

EMPLOYEE
OUTLOOK

EMPLOYEE
VIEWS ON
WORKING LIFE

Spring 2015

The CIPD is the professional body for HR and people development. The not-for-profit organisation champions better work and working lives and has been setting the benchmark for excellence in people and organisation development for more than 100 years. It has more than 135,000 members across the world, provides thought leadership through independent research on the world of work, and offers professional training and accreditation for those working in HR and learning and development.

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Foreword from the CIPD

Once again, the CIPD is delighted to be partnering with Halogen on our important *Employee Outlook* tracker research. The CIPD/Halogen spring 2015 *Employee Outlook* reveals some interesting findings on employee attitudes to organisational culture, line manager behaviour and the performance management process. The survey is based upon 2,226 employee responses from a cross-section of organisations and industries; the fieldwork was done in conjunction with YouGov.

The fieldwork for this survey was done against a labour market where unemployment is low and there is predicted growth in employment. As found in our *Labour Market Outlook* survey (Winter 2014–15), around four in ten employers report having more vacancies than they did 12 months ago, but at the same time the supply of labour has increased and the pressure to recruit and retain employees has eased.

Within this context, this *Employee Outlook* survey found a small increase in job satisfaction and engagement levels. At the same time, there is a small increase in people looking for a new job with a different employer.

Employees' perceptions of senior leaders and line managers remain important to driving their satisfaction and engagement at work. There are some improvements in employees' attitudes to senior leaders, particularly in the public sector, but organisations still have a long way to go to achieve what would be considered satisfactory levels. With regards to line managers, however, employees remain more satisfied, although it is clear from the survey responses that it will be important for line managers to continue to demonstrate care for

their reports and to display open and honest behaviour and to treat employees fairly.

The pressure on employees seems to have continued to reduce and their satisfaction with achieving the right degree of work-life balance increased.

However, one of the main objectives of this survey was to try to better understand how, as the world of work evolves, organisations need to evolve their culture and their systems, particularly performance management. For me, it is an important but not surprising finding that many employees are not working in an organisation where the culture fits with their ideal; as we look to the future, organisations would be advised to take note of the employee preference to work in a more paternalistic, family-feeling organisation and recognise the importance of culture, how employee values can define their culture and the potential mis-match between how employees see the culture of their organisation and the type of culture that they would prefer to work within. Culture can't change overnight but organisations can start to think about ways in which they can make changes to better suit employee's preferences and equally employee's should look carefully at the culture of an organisation when looking at where they might like to work.

Also, at a time when there is much debate about the future of the performance management process, there are findings in this survey from the employee perspective that are worthy to note and factor into any redesign activity.

Jessica Cooper
Research Adviser, CIPD

Foreword from Halogen

Once again Halogen Software is pleased to sponsor the CIPD *Employee Outlook* report. While job satisfaction and employee engagement have somewhat stabilised over the past several months, the spring 2015 findings reinforce the value and impact of a healthy workplace culture, and the opportunity for organisations to use the performance management process to engage and support employees to higher performance.

When it comes to their views and preferences on organisational culture, nearly 50% of employees described the culture of their organisation as a *'formalised and structured place to work, where procedures govern what people do and hold people together.'* Yet when asked to select their preferred working environment, over half specified that they would prefer to work in *'an organisation with a family feel, held together by loyalty and tradition'* (55%).

Given its critical impact on everything from employee engagement to business outcomes and results, organisations that want to boost workplace productivity and employee retention need to incorporate the key attributes of their company culture into all stages of the performance management process.

And they need to do it in a way that helps employees feel like they are an integral part of the organisation's success. Further, organisations need to demonstrate a commitment to employees' career development and progression.

This latter point aligns with what employees said they are looking for in the performance management process itself: they want clear and balanced objectives (77%), and they want to be assessed as an individual (79%). But what the wider picture tells us is that they then expect these discussions around performance to be a catalyst for career development.

With nearly one in five (18%) employees stating they don't receive any performance feedback, and only 56% having objectives set as part of the performance process, it is unsurprising that even fewer (52%) perceive performance management as helping them perform better at their job.

These findings demonstrate why performance management can't be a once-a-year (or even an optional) activity. Employees need coaching, performance feedback, direction and development all year long.

Organisations that create a culture of ongoing performance – where regular performance feedback discussions are the norm – are better positioned to: ensure organisational alignment, improve employee performance, support employee development and drive better business results.

Achieving this kind of workplace culture doesn't happen accidentally. It happens *intentionally*. It's also worth putting some effort into.

Nick Kemp
Director EMEA, Halogen Software

Key findings



23%

23% of respondents are