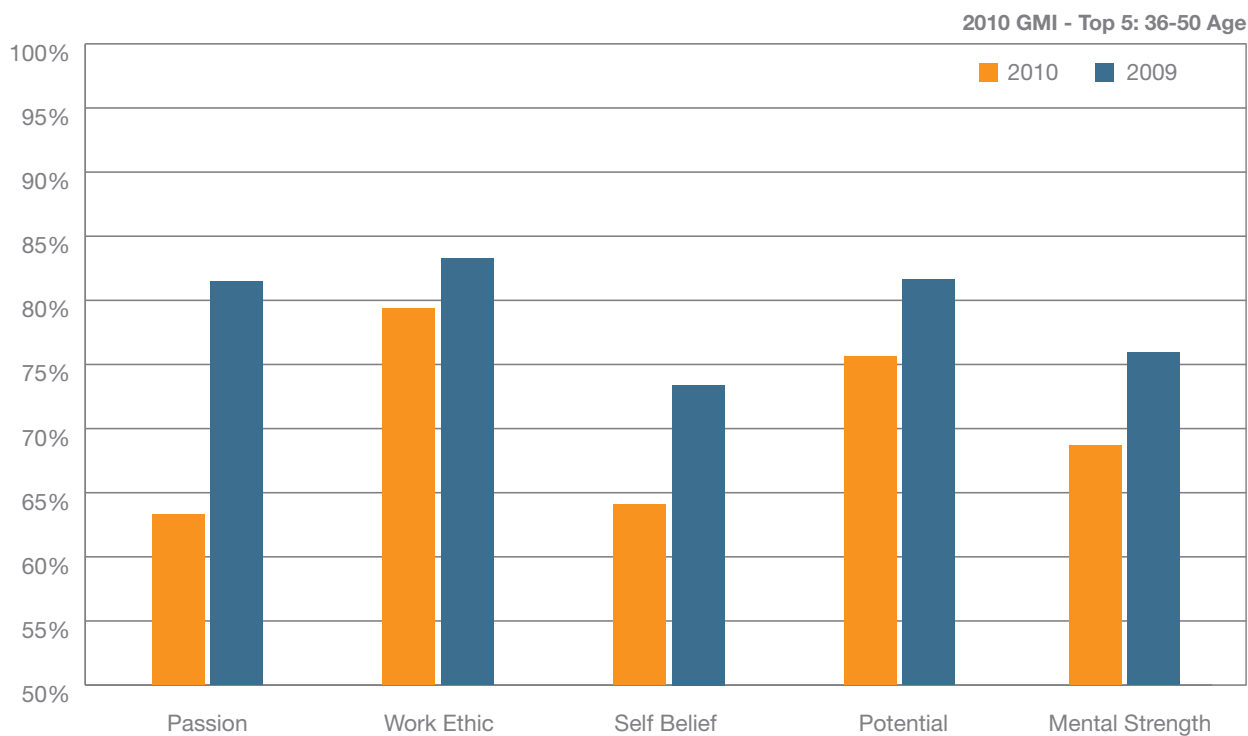


What we're seeing

The traditional engine room of an organisation appears to be spluttering through the aftermath of the GFC. While they are working hard and have a

relatively positive work ethic, the 36-50 year olds are struggling to believe that what they are doing is effective and appreciated by their organisations.

As a result, their passion has waned, their mental strength has weakened and their self-belief has hit a troublesome low.

