

**WINTER 2011/12**



# **EMPLOYEE OUTLOOK**

PART OF THE **CIPD OUTLOOK** SERIES

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# Summary of key findings

## Employee engagement

This quarter's survey includes a new employee engagement index made up of responses to a number of questions known to be integral to understanding the level of engagement an employee feels toward their organisation (see box below). The index shows that, while 36% of employees are actively engaged at work, the majority of respondents (60%) are neutral – neither engaged nor disengaged. Just 3% of respondents are disengaged.

## Job satisfaction

Overall, job satisfaction has risen this quarter to an annual high of +41, from +38 in autumn 2011 and +35 in summer 2011. Public worker job satisfaction has risen this quarter to +34 from +24 in autumn 2011 and the trend for younger workers has taken a change of direction and is on the up again (+43). Regional differences this quarter show that employees in Wales (+52) have the highest job satisfaction, which is the opposite to last quarter, when the score was the second lowest of all regions (+29). Interestingly, Northern Ireland has gone from high job satisfaction last quarter (+45) to the lowest (+13) this quarter.

## Employee attitudes towards managers

Employees continue to be generally positive in their attitudes towards their immediate line managers. Young workers (18–24) have the most positive attitudes towards their immediate line managers on all measures, while ages 35–54 are the least positive. This is similar to overall satisfaction levels this quarter by age group. Commitment to the organisation and fair treatment of employees are the highest-scoring facets of management, while training, coaching and development needs remain the areas of weakness.

## Employee perceptions of their senior managers

Overall, respondents continue to be less positive in their attitudes towards their senior managers. This quarter sees a very slight improvement in confidence in senior managers (–2) and clarity of vision (+18), both of which had decreased last quarter. However, confidence in senior managers is still a negative score, and the lowest score remains around leaders' consultation with employees regarding important decisions

(–31). This score has consistently decreased throughout the year, along with trust in leaders (–9), which this quarter is particularly low among middle and junior management (–15 and –17 respectively).

## Communication and advocacy

Half of respondents (50%) feel fully or fairly well informed about what is happening within their organisations; this has stayed fairly constant over the year. Younger workers (18–24) feel the most informed (69%) and also feel the most satisfied with opportunities to feed views upward, and they are more likely to recommend their organisation to others. Overall, however, satisfaction with opportunity to feed views upwards remains fairly negative; the net satisfaction rate is +12, but scores for those working in the public sector are low at –7. In terms of sector, those working in the voluntary sector are most likely to recommend their employer (58%), compared with 48% in the private sector and 41% in the public sector.

## Pressure at work

The proportion of staff saying they are under excessive pressure either every day or once or twice a week has fallen since last quarter, with 37% saying they are under excessive pressure either every day or once or twice a week. This compares with 42% for the previous three months.

Public sector employees are significantly more likely to report they are under excessive pressure than employees in the other two main sectors, with 42% saying they are under excessive pressure either every day (14%) or once or twice a week (28%).

## Work-life balance

The proportion of employees agreeing or strongly agreeing they achieve the right work–life balance has remained virtually static since the last quarter at 59%. Private sector employees are most likely to agree (59%) and those in the public sector least likely to (57%). Men are significantly less likely to agree they achieve the right work–life balance (54%) than women (64%). Middle managers are the category of employee least likely to say they achieve the right work–life balance, with just 44% agreeing.

## Job security

The proportion of employees saying it is likely or very likely they could lose their job as a result of the economic downturn has edged up to 21% from 20% for the previous quarter. There has been a decrease in the proportion of public sector workers saying it is likely they could lose their jobs to 27% from 29% for the previous quarter. However, there has been a slight increase in the proportion of private sector workers saying it is likely they could lose their jobs, from 17% to 19%.

## Redundancy

About a third of employees (34%) report their organisation has made redundancies as a result of the economic downturn, down from 37% last quarter. The proportion of public sector staff saying their organisation has made redundancies has remained static at 57%. In all, 28% of private sector employees report their organisation has made redundancies compared with 31% last quarter.

## Training

There has been a slight reduction in the proportion of employees reporting their organisation has cut back on training to 24% from 27% for the previous quarter. Private sector and voluntary sector respondents are least likely to say this is the case (19%), with those in the public sector most likely to report training cut-backs (45%).

## Pay

In all, 43% of employees report their organisation has frozen pay, down from 45% for the last quarter. Public sector respondents are most likely to report a pay freeze, with 75% saying this is the case, unchanged from the previous quarter. The proportion of private sector employees reporting a pay freeze has fallen to 33% from 37%, while 49% of voluntary sector respondents report a pay freeze compared with 53% in the autumn.

