Winter 2014–15

cipd

Employee Outlook

Focus on managers

WORK WORKFORCE WORKPLACE

Championing better work and working lives

The CIPD's purpose is to **champion better work and working lives** by improving practices in people and organisation development, for the benefit of individuals, businesses, economies and society. Our research work plays a critical role – providing the content and credibility for us to drive practice, raise standards and offer advice, guidance and practical support to the profession. Our research also informs our advocacy and engagement with policy-makers and other opinion-formers on behalf of the profession we represent.

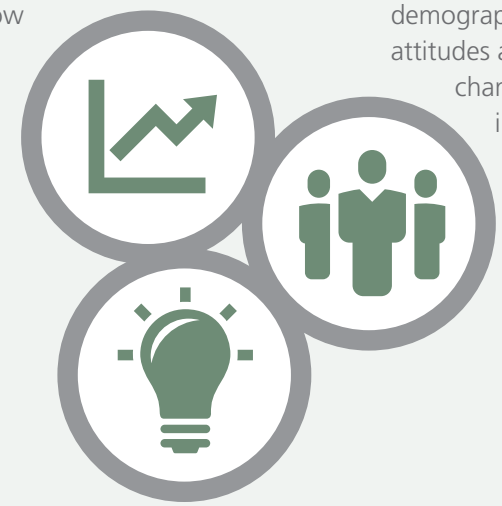
To increase our impact, in service of our purpose, we're focusing our research agenda on three core themes: the future of **work**, the diverse and changing nature of the **workforce**, and the culture and organisation of the **workplace**.

WORK

Our focus on work includes what work is and where, when and how work takes place, as well as trends and changes in skills and job needs, changing career patterns, global mobility, technological developments and new ways of working.

WORKFORCE

Our focus on the workforce includes demographics, generational shifts, attitudes and expectations, the changing skills base and trends in learning and education.



WORKPLACE

Our focus on the workplace includes how organisations are evolving and adapting, understanding of culture, trust and engagement, and how people are best organised, developed, managed, motivated and rewarded to perform at their best.

About us

The CIPD is the professional body for HR and people development. We have over 130,000 members internationally – working in HR, learning and development, people management and consulting across private businesses and organisations in the public and voluntary sectors. We are an independent and not-for-profit organisation, guided in our work by the evidence and the front-line experience of our members.

Focus on managers

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Overview

This *Employee Outlook Focus* online survey, conducted by the CIPD in summer 2014, considers the contribution of line manager behaviours to high-performance working practices.

The CIPD has described specific aspects of organisational practice that lead to high-performance working (Purcell et al 2003) through an engaged and empowered workforce, including:

- customer-centric vision
- leadership
- decentralised decision-making
- performance management processes aligned to organisational objectives
- fairness of treatment.

Separately, the CIPD considered line manager behaviours associated with employee engagement and well-being, describing specific competencies that line managers should demonstrate to achieve sustainable outcomes in their teams (CIPD 2012).

While guidance on high-performance working practices and on best practice in line management is available separately, our research also recognised that in practice the relationships between line manager behaviour, people systems and processes, and the organisational environment and culture are more complex and can counteract each other, if not aligned. For example, performance management oriented on short-term outputs can at times act as a barrier to leadership in organisations (CIPD 2014).

In this *Employee Outlook Focus* we consider how some of the line manager behaviours and high-performance working practices interact with each other, and how these interactions reinforce or undermine some of the employee outcomes, such as motivation, organisational commitment and job satisfaction. More specifically, we look at the interaction between the following practices:

1. line manager behaviours supporting employee engagement and well-being
2. time spent in one-to-ones with employees
3. performance management process and outcomes
4. the degree of empowerment and employee voice
5. fairness and trust in the organisational environment.

Key headlines

The levels of satisfaction with the immediate manager or supervisor increased across all sectors from 64% of employees satisfied or very satisfied in spring 2012 to 67% of employees satisfied or very satisfied in spring 2014.