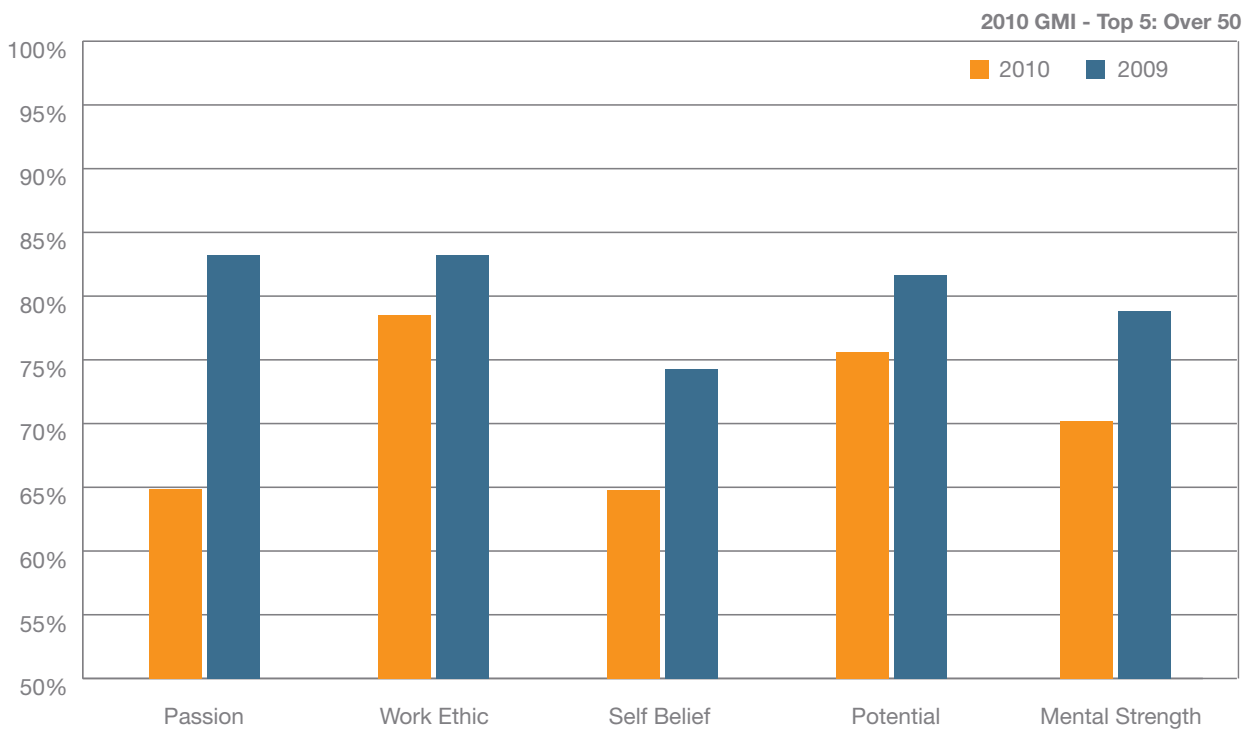


What we're seeing

In terms of passion for their roles and place within an organisation, the over-50 age range has suffered the largest and most alarming drop of all age ranges. However, unlike their younger colleagues, it would appear

that the over-50s believe they still have something (potential) to work for (work ethic). They are knuckling down — for the moment at least — getting on with their jobs, as much to fulfil their own sense of self-worth, as

to show value to their employers that they are worth retaining should performance falter and economic uncertainty continue into the near future.



Age makes a difference, just

What this means

- The impact of the GFC is starting to bite on a personal level, as opportunities tighten
- The 25-35's, who maintained a high sense of self 12 months into the GFC, have seen that erode over the past 12 months
- This unprecedented adversity for the 25-35's is challenging their opinion of their own abilities
- 36 and above are not immune, but experience has acclimatised the older age groups to hard times
- All age groups are experiencing a fall in self-perception.

What can be done

Find opportunities to build Exceptional Performing Teams, where the experiences across all age-groups can be leveraged for greater performance.

This team approach will also elevate the performance of the individual as they gain insights from each other.