## Job-seeking

Over a fifth (21%) of respondents are looking for a new job with a different employer. Respondents from the voluntary sector remain the most likely to be seeking out new

opportunities and those from the private sector least likely to be. This quarter, 25–34-year-olds (32%) are most likely of the age groups to be seeking new employment, though this is still fewer than in the last quarter (35%). The number of 18–24-year-olds job-hunting has reduced this quarter compared with the autumn (27% from 48%). Interestingly, middle managers are the most likely to be looking for a new job (29%), with board-level managers/directors close behind (27%). For both middle managers and board-level employees, this is an increase on last quarter's figures.

# Job satisfaction and engagement

This quarter's survey includes a new employee engagement index made up of responses to a number of questions known to be integral to understanding the level of engagement an employee feels toward their organisation (see box below).

The index shows that, while 36% of employees are actively engaged at work, the majority of respondents (60%) are neutral – neither engaged nor disengaged. Just 3% of respondents are disengaged.

**Table 1: The extent to which employees are engaged at work, by gender and main sectors (%)**

	All	Men	Women	Private sector	Public sector	Voluntary sector
Engaged	36	34	39	37	31	52
Neutral	60	62	58	60	65	47
Disengaged	3	4	3	4	3	1

**Table 2: The extent to which employees are engaged at work, by age (%)**

	18–24	24–34	35–44	45–54	55+
Engaged	29	40	33	33	39
Neutral	68	56	64	63	58
Disengaged	3	4	3	5	3

**Table 3: Are you currently looking for a new job with a different organisation? (%)**

	All employees	Engaged	Neutral	Disengaged
Yes	21	8	27	58
No	79	92	73	42

## The employee engagement index

These questions asked the extent to which an employee:

- takes on more work to help colleagues
- works more hours than is paid or contracted to
- feels under excessive pressure in their job
- has positive relationships with colleagues
- achieves what they feel to be the right home/work–life balance
- is satisfied with the content of their job role
- is satisfied with their job overall
- is satisfied with their relationship with their line manager or supervisor
- thinks their employer treats them fairly
- has a clear knowledge of the purpose of their organisation
- is motivated by that purpose
- feels their organisation gives them the opportunity to learn and grow
- has confidence in the directors/senior managers of their organisation
- trusts the directors/senior managers of their organisation
- is likely to recommend their organisation as an employer

## Methodology

These variables were then compared with each other using factor analysis to compare the level of overlap that existed between them. In doing so, there emerged seven distinct groups of variables which were contributing different elements to overall engagement.

All variables were then aggregated together to give an overall score. So as to not overweight any individual element in the calculation of the index, where more than one question added to the same indicator of engagement, each response was downweighted (if there were four questions in a category, for example, they were each given a weighting of 0.25 so the group as a whole totalled a value of one-seventh of the index).

The total score was then indexed between 1 and 100 using a coefficient.

# EMPLOYEE OUTLOOK

Women are significantly more likely to be engaged than men. Voluntary sector respondents are most likely to be engaged (52%), followed by those in the private (37%) and public sectors (31%).

There is a strong link between employees who are looking for a new job and employee engagement. Of the 36% of employees that are engaged, just 8% are looking for a new job compared with a survey average of 21%. In contrast, 27% of those respondents with neutral engagement are looking for a new job as are 58% of disengaged staff.

Overall, job satisfaction has risen this quarter to an annual high of +41, from +38 in the autumn and +35 in the summer.

However, the overall score is made up of several differences across sectors. Employees in the voluntary sector are now the most satisfied again (+45 from +31 last quarter), overtaking private sector employees (+43 compared with +41 last quarter). Public sector job satisfaction has risen this quarter to +34 from +24 in autumn 2011.

The trend for younger workers has taken a change of direction and is on the up again (+43 compared with +3 last quarter), with satisfaction levels heading towards those we saw this time last year (+55, winter 2010–11). Apart from

those in the age group 45–54, job satisfaction has also improved for all other ages this quarter, with those who are 55+ being the most consistently satisfied with their jobs.

The gap between the job satisfaction of men (+38) and women (+46) has stayed the same this quarter (autumn: men (+34), women (+42)).

Employees working for small or micro organisations continue to be the most satisfied (+42 and +57 respectively), while those in large organisations continue to be the least satisfied (+33), though with some improvement on last quarter.