- Almost 70% of employees meet with their manager at least once a month (formally and/or informally), although 8% have no meetings with their supervisor.
- Managers' estimation of the time they spend with each employee is 6.43 hours per employee per month, compared with employees' estimation of 4.70 hours spent with their line manager on average each month.
- Employees who are dissatisfied with their line manager experienced a considerable drop in their motivation the more time they spent with their supervisor.
- Sixty-three per cent of those who have their performance reviews once a year agree or strongly agree that they understand how their objectives fit into the overall strategy, compared with 44% of those with less frequent or no reviews.
- A quarter of employees say senior managers and HR do not act in their best interests, with only 12% saying the same about their line manager.

Methodology

Findings from this *Employee Outlook Focus* survey are based on a sample of 2,153 working adults. The fieldwork was undertaken by YouGov between 13 and 23 June 2014 and the survey was carried out online. The figures have been weighted to be representative of the UK workforce in relation to sector and size, industry type and full-time/part-time working by gender.

Quality of line management

Quality of relationship with the line manager remains an important factor supporting employee engagement, for example, contributing to greater motivation and job satisfaction. In this survey we asked employees to rate their manager on a set of behaviours that are likely to support high-performance working practices.

The data across a number of years suggest that the prevalence of positive line management behaviours – as reported by the employees – is fairly consistent, with the largest drop in how committed line managers are to the organisation: from 74% of employees saying their manager is always or usually committed in spring 2012 down to 70% of employees in 2014.

Over the same period of time the levels of satisfaction with the immediate manager or supervisor increased across all sectors from 64% of employees satisfied or very satisfied in spring 2012 to 67% of employees satisfied or very satisfied in 2014.

As before, line managers are far more positive about their own behaviours than the employees about their own managers. The greatest agreement is on the level of managers' commitment to the organisation, and the

The data across a number of years suggest that the prevalence of positive line management behaviours – as reported by the employees – is fairly consistent.

Table 1: To what extent does your immediate supervisor/manager or boss always or usually do each of the following? (% responding always or usually)

	Spring 2014 (employees' response)	Spring 2014 (managers' response)	Spring 2012 (employees' response)
Consults me on matters of importance to me	53	88	54
Discusses my training and development needs with me	36	81	41
Recognises when I have done a good job	55	95	55
Makes me feel my work counts	54	91	54
Gives me feedback on how I am performing	44	81	45
Is open and honest	62	95	61
Is supportive if I have a problem	65	96	64
Keeps me in touch with what's going on	54	90	52
Makes clear what is expected of me	61	88	60
Listens if I have a suggestion to make	64	95	63
Treats me fairly	69	96	71
Is committed to my organisation	70	74	74
Makes sure I have the resources to do the job	54	91	56
Coaches me on the job	30	74	29

36%

While eight in ten managers believe they discuss training and development opportunities with employees, only 36% of employees agree.

least agreement is with regard to employee development. While eight in ten managers believe they discuss training and development opportunities with employees, only 36% of employees agree. Similarly, three-quarters of managers say they always or usually coach their direct reports when talking to them, but less than a third of employees report having such experience with their managers. Interestingly, although line managers emphasise their own skills, they rate their own supervisors much lower, consistent with the responses given by employees without managerial responsibilities.

Both positive line manager behaviours and satisfaction with the relationship with the supervisor are positively associated with employees being motivated by their organisation's core purpose and their satisfaction with the level of challenge, development opportunities and the job overall. There is little association, however, between line manager behaviours and employees going the extra mile – taking on more work to help relieve their colleagues' workloads.

Time spent with the line manager

Although the quality of line management remains consistent over the years, according to the employee opinion, the time a manager spends with each of their direct reports may have gone up. On this occasion we asked both managers and employees to indicate the frequency of both formal (that is, one-to-ones) and informal (that is, chat by the desk) meetings. Almost 70% of employees meet with their manager at least once a month (formally and/or informally), although 8% have no meetings with their supervisor.

Private sector employees have the least frequent one-to-one contact with their supervisor, and employees in the voluntary sector the most, although employees in both sectors are happier with the amount of individual time they spend with the manager over the frequency of team get-togethers. Voluntary sector employees also reported the largest gap between their satisfaction with both the frequency of individual and team time with their supervisor and the quality of those briefings.