A year of living nervously

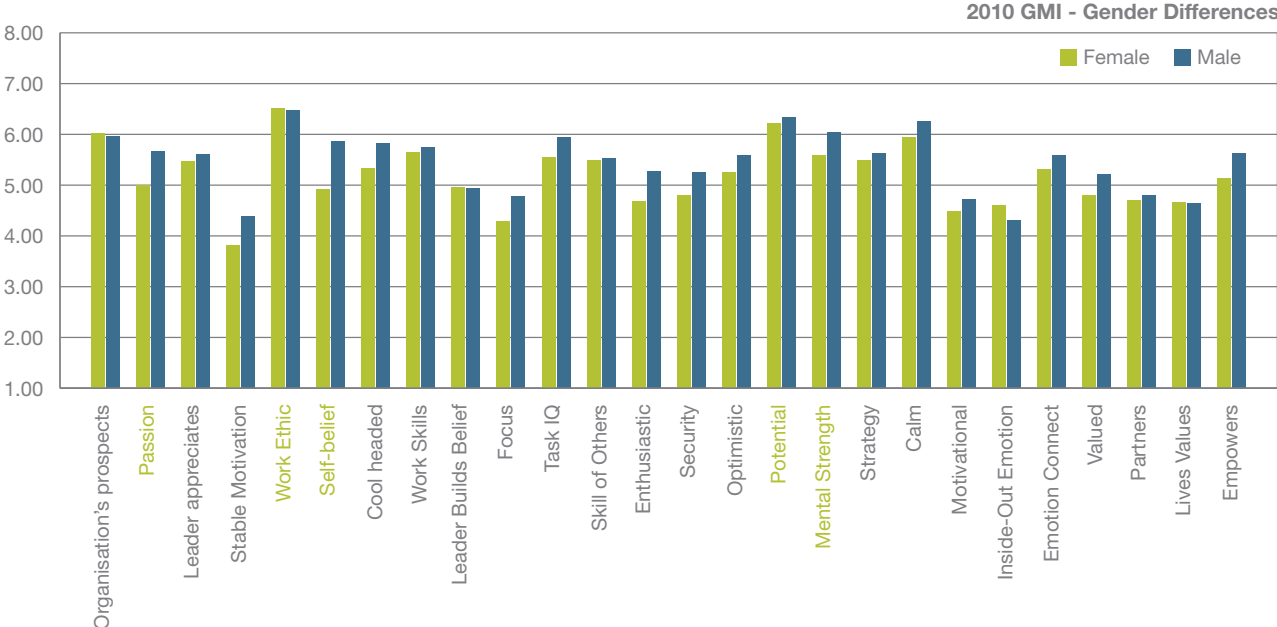
The results of the 2010 GMI provided a startling insight into the global corporate mindset - perhaps nowhere was this more evident than in the battle (to cope) of the sexes.

What we're seeing

When it comes to mindset within the corporate environment, it seems men are having it easier than women.

While this in no way implies a superior mindset in men than women, it perhaps points to a workplace that is more attuned

to the male psyche rather than the female: and it certainly shows how two great minds very often don't think alike.