Regional differences this quarter show that employees in Wales (+52) have the highest job satisfaction, which is the opposite to last quarter when the score was the second lowest of all regions (+29). The east of England (+51) and the south-west (+48) also have high satisfaction this quarter, whereas Northern Ireland (+13), the north-west (+28) and London (+32) have the lowest job satisfaction. Interestingly, Northern Ireland has gone from high job satisfaction last quarter (+45) to the lowest (+13) this quarter. The north-east has also experienced a leap in satisfaction levels this quarter (+46 from +22 autumn 2011), as well as the east of England (+51 from +37).

**Table 4: Employee net satisfaction, by age**

	Winter 2011–12	Autumn 2011	Summer 2011
18–24	+43	+3	+13
25–34	+36	+30	+25
35–44	+33	+30	+25
45–54	+33	+37	+33
55+	+56	+52	+48

**Table 5: Employee net satisfaction, by sector and size of organisation**

	Winter 2011–12	Autumn 2011	Summer 2011
Overall	+41	+38	+35
Voluntary sector	+45	+31	+39
Private sector firm or company	+43	+41	+34
Public sector firm of company	+34	+24	+30
Micro businesses	+57	+57	+40
Small businesses	+42	+45	+37
Medium businesses	+36	+31	+36
Large businesses	+33	+26	+25

Table 6: Employee net satisfaction, by geographic region

	Winter 2011–12	Autumn 2011
North-east of England	+46	+22
North-west of England	+28	+30
Yorkshire	+47	+40
East Midlands	+34	+39
West Midlands	+47	+45
East of England	+51	+37
London	+32	+33
South-east of England	+46	+41
South-west of England	+48	+49
Wales	+52	+29
Scotland	+38	+37
Northern Ireland	+13	+45

## Employee attitudes towards managers

Employees continue to be generally positive in their attitudes towards their immediate line managers. Young workers (18–24) have the most positive attitudes towards their immediate line managers across all measures (77%), while ages 35–54 are the least satisfied of all age groups (62% for 35–44 and 56% for 45–54). This is similar to overall satisfaction levels this quarter by age group.

Employees are most likely to feel that their managers are always/usually committed to their organisation (68%) and treat them fairly (68%). On the other hand, employees are least likely to say that their manager always/usually coaches them on the job (26%), discusses their training and development needs (36%) or gives them feedback on how they are performing (44%). So clearly managers need to do some more

work around personal development to boost motivation, particularly important in the current environment.

As trust in senior leaders continues to decrease (see below), it is interesting that more than half (57%) of employees believe their line managers are open and honest. This can often have a mitigating effect.

### Employee perceptions of their senior managers

Overall, respondents continue to be less positive in their attitudes towards their senior managers. This quarter sees a very slight improvement in confidence in senior managers (–2) and clarity of vision (+18), both of which had decreased last quarter. However, confidence in senior managers is still a negative score. The lowest score remains around leaders’

**Table 7: To what extent does your immediate supervisor/manager or boss always or usually do each of the following? (%)**

	Winter 2011–12	Autumn 2011	Summer 2011
Consults me on matters of importance to me	53	52	53
Discusses my training and development needs with me	36	38	38
Recognises when I have done a good job	52	52	54
Makes me feel my work counts	51	49	50
Gives me feedback on how I am performing	44	42	43
Is open and honest	57	56	55
Is supportive if I have a problem	61	61	60
Keeps me in touch with what’s going on	48	46	49
Makes clear what is expected of me	58	56	58
Listens if I have a suggestion to make	60	60	59
Treats me fairly	68	68	69
Is committed to my organisation	68	68	70
Makes sure I have the resources to do the job	49	50	51
Coaches me on the job	26	25	26

**Table 8: Net ‘agree’ scores with the following statements about directors/senior managers (%)**

	Winter 2011–12	Autumn 2011	Summer 2011
They consult employees about important decisions.	–31	–29	–27
They treat employees with respect.	+7	+6	+8
I trust them.	–9	–4	–5
I have confidence in them.	–2	–4	–1
They have a clear vision of where the organisation is going.	+18	+12	+19

**Table 9: Net satisfaction scores, by sector (winter 2011–12 and autumn 2011) (%)**

	Private sector		Public sector		Voluntary sector	
	Winter 2011–12	Autumn 2011	Winter 2011–12	Autumn 2011	Winter 2011–12	Autumn 2011
They consult employees about important decisions.	-28	-26	-43	-45	-14	-16
They treat employees with respect.	+13	+15	-16	-27	+16	+20
I trust them.	+1	+6	-47	-46	+4	+4
I have confidence in them.	+9	+7	-41	-43	+10	-4
They have a clear vision of where the organisation is going.	+27	+22	-10	-19	+25	+14

consultation with employees regarding important decisions (-31), which has declined throughout the year, along with trust in leaders (-9).