Again, line managers are more positive about their interaction with their direct reports than the employees themselves, with nearly 90% indicating they meet their team members at least once a month (formally or informally). Only 2% of managers said they never meet their direct reports. Managers' estimation of the time they spend

Voluntary sector employees also reported the largest gap between their satisfaction with both the frequency of individual and team time with their supervisor and the quality of those briefings.

Table 2: Levels of satisfactions with … (net scores)

	All	Private	Public	Voluntary
The amount of time my line manager spends with me individually	+23	+21	+24	+37
The frequency of team briefings done by my line manager	+16	+11	+22	+41
The quality of team briefings done by my line manager	+16	+12	+22	+29

Table 3: How often employees report that their direct manager meets with them to discuss their workload, meeting objectives and other work-related issues (% employees)

	All			Private			Public			Voluntary		
	Formal	Informal	2014 (both formal and informal)	Formal	Informal	2014 (both formal and informal)	Formal	Informal	2014 (both formal and informal)	Formal	Informal	2014 (both formal and informal)
Weekly	13	45	17	14	45	18	14	45	15	8	51	14
Twice a month	6	9	7	5	8	7	5	13	11	12	7	7
Once a month	16	11	15	13	10	13	21	10	22	20	19	24
Less frequently than once a month	44	22	30	42	24	27	49	22	43	51	14	41
Never	20	11	12	23	12	13	10	9	7	9	9	8

Employees who are dissatisfied with their line manager experience a considerable drop in their motivation if meeting time is increased, with little difference to their satisfaction levels.

with each employee is 5.27 hours per employee per month, compared with employees' estimation of 3.57 hours spent with their line manager on average each month. Managers scoring lower on the quality of their behaviours also spend less time with their direct reports compared with high-scoring managers.

At the same time supervisors see their own line manager more frequently than employees without managerial responsibilities (79% meet their manager at least once a month and only 4% of supervisors never see their own line manager).

On the whole, the time a line manager spends with an employee has a slight positive association with employee motivation and job satisfaction: the more time that is spent discussing workload, meeting objectives and other work-related issues, the more likely the employee is to be motivated by and satisfied with their job.

However, the amount of time spent in meetings with their direct reports impacted employee job satisfaction and motivation in different ways, depending on the quality of the line manager. If an employee is satisfied with their manager, they are overall satisfied with their job and motivated by the organisation's core purpose, as long as the supervisor spends some time with them each month. On the other hand, employees who are dissatisfied with their line manager experience a considerable drop in their motivation if meeting time is increased, with little difference to their satisfaction levels. Employees who rate their line manager in the middle of the range have the most benefit from the time they spend in discussions with their supervisor, as their motivation and job satisfaction levels both increased.

Counterintuitively, managers' span of control – or the number of people that report to them directly – does not impact the amount of time they spend with their direct reports. On average, line managers said they have almost eight direct reports each (median number is four).

On the other hand, role-modelling behaviours may have a part to play in determining how much time a supervisor spends with their direct reports. Where middle and junior (but not senior) managers spend more time with their immediate boss, they also tend to spend more time with their own team members.

Performance management and pay

We started to explore the theme of performance management through the *Employee Outlook* in autumn 2013, looking at the frequency of performance reviews and the most important aspects of the appraisal. It found that 27% of respondents never had a performance review, although those who had been in the organisation for less than six months were less likely to have had a performance review because of the appraisal timings.

Having a performance review in itself does not necessarily impact employees' outcomes. Employees with an appraisal scored higher on clarity of the organisational goals, motivation and organisational commitment, compared with those who have never had a review or have it less often than once a year, with the most powerful difference in employees' understanding of how their objectives fit into the overall company strategy (63% of those who have their performance reviews once a year agree, compared with 44% of those with less frequent or no reviews).

What is also important is how the performance reviews are carried out, as fairness of treatment and outcomes is highlighted as an important predictor of employee satisfaction and commitment. Current survey shows that more employees believe their organisation's performance

Employees with an appraisal scored higher on clarity of the organisational goals, motivation and organisational commitment, compared with those who have never had a review or have it less often than once a year.