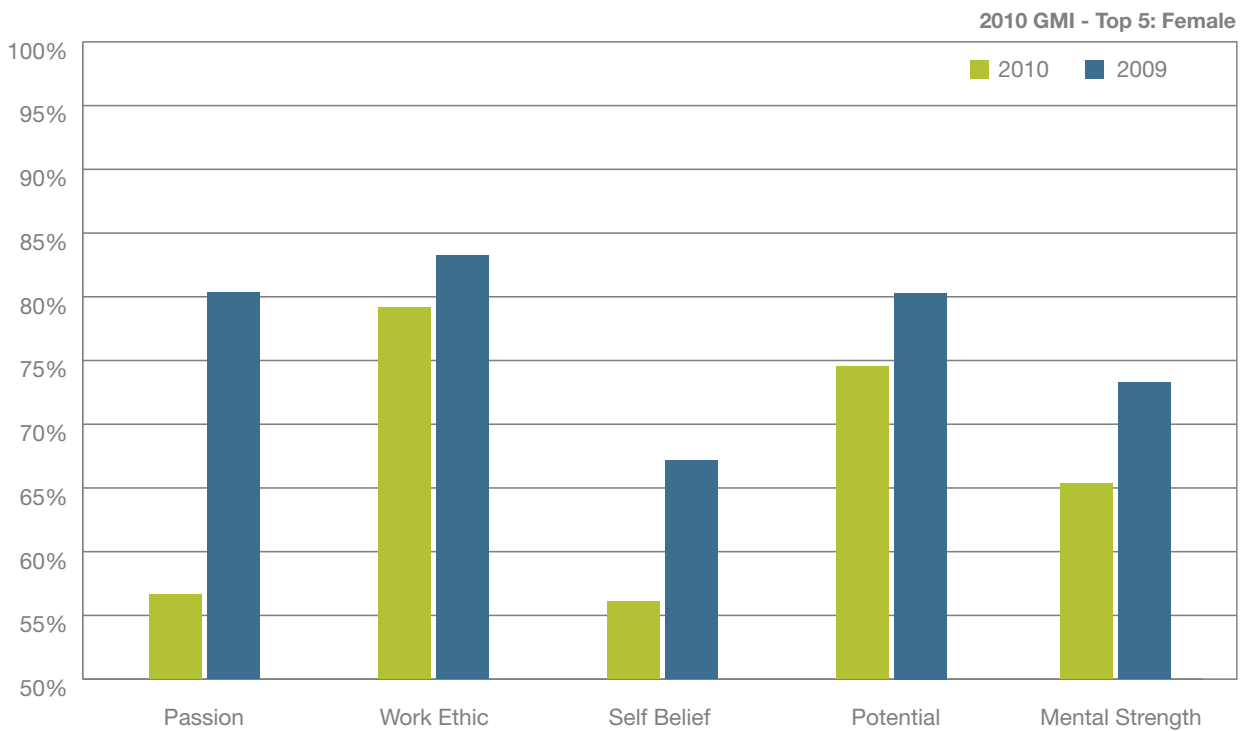


What we're seeing

Women are suffering in the workplace and in the process are feeling isolated and lost within the corporate environment, if the results of the 2010 GMI are anything to go by. Across

all sectors, their passion and self-belief has been dented, and while they continue — to their immense credit — to outperform their male counterparts in terms of work ethic, they are feeling

unrewarded, undervalued and unsure of who to turn to for support, advice and, critically, leadership and affirmation.

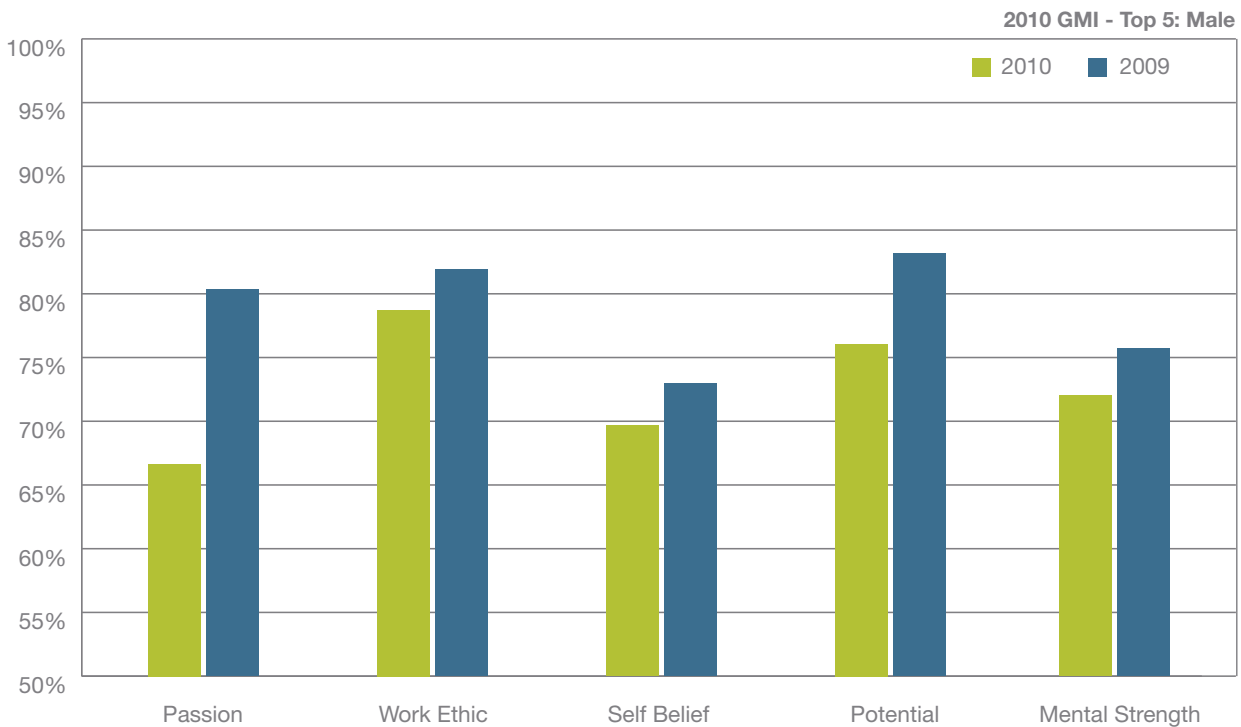


What we're seeing

Men aren't performing any better than women: they are merely more adept at making it appear that they are effectively coping with an increasingly more pressured and competitive marketplace. The male's ability to positively perceive a lack of leadership and direction as a