Perceptions of leadership continue to be much worse in the public sector, with every item having a negative net satisfaction score. However, compared with last quarter, the scores are starting to improve around treating employees with respect (-16) and having a clear vision (-10). Trust continues to decrease further in both the private and public sector, remaining steady in the voluntary sector but with no signs of returning to the levels of spring 2011. In the private sector, employees have increased confidence in senior managers (+9) and scores for clear vision have returned to higher levels of satisfaction (+27). Similarly, the voluntary sector is also showing signs of increased confidence in senior managers (+10) and clear vision (+25) compared with the last quarter. However, there is no improvement in employee consultation and respect scores continue to decrease further (+16).

By management level, middle managers and junior managers/team leaders are particularly negative around trust in senior management (-15 and -17 respectively compared with -9 overall) and regarding the level of employee consultation about important decisions (-31 and -37 respectively).

### Communication and advocacy

Half of respondents (50%) feel fully or fairly well informed about what is happening within their organisations; this has stayed fairly constant over the year. Respondents from the voluntary sector are still the most likely to feel fully or fairly well informed (54%), but this score has decreased further from the last two quarters (57%), with public sector respondents feeling least likely to be informed (45%), followed by those in the private sector (51%).

When it comes to satisfaction with opportunity to feed views upwards, the findings remain fairly negative. Overall, the net satisfaction rate is +12, but scores for those working in the public sector are low at -7.

Just under half of the sample (48%) would be very likely or likely to recommend their organisation as an employer to others. Those working in the voluntary sector are most likely to recommend their employer (58%), compared with 48% in the private sector and 41% in the public sector.

**Table 10: How well informed do you feel about what is happening within your organisation? (% who feel fully or fairly well informed)**

	Winter 2011–12	Autumn 2011	Summer 2011
Overall	50	51	52
Private	51	51	50
Public	45	46	49
Voluntary	54	57	64

## Pressure at work

The proportion of staff saying they are under excessive pressure either every day or once or twice a week has fallen since last quarter, with 37% saying they are under excessive pressure either every day or once or twice a week. This compares with 42% for the previous three months.

Public sector employees are significantly more likely to report they are under excessive pressure than employees in the other two main sectors, with 42% saying they are under excessive pressure either every day (14%) or once or twice a week (28%). However, this has fallen significantly from last quarter, when 52% reported being under excessive pressure either every day (19%) or once or twice a week (33%).

There has also been a fall in reported pressure in the voluntary sector. In all, 34% of staff in this sector say they are under excessive pressure either every day (10%) or once or twice a week (24%). Last quarter, 42% of voluntary sector employees said they were under excessive pressure either every day (6%) or once or twice a week (36%).

Nearly four in ten (36%) private sector staff report being under pressure either every day (11%) or once or twice a week (25%). This has also fallen from last quarter's figure of 40%.

Men are significantly more likely than women to report being under excessive pressure at work (see Table 11).

Middle managers are most likely to report being under excessive pressure, with 49% saying they are under excessive pressure either every day or once or twice a week. Employees with no managerial responsibility are least likely to report being under excessive pressure – only 30% say they are under excessive pressure either every day or once or twice a week. See Table 12.

**Table 11: Proportion of employees saying they are under excessive pressure at work... (%)**

	All	Men	Women	Private sector	Public sector	Voluntary sector
Every day	11	13	10	11	14	10
Once or twice a week	26	29	22	25	28	24
Once or twice a month	27	26	29	28	26	26
Less frequently than once or twice a month	25	23	26	26	21	27
Never	11	9	12	11	10	12

**Table 12: Proportion of employees saying they are under excessive pressure at work, by category of employee (%)**

	Board-level manager/ Director	Other senior managers	Middle manager	Junior/line manager	Employees
Every day	14	12	18	15	9
Once or twice a week	31	30	31	32	21
Once or twice a month	35	38	26	29	29
Less frequently than once or twice a month	13	15	18	22	30
Never	7	6	7	3	12

# Work-life balance

The proportion of employees agreeing or strongly agreeing they achieve the right work-life balance has remained virtually static since the last quarter at 59%. Private sector employees are most likely to agree (59%) and those in the public sector least likely to (57%).