Table 4: Employees who have a performance review at least once a year, compared with those with less frequent performance reviews (% agreeing or strongly agreeing)

	Employees who have a performance review at least once a year	Employees with less frequent or no reviews
If I had easy access to data about my own performance and productivity, I would use it to improve my work.	41	35
I know very clearly what the core purpose of my organisation is.	85	81
I am highly motivated by my organisation's core purpose.	54	51
I understand how my objectives fit into the overall company strategy.	63	44
My organisation gives me opportunities to learn and grow.	51	37
The skills and qualifications I have are fully utilised in the role I do.	57	54

1 in 3 employees think their performance management process is a tick-box exercise.

management process is fair (39%) rather than unfair (30%), except in the public sector. Looking at this quarter's results reported by those employees who have their performance reviews at least once a year, the public sector once again fares worse on the perceived meaningfulness and consistency of the performance management process.

Dissatisfaction with the performance review process can be linked to the fact that only 20% of employees in the public sector have seen a pay rise since the start of 2014, compared with 32% of the private and 34% of voluntary sector employees. Overall, employees who did have a pay rise in this period (30% of all employees) are more likely to see the performance review process as consistent and meaningful, compared with those who had a pay cut or whose pay stayed the same.

Managers play an important role in employee perceptions of the performance management process. Employees whose line managers demonstrate positive management behaviours are also more likely to emphasise consistency and transparency of their performance reviews, but not how meaningful the performance review is. This suggests that employees may see the outcome of performance reviews to be outside of line managers' control, while the consistency and transparency of the appraisal process is associated with line manager behaviour. Seeing the performance review as a meaningful exercise is also linked to the overall perception of being treated fairly by the employer.

Table 5: Employees' experiences of the performance management process, by sector (% agreeing or strongly agreeing)

	Private	Public	Voluntary
My performance review is a tick-box exercise rather than a meaningful process.	42	49	37
The performance review process is consistent across the organisation.	49	39	41
I understand the measures my organisation uses to assess my performance.	59	57	62
I was NOT surprised with the outcome of my last annual review.	75	77	87

Figure 1: To what extent do you feel the following individuals in your organisation are acting in your best interests at work? (% of employees saying 'to a large/to some extent')

The difference in attitudes towards a line manager and the rest of the organisation is also evident in the respondents' evaluation of the extent to which different stakeholders act in their best interest. Employees were more likely to say that line managers are acting in their best interests at work (for example, making decisions that support their well-being, enable them to do their job better), with only 12% responding that line managers don't act in their best interests at all, compared with a quarter of employees saying the same about senior managers and HR. Public sector employees felt most supported by their line manager across the three sectors, but least supported by senior managers and HR.

Comparing the impact of how the performance review was carried out with the pay outcomes for employees also confirms that the process itself has a significant bearing on employees' motivation and job satisfaction. Overall, individuals who had a pay rise are more likely to be motivated and satisfied. However, if the performance review process is viewed as a tick-box exercise, inconsistent and not transparent, their motivation and job satisfaction levels are lower than those of employees who had a pay cut or whose pay stayed the same, but who had a positive experience with their performance review.

In fact, even the employees who did not have the performance review at all are more likely to be motivated and satisfied with their jobs than those who said the performance review was not consistent or transparent, even if the latter had a pay rise.

Table 6: Comparison of motivation and job satisfaction scores between employees who view their performance review process positively, negatively, and those who do not have a performance review

	I am motivated with the organisation's core purpose (% agreeing or strongly agreeing)		Overall, how satisfied are you with your job? (% satisfied or very satisfied)	
	Had a pay rise in 2014	Pay cut or stayed the same	Had a pay rise in 2014	Pay cut or stayed the same
Viewing the performance review as meaningful	75	69	83	81
Viewing the performance review as a tick-box exercise	49	37	58	50
Viewing the performance review as consistent	73	61	82	78
Viewing the performance review as inconsistent	45	39	57	43
Understand the measures used to assess performance	68	62	78	75
Don't understand the measures used to assess performance	46	27	51	37
Employees who did not have a performance review	55	49	68	58

Work organisation

41%

41% of employees (33% in the public sector) are satisfied with the amount of influence they have in making work-related decisions.