"business as usual" mindset, has enabled them to maintain a degree of positive self-belief and potential — which while both considerably less than 2009, are still high enough for males to feel that they are adding value and doing a good job. Whether this is the case, remains to be seen,

but like their female colleagues, men are facing a corporate future that is potentially bleak and unfulfilling and the negative impacts of this are sure to be felt unless direct action is taken from a leadership and managerial standpoint.



The message is clear: just talk

What this means

- Through follow-up forums conducted by rogenSi as a result of this finding, women identified a need to have their performance validated through conversations with others, in particular their leaders
- Due to the frenetic pace of the past 12 months, many of those conversations are not being had, therefore negatively affecting the women's perceptions of self
- It was also raised that women will often stay in unsatisfying roles due to the sense of stability and financial security that role brings, yet remain disappointed by the lack of challenge.

What can be done

- Ensure that even simple interactions happen on a regular basis
- Create opportunities for social functions where employees can come together in a non-business setting
- Quality performance management is essential in all Exceptionally Performing organisations. Make sure that there is the appetite and mechanism for leaders to have 'performance partnership' conversations with employees on a quarterly basis, at a minimum
- People need challenge in the workplace, while at the same time leaders need to recognise when their people are overloaded. This balance of skill and challenge is the key to employees positive experience in the workplace.

A great depression – and not financial

What we're seeing

In a major addition to the 2009 Survey, rogenSi included a simple tickbox questionnaire featuring depressive agitators outlined by the World Health Organisation (WHO) as being common psychological indicators of depression in an individual. What we found, as a result, is

worrying and requires an urgent call to action for organisations and their leaders. As can be seen from the table below, 26% of individuals participating in the 2010 GMI recorded having felt more than five of the key depressive agitators over the past year.

Put in a literal sense this means that 26% of the surveyed global workforce is depressed. Clearly this has a major impact on both personal and organisational performance and is something rogenSi will be monitoring and working to redress with employers over the coming year.

WHO Depressive Agitators used in GMI Survey			
Symptom	% of sample*	Symptom	% of sample*
Irritable	27.40%	Churning gut	9.43%
Worried	32.93%	Poor appetite	4.79%
Trouble Sleeping	35.03%	Depressed	12.57%
Sick and run down	17.81%	Light headed	7.63%
Lost interest	28.14%	Overwhelmed	25.90%
Sad	14.22%	Worthless	8.53%
Headaches	25.45%	Remorseful	2.99%
Tense muscles	25.60%	Nauseous	3.74%
Withdrawn	13.77%	Tired all the time	31.44%

* Total sample size 688

Number of Depressive Agitators	
Number of symptoms p/person	% of sample*
0	20.66%
1	17.37%
2	14.07%
3	12.13%
4	9.73%
5+	26.05%

26% of our 2010 GMI are showing five or more symptoms of depression.

What this means

- This statistic is consistent with what you would expect to find in the general population
- The workplace is not immune from the 'ills' that exist in our community
- Obviously this negative mindset has influence on our performance and ultimately the performance of the organisation.

What can be done

- Leaders taking a more proactive role in discussing the overall well-being of their people
- Offer support (even if just moral) when people are feeling less than 100%
- Assist in setting performance goals for individuals in the workplace. Achievement is a strong influencer on a positive mindset
- Make referrals to mental health professionals or an Employee Assistance Program where appropriate.

In summary

The survey makes it clear that leaders in many organisations need to move fast to protect and build the confidence, energy and enthusiasm of their team if they are to realise the performance potential in their organisations.

In 2009, near the peak of the GFC, employees reported significant doubts about their leaders and their organisation's prospects. Their own mindsets remained strong and resourceful, however. A year on, the cumulative impact of work environments operating at frenetic pace, leaders strongly focused on results, and diminished rewards and recognition have led to a dramatic decline in motivation, passion for work, and a loss of mental toughness in the workplace.