Men are significantly less likely to agree they achieve the right work-life balance (54%) than women (64%).

Middle managers are the category of employee least likely to say they achieve the right work-life balance, with just 44% agreeing. This compares with 51% of board-level directors that agree they achieve the right work-life balance and 52% of junior managers and supervisors. In all, 70% of employees in non-managerial positions agree they achieve the right work-life balance.

There is a strong association between employees who agree they achieve the right balance between their work and home lives and respondents who express satisfaction with their jobs.

In all, 37% of employees agree or strongly agree their organisation provides them with support to help them manage their work-life balance, with voluntary sector employees most likely to agree this is the case (42%), followed by those in the private sector (37%) and those in the public sector (35%).

Employees that believe their organisation supports their work-life balance have a more positive view of senior management. Respondents that agree their organisation provides support to help them manage their work-life balance are much more likely to also agree that they trust the senior management team and to agree that senior managers treat employees with respect.

**Table 13: Proportion of employees agreeing they achieve the right balance between their work and home lives (%)**

	All	Men	Women	Private sector	Public sector	Voluntary sector
Strongly agree	14	13	15	14	12	16
Agree	45	41	49	45	45	41
Neither agree nor disagree	17	19	15	17	18	18
Disagree	17	20	15	17	19	19
Strongly disagree	6	7	5	6	5	5
Not sure	1	1	0	1	0	1
Not applicable	0	0	0	0	1	0

**Table 14: The proportion of employees agreeing their organisation provides them with support to help them manage their work-life balance (%)**

	All	Men	Women	Private sector	Public sector	Voluntary sector
Strongly agree	7	6	8	8	5	7
Agree	30	26	34	29	30	35
Neither agree nor disagree	24	26	21	23	26	25
Disagree	22	23	21	22	23	19
Strongly disagree	12	13	11	13	11	8
Not sure	1	1	1	1	1	1
Not applicable	5	6	4	5	3	4

# EMPLOYEE OUTLOOK

Almost four in ten (39%) of employees agree their manager provides support to help them manage their work-life balance. Public sector employees are most likely to agree this is the case (43%), with private sector staff least likely to (38%).

The survey highlights the importance of management support for employees' work-life balance as a way of preventing stress at work. Respondents who agree their manager provides support over their work-life balance are much less likely to say they are under excessive pressure every day than those who disagree.

**Table 15: The proportion of employees agreeing their *manager* provides them with support to help them manage their work-life balance (%)**

	All	Men	Women	Private sector	Public sector	Voluntary sector
Strongly agree	8	7	9	8	6	12
Agree	31	29	34	30	37	28
Neither agree nor disagree	23	23	23	22	24	24
Disagree	19	20	17	18	20	21
Strongly disagree	11	12	9	11	9	6
Not sure	0	0	0	0		1
Not applicable	8	9	7	9	4	9



## Employee attitudes and the economic downturn

The proportion of employees saying it is likely or very likely they could lose their job as a result of the economic downturn has edged up to 21% from 20% for the previous quarter. There has been a decrease in the proportion of public sector workers saying it is likely they could lose their jobs to 27% from 29% for the previous quarter. However, there has been a slight increase in the proportion of private sector workers saying it is likely they could lose their jobs from 17% to 19%. The proportion of voluntary sector workers reporting it is likely they could lose their jobs has fallen marginally to 25% from 28% for the previous quarter.

There has been very little change in how employees view their chances of finding a new job if they are made redundant, with most respondents remaining very gloomy about their potential employment prospects. In all, 10% of employees think it would be easy or very easy to find a new job if they lost their current position, unchanged from the previous quarter. Private sector employees are most optimistic, with 12% thinking it would be easy or very easy to find a new job compared with 11% for the previous quarter. Voluntary sector workers are also more upbeat about their job prospects if they lost their current job, with 10% saying it would be easy or very easy to find a new job in contrast to 6% in autumn 2011. However, just 4% of public sector workers think it would be easy to find a new job, down from 8% last quarter.