Several aspects of how work is organised are recommended high-performance working practices, including employee voice, autonomy in the way they perform their job, and trust within the organisational culture.

Employees across sectors have a fair degree of opportunity to make suggestions, with 60% agreeing or strongly agreeing that the suggestions they make would be considered. The public sector is below average, with 52% of employees agreeing or strongly agreeing, counterbalanced by the voluntary sector, where 71% of employees believe their suggestion would be considered. At the same time, the degree to which employers act upon the suggestions may be lower, as only 41% of employees (33% in the public sector) are satisfied with the amount of influence they have in making work-related decisions.

Lack of autonomy in decision-making is underpinned by the excessive hierarchies in the public sector in particular, where 60% of employees are concerned with excessive managerial levels. However, an additional informal barrier to freedom to act at work may be the perceived prevalence of the blame culture, highlighted by 29% of employees, including 36% of employees in the public sector.

Table 7: Employees' experiences of how work is organised, by sector (% agreeing or strongly agreeing)

	All	Private	Public	Voluntary
I have sufficient influence in making work-related decisions.	41	44	33	52
If I make a suggestion to improve how I work, it will be considered.	60	61	52	71
My organisation's hierarchical structure is excessive.	40	34	60	42
My organisation has a strong blame culture.	29	28	36	25
I trust the directors/senior management team of my organisation.	42	45	28	46
I am satisfied with the amount of reporting I have to do on what I am doing.	45	46	44	53

Employee Outlook data has consistently shown lack of trust that employees invest in senior managers. Comparing trust in senior leadership with the blame culture prevalence suggests that this lack of trust is reciprocal: employees who feel less trusted by their employer are also less likely to trust their senior leaders. Excessive hierarchical structures and the amount of reporting are the factors most strongly associated with low trust in senior leaders.

Quality of relationship with the line manager can offset some of the dissatisfaction with how work is organised. For example, employees who work in organisations with excessive hierarchies are more likely to be motivated and satisfied with their job if their line manager demonstrates positive management behaviours. Similarly, employees with 'good' managers are more likely to be satisfied with their job, even in organisational environments characterised by a blame culture and lack of consideration for employees' suggestions.

At the same time, quality of line management behaviours does not have the same impact on employee motivation – employees who don't feel their suggestions would be considered or who work in 'blame culture' environments are less likely to be motivated, even if they have a good relationship with their line manager (see Table 8).

In the context of line manager ability to enhance employee outcomes, even where workers are not satisfied with the organisational environment and culture, it is important to consider managers' own experiences and the impact of those on the managerial style. For example, managers' own commitment to the organisation is associated with employees' motivation: those who disagree or strongly disagree that their manager is committed to the organisation are also less likely to say they are themselves motivated by the core purpose of their organisation.

Employees with 'good' managers are more likely to be satisfied with their job, even in organisational environments characterised by a blame culture and lack of consideration for employees' suggestions.

Table 8: Comparison of motivation and job satisfaction scores between employees who view their performance review process positively, negatively, and those who do not have a performance review

		I am motivated with the organisation's core purpose. (% agreeing or strongly agreeing)		Overall, how satisfied are you with your job? (% satisfied or very satisfied)	
		Employees satisfied with their line managers	Employees not satisfied with their line managers	Employees satisfied with their line managers	Employees not satisfied with their line managers
If I make a suggestion to improve how I work, it will be considered.	Agree	69	44	84	33
	Disagree	34	22	51	16
My organisation's hierarchical structure is excessive.	Agree	53	40	88	30
	Disagree	73	25	68	21
My organisation has a strong blame culture.	Agree	52	57	87	36
	Disagree	70	19	62	14

Conclusions

Not having a performance review is better for employees' motivation and job satisfaction than having a poor performance review experience, even when they get a pay rise.

Although discrete management practices are directly associated with employee outcomes, such as motivation and job satisfaction, this relationship changes when interaction between different practices is taken into consideration.

While one-to-ones are good for employees' clarity of objectives, more time spent in one-to-one discussions with a 'good' line manager doesn't make a difference to employees' motivation and job satisfaction. On the other hand, spending more time with a 'bad' line manager considerably decreases their motivation levels.