The 2010 GMI shows that employees around the world are suffering a severe lack of motivational leadership which is impacting their self-belief and performance. Paradoxically — and critically for leaders — this is coming at a time when employees themselves acknowledge that their organisation's prospects are much better than 12 months ago. These opposing trends heighten the need for leaders to act now to ensure their team members bring a mindset to work that will enable them to achieve the most from these improved business prospects.

To compensate for the uncertainty, performance pressure, and the pace of work, leaders need to be doing more — particularly for young females — to engage and excite their teams. They need to raise their level of communication and connection, providing clarity of direction through uncertainty, reinforcing their organisation's commitment to staff, ensure comprehensive feedback on performance and identify ways by which they can re-energise their employees.

Employees need not play the victim — they can make the necessary behavioural changes and in the process empower themselves to perform beyond their current psychological confines. Simple measures, such as setting short and long-term goals, as well as celebrating success and taking ownership of their actions are just some of the ways in which they can improve their performance and once more rebuild their confidence and self-belief.

Since our rogenSi Global Mindset Index is a moment in time view, we will continue to sample employees' perceptions around the world and report the findings back to the market annually.

We encourage you to visit our website at www.rogenSi.com to find out more about how you and your organisation can participate in this valuable research.

We see this global marketplace filled with opportunity. It's up to each of us to foster a strong mindset to sort the wheat from the chaff.

Appendix

The rogenSi 2010 Global Mindset Index

Overview of Analyses

- This section provides an overview of the general methods and results from the rogenSi Global Mindset Index research.

The survey

- rogenSi developed a short 26 statement survey to assess characteristics of mindset, leadership and organisational culture
- The constructs are measured on an 8-point scale (1, FALSE, not like me to 8, TRUE, like me)
- To escape a positive or negative scoring bias, we designed some of the items to be reverse scored questions.

The sample

- The sample was comprised of employees from around the world
- The participants included clients from Africa, Asia Pacific, Europe, the Middle East, North America, South America and the United Kingdom, across all industry sectors.

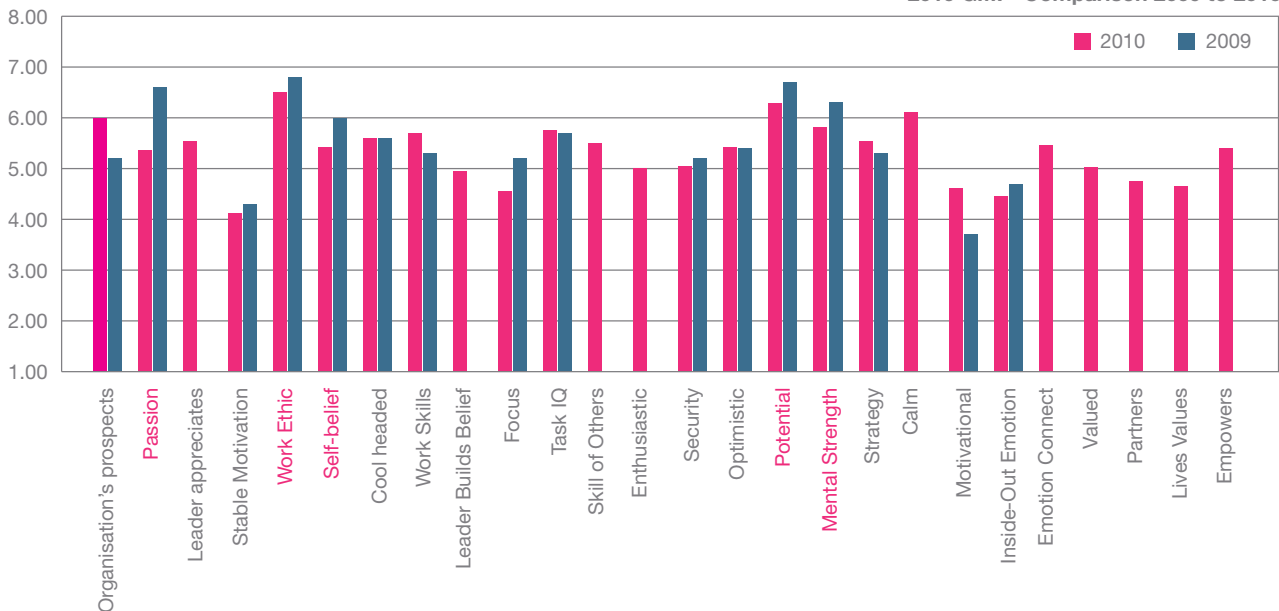
Data collection

- Participants were part of a rogenSi global database. Individuals were invited to respond via on-line reporting. All responses were received anonymously through an internet portal and housed in a central database.