**Table 16: Proportion of employees saying it is likely or unlikely that they could lose their jobs as a result of the economic downturn (%)**

	All	Private sector	Public sector	Voluntary sector
Very likely	5	4	9	6
Likely	16	15	18	19
Neither likely nor unlikely	27	28	25	24
Unlikely	30	31	29	21
Very unlikely	18	17	16	27
Don't know	5	5	2	3

**Table 17: Proportion of employees thinking it would be easy or difficult to find another job if they were to lose their current job (%)**

	All	Private sector	Public sector	Voluntary sector
Very easy	2	2	1	3
Easy	8	10	3	7
Neither easy nor difficult	19	20	16	17
Difficult	33	33	37	33
Very difficult	34	32	37	37
Don't know	5	4	5	2

# EMPLOYEE OUTLOOK

About a third of employees (34%) report their organisation has made redundancies as a result of the economic downturn, down from 37% last quarter. The proportion of public sector staff saying their organisation has made redundancies has remained static at 57%. In all, 28% of private sector employees report their organisation has made redundancies compared with 31% last quarter.

The proportion of workers saying their organisation is planning to make redundancies has reduced slightly to 16% from 19% for the previous quarter. Nearly four in ten (38%) of public sector workers report their organisation is planning redundancies, a significant decrease over the quarter from 47%. One in ten (10%) private sector employees say their employer is planning redundancies, virtually unchanged from the previous quarter (11%). In all, 17% of voluntary sector workers report their employer is planning redundancies, compared with 16% in summer 2011.

There has been a slight reduction in the proportion of employees reporting their organisation has cut back on training to 24% from 27% for the previous quarter. Private sector and voluntary sector respondents are least likely to say this is the case (19%), with those in the public sector most likely to report training cut-backs (45%).

In all, 43% of employees report their organisation has frozen pay, down from 45% for the last quarter. Public sector respondents are most likely to report a pay freeze, with 75% saying this is the case, unchanged from the previous quarter. The proportion of private sector employees reporting a pay freeze has fallen to 33% from 37%, while 49% of voluntary sector respondents report a pay freeze compared with 53% in the autumn.

The proportion of respondents saying their employer has reduced contributions to employee pensions has fallen slightly overall to 7% from 8% last quarter. However, the proportion of public sector workers reporting cuts to pensions has increased to 15% from 13%

last quarter. This suggests public sector respondents are increasingly taking account of government plans to reform public sector pensions by increasing employee contributions and moving from final salary to career average schemes.

The survey asks a number of questions around the issue of relationships and well-being to gauge the extent to which the economic downturn is impacting on day-to-day working life. Almost a fifth (17%) of employees say there has been an increase in conflict at work between colleagues, a slight fall from 20% last quarter. In all, 16% of employees report an increase in bullying by line managers, a slight decrease from 17% in summer 2011. In all, 51% of respondents have noticed an increase in stress in the workplace compared with 54% for the previous quarter. The proportion of employees saying they have noticed an increase in people taking time off sick has decreased to 23% from 26%. See Table 19.

The survey also asked respondents to agree or disagree with a number of statements on how they as individuals have been affected by the economic downturn. Compared with the last quarter, employees are slightly more likely to agree that they feel less secure in their jobs as a result of the economic downturn, with 49% agreeing and 25% disagreeing (net agree score +24). See Table 20.

Respondents are marginally more likely to disagree that they are learning new skills, with the net agree score moving to -21 from -13. They are also slightly more likely to disagree that there are more opportunities to progress as a result of the downturn compared with last quarter, with the net agree score moving to -57 from -56. There is also very little change to the negative perceptions employees typically have about the chances of finding work elsewhere. However, there has been a fall in the proportion of respondents agreeing there is more stress at work, with the net score moving to +39 from +46 for the previous month.

**Table 18: In which ways, if at all, has your organisation been affected by the economic downturn? (%)**

	All	Private sector	Public sector	Voluntary sector
It has made redundancies.	34	28	57	38
It is planning to make redundancies.	16	10	38	17
It has cut back on training.	24	19	45	21
It has cut back on the number of hours that people work.	20	22	17	16
It has increased the number of hours that people work.	6	7	4	5
It has frozen pay.	43	33	75	49
It has cut pay.	6	5	10	5
It has frozen recruitment.	34	29	58	19
It has reduced the amount contributed to employee pensions.	7	6	15	4
It has reduced employee benefits/perks.	19	18	26	18
It has been affected in some other way.	22	18	25	39
It has not been affected by the economic downturn.	12	16	3	5
Don't know	6	7	4	4

**Table 19: As a result of the economic downturn, have you noticed any of the following? (%)**

	All	Private sector	Public sector	Voluntary sector
An increase in conflict at work between colleagues	17	16	21	14
An increase in bullying by line managers	16	14	21	11
An increase in stress	51	47	65	44
An increase in people taking time off sick	23	19	38	15
None of these	42	46	27	46