A regular performance review process is an important factor contributing to employees' clarity on how their objectives fit with the overall strategy. However, if performance reviews are perceived as a tick-box exercise, inconsistent and not transparent, they have a far more detrimental effect on employees' motivation and job satisfaction levels. Not having a performance review is better for employees' motivation and job satisfaction than having a poor performance review experience, even when they get a pay rise.

Employees whose line managers demonstrate positive management behaviours are also more likely to indicate consistency and transparency of their performance reviews. However, the quality of line management does not have an effect on how meaningful the performance review is perceived, suggesting that the outcome of the performance reviews may be out of line managers' hands.

Quality of relationship with the line manager can offset some of the dissatisfaction with how work is organised. For example, employees who work in organisations with excessive hierarchies are more likely to be motivated and satisfied with their job if their line manager demonstrates positive management behaviours. However, employees are less likely to be motivated by the core purpose of their job, even with good line managers, in the environments with a blame culture and lack of consideration for employee suggestions.

Background to the survey

The CIPD has commissioned a quarterly survey among UK employees (including sole traders) to identify their opinions of and attitudes towards working life today, particularly during these difficult economic times.

YouGov conducted the latest quarterly online survey for the CIPD of 2,153 UK employees from 13–23 June 2014. This survey was administered to members of the YouGov Plc UK panel of more than 350,000 individuals who have agreed to take part in surveys. The sample was selected and weighted to be representative of the UK workforce in relation to sector and size, industry type and full-time/part-time working by gender. The sample profile is normally derived from census data or, if not available from the census, from industry-accepted data.

Panellists who matched the sample profile (as explained above) were selected at random from the YouGov Plc UK panel and were sent an email inviting them to take part in the survey.

Respondents were drawn from a mixture of public, private and voluntary organisations. Size of organisation was classified in the following way: sole trader (one-person business), micro business (2–9), small business (10–49), medium (50–249) and large (more than 250).

Table 9: Profile of respondents

Employee demographics	Percentage
Full-time	70
Part-time	30
Male	51
Female	49
18–24 years old	6
25–34 years old	17
35–44 years old	21
45–54 years old	26
55 and over	30
Private sector employee	72
Public sector employee	22
Voluntary sector employee	6

Table 10: Profile of respondents by employment category

Type of employment	Percentage
Permanent employees with fixed hours	81
Permanent employees with variable hours	10
Fixed-term contract	4
Agency worker	1
Casual worker directly employed by the organisation	2
Self-employed	1

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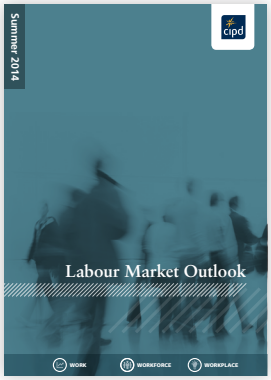
CIPD Outlook Series

The *Employee Outlook*, published twice-yearly in partnership with Halogen, provides an update on the attitudes of employees in the UK and the HR challenges facing employers. It covers attitudes towards management, work–life balance, workload and pressure, communication, and bullying and harassment. Periodic focus reports cover topical issues.

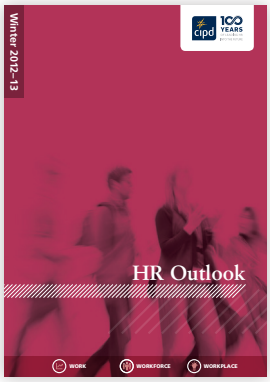
Others in the series



Labour Market Outlook

The *Labour Market Outlook* provides a quarterly update on key HR, economic and labour market statistics. The aim of the survey is to produce an industry-valued benchmark of key HR statistics that can be used by CIPD members, as well as those in government, policy and wider business circles.

cipd.co.uk/labourmarketoutlook



HR Outlook

The *HR Outlook* provides valuable insight and expert commentary on the HR profession. It explores the size and shape of HR functions, comments on the capabilities of HR professionals and outlines emerging trends and future priorities.

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