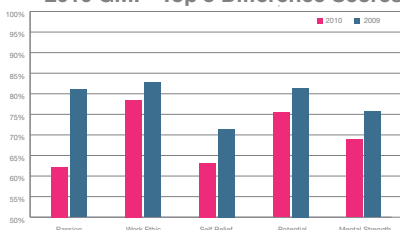
Statistical methods

Firstly, reverse scored survey responses were appropriately adjusted for analysis. Next, measures of central tendency and variability were calculated for each item by demographic. Finally, tests of significance were carried out to determine which results were significantly different from others. Significance testing was carried out at $p < .05$ level. The sample size allowed for the appearance of relatively small differences to be statistically significant. In the current survey, in some circumstances, a difference of 0.3 on an 8-point scale has a probability greater than 95% to be attributed to the respondent's perceptions and mindset rather than chance or error.

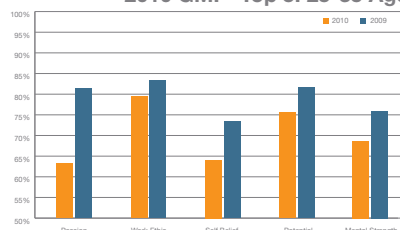
2010 GMI - Comparison 2009 to 2010



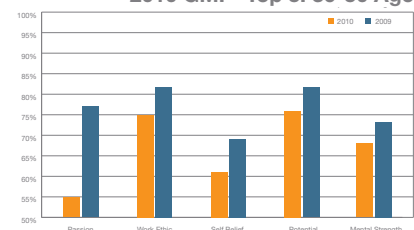
2010 GMI - Top 5 Difference Scores



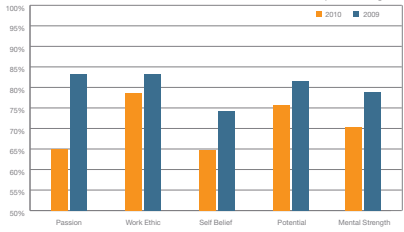
2010 GMI - Top 5: 25-35 Age



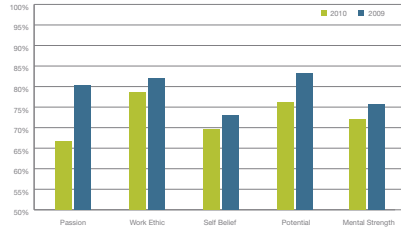
2010 GMI - Top 5: 36-50 Age



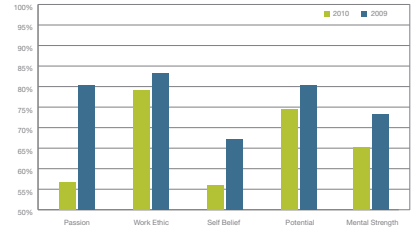
2010 GMI - Top 5: Over 50



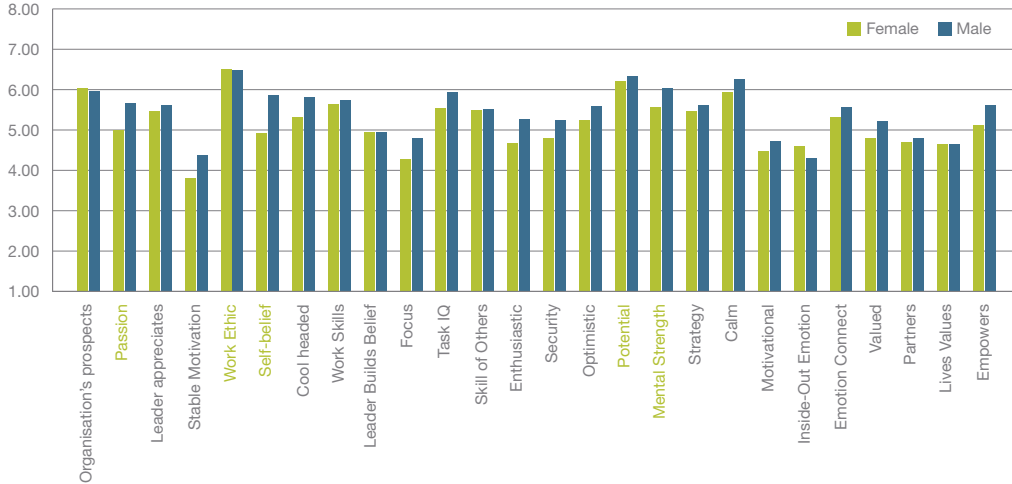
2010 GMI - Top 5: Male



2010 GMI - Top 5: Female



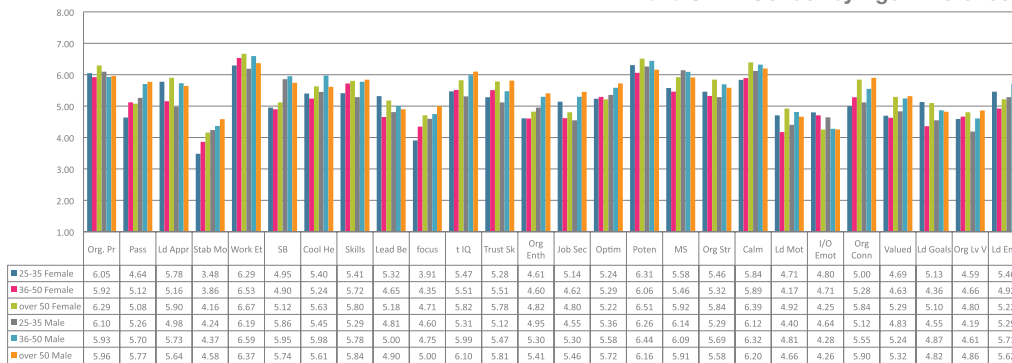
2010 GMI - Gender Differences



2010 GMI - Age Differences



2010 GMI - Gender by Age Differences



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- Training