**Table 20: Ways in which individuals have been affected by the economic downturn (%)**

	Winter 2011–12	Autumn 2011	Summer 2011	Spring 2011
I feel less secure in my job.	24	22	24	25
I am learning new skills.	-21	-13	-15	-23
There are more opportunities to progress.	-57	-56	-58	-62
I feel confident of finding work elsewhere.	-50	-49	-50	-51
I feel worried by the future.	40	42	44	38
There are more office politics.	17	24	25	21
There is more conflict in the workplace.	-8	1	2	-2
There is more stress at work.	39	46	44	42
I am concerned about being made redundant.	8	6	8	11
I am less trusting of colleagues.	-18	-19	-19	-23
I am less trusting of my manager.	-6	-5	-6	-9
My workload has increased.	23	32	38	25

Compared with other categories of employee, middle managers appear to have some of the most negative views on how they have been affected by the economic downturn. They are the category of employees most likely to say they feel less secure in their job and are concerned about being made redundant. They are also most likely to be worried by the future and to agree that their workload has increased and that there is more stress at work. See Table 21.

Employees with no managerial responsibility are least likely to agree that they feel confident of finding work elsewhere or that they are learning new skills.

Line managers are most likely to agree that there is more office politics at work and are a close second to middle managers in terms of agreeing there is more stress at work.

# EMPLOYEE OUTLOOK

**Table 21: Ways in which individuals have been affected by the economic downturn, by category of employee (%)**

	Board-level manager/ Director	Other senior managers	Middle manager	Junior/line manager	Employees
I feel less secure in my job.	17	21	43	24	26
I am learning new skills.	4	4	-16	-17	-24
There are more opportunities to progress.	-37	-44	-61	-57	-66
I feel confident of finding work elsewhere.	-24	-46	-42	-50	-63
I feel worried by the future.	2	39	50	43	38
There are more office politics.	10	2	32	34	23
There is more conflict in the workplace.	-2	-25	3	1	-14
There is more stress at work.	38	46	58	48	32
I am concerned about being made redundant.	-12	-6	25	13	12
I am less trusting of colleagues.	-24	-32	-24	-26	-32
I am less trusting of my manager.	-21	-10	4	-2	-13
My workload has increased.	15	40	50	36	10

## Standard of living and pay

Employees are still much more likely to say their standard of living has worsened than improved over the previous 12 months, but since the last quarter the net balance saying their standard of living has worsened has declined. In all, 9% of respondents say their standard of living has improved over the last six months compared with 32% saying their standard of living has worsened (net balance -23). This compares to a net balance of -28 for the previous quarter. See Table 22.

There has been a positive move across all sectors since last quarter, with a reduction in the proportion of respondents saying their standard of living has worsened over the previous six months, although the net balance is still firmly in negative territory. See Table 23.

**Table 22: Proportion of employees saying their standard of living has improved, stayed the same or worsened over the last six months (%)**

	Winter 2011-12	Autumn 2011	Summer 2011	Spring 2011
Improved	9	9	7	9
Stayed the same	59	55	56	54
Worsened	32	37	36	37
Net balance	-23	-28	-29	-28

**Table 23: Proportion of employees saying their standard of living has improved, stayed the same or worsened, by sector (%)**

	Winter 2011-12			Autumn 2011		
	Private sector	Public sector	Voluntary	Private sector	Public sector	Voluntary
Improved	10	7	5	9	4	12
Stayed the same	59	56	67	56	49	52
Worsened	31	37	28	35	47	36
Net balance	-21	-30	-23	-26	-43	-24

# Job-seeking

Over a fifth (21%) of respondents are looking for a new job with a different employer. As with the results of last quarter, respondents from the voluntary sector are most likely to be seeking out new opportunities, with those from the private sector least likely to be.

This quarter, those who are most likely to be looking for a new job are 25–34-year-olds (32%), though this is still fewer than in the last quarter (35%). The number of 18–24-year-olds looking for a new job has reduced this quarter compared with autumn (27% from 48%). Employees aged 55 and above remain the least likely to be job-hunting (11%).

Interestingly, middle managers are the most likely to be looking for a new job (29%) in terms of management level. However, board-level managers/directors are not far behind, with 27% reporting that they are currently looking for a new job with a different employer. For both middle managers and board-level employees, this is an increase on last quarter's figures.