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rogenSi Global Offices

Sydney

Level 7, 35 Clarence Street
Sydney NSW 2000
Australia
P +61 2 8296 1000
F +61 2 9279 1887
sydney@rogenSi.com

New York

125 Park Avenue
Suite 320 New York
NY 10017 USA
P +1 212 697 7740
F +1 212 697 0800
new.york@rogenSi.com

Melbourne

Level 12, 330 Collins Street
Melbourne VIC 3000
Australia
P +61 3 9697 2400
F +61 3 9602 3604
melbourne@rogenSi.com

Toronto

Suite 2003, 2300 Yonge St
PO Box 2363, Toronto ON M4P 1E4
Canada
P +1 416 322 7228
F +1 416 322 7258
toronto@rogenSi.com

Singapore

14 Robinson Road #13-00
Far East Finance Building
Singapore 048545
P +65 6866 1958
F +65 6323 1839
singapore@rogenSi.com

San Francisco

Suite 200, 456 Montgomery Street
San Francisco
CA 94104 USA
P +1 415 489 7524
F +1 212 697 0800
san.francisco@rogenSi.com

Auckland

Cathedral House 5th Floor,
48-52 Wyndham Street
Auckland Central
P +64 9 909 4640
F +64 9 377 7152
newzealand@rogenSi.com

London

Level 3, 1 Plough Place
London, EC4A 1DE
United Kingdom
P + 44 20 7438 2900
F + 44 20 7353 1553
uk@rogenSi.com

Hong Kong

Room 27, Suite 2203, Level 22,
Office Tower, Langham Place,
8 Argyle Street, Mongkok,
Kowloon, Hong Kong
P +852 2865 2218
F +852 2865 2018
hongkong@rogenSi.com

Dubai

Office F13, Block 3
PO Box 500692
Knowledge Village
Dubai, United Arab Emirates
P + 971 4 390 2362
F + 971 4 366 4517
dubai@rogenSi.com

rogenSi

rogenSi.com