**Table 24: Are you looking for a new job with a different employer? (%)**

Winter 2011–12	21
Autumn 2011	22
Summer 2011	24

**Table 25: Proportion looking for a new job, by sector (%)**

	Winter 2011–12	Autumn 2011	Summer 2011
Private	20	20	24
Public	23	25	22
Voluntary	26	38	30

**Table 26: Proportion looking for a new job, by age (%)**

	Winter 2011–12	Autumn 2011
18–24	27	48
25–34	32	35
35–44	27	22
45–54	23	23
55+	11	13

## Conclusions

According to our new index of employee engagement, just 36% of respondents are actively engaged at work, with engagement levels particularly low in the public sector. The employee engagement index is made up of responses to a number of questions known to be integral to understanding the level of engagement an employee feels toward their organisation. We will be tracking this closely over the coming quarters to help us benchmark how UK employee engagement levels change and also to help understand what employers can do to bolster employee engagement against a tough economic backdrop.

Despite the state of the economy, job satisfaction has risen this quarter to an annual high of +41, with scores increasing across the private, public and voluntary sectors. There has also been a fall in the proportion of employees saying they feel under excessive pressure either every day or once or twice a week. A key determinant of both job satisfaction and how much pressure employees feel under at work is line management behaviour and employee attitudes to their line managers remain generally positive. This is particularly the case in terms of how supportive employees feel managers are if they have a problem, the extent to which they feel they are treated fairly and the degree to which they think managers are committed to the organisation.

However, managers are still failing to develop staff effectively, with a minority of employees saying their manager always or usually discusses their training and development needs, coaches them on the job or gives feedback on how they are performing.

In addition, attitudes to senior management continue to be mainly negative. There has been a slight improvement in confidence in senior managers but trust has declined further and the degree employees feel managers consult with them has fallen to another record low.

Employees are more likely to trust senior managers and to say that senior managers treat employees with respect if they agree that their organisation provides support to help them manage their work-life balance.

There has been no change since the last quarter in the proportion of employees saying they achieve the right balance between their work and home lives, with six in ten respondents agreeing this is the case.

A finding that came through strongly in this survey is the plight of the UK's middle managers who appear to be feeling the squeeze as organisations face increasing pressure to cut costs, while boosting innovation, service quality and productivity. Compared with other categories of staff, middle managers are least satisfied with their work-life balance, most likely to say they are under excessive pressure every day, and also most likely to be looking for a new job. They also have least job security, with nearly one in three thinking it likely they could lose their job as a result of the economic downturn.

Middle managers are often caught in the middle between delivering strategic objectives and managing under-pressure line managers. They can also be first in line when organisations look to reduce head count. However, it is important the value of middle managers is not underestimated. The CIPD's Shaping the Future action research project found that suitably skilled middle managers can play a key role in managing change and organisation transformation. As translators they can facilitate two-way communications between leaders and the front line and as transformers they can bring change to life. Much of this can be lost when change involves 'delaying' this middle-management tier, rather than refocusing, retraining and drawing on their skills and experiences.

# 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 2,047 UK employees from 18 December 2011 to 4 January 2012.

This survey was administered to members of the YouGov Plc UK panel of more than 285,000 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 (private, public, voluntary), 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.

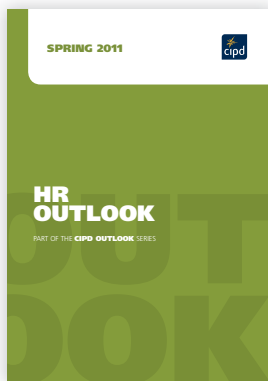
Respondents were drawn from a mixture of public, private and voluntary organisations. Size of organisation was classified in the following way: sole trader (one-person business), micro business (2–9), small business (10–49), medium (50–249) and large (more than 250).

Net scores refer to the proportion of people agreeing with a statement minus those disagreeing.

# CIPD OUTLOOK SERIES

The *Employee Outlook* is part of the CIPD Outlook series, which also includes the *HR Outlook* and the *Labour Market Outlook*. Drawing on a range of perspectives (and with the opportunity to compare data across our regular surveys), this triad of research enables the CIPD to offer unique insight and commentary on workplace issues in the UK.

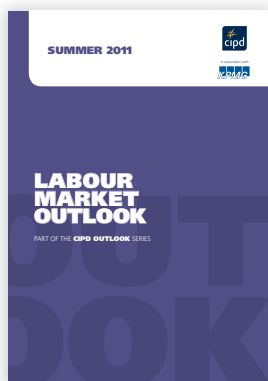
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### HR OUTLOOK

The *HR Outlook* provides valuable insight and expert commentary on the HR profession. Published biannually, 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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### 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](http://cipd.co.uk/labourmarketoutlook)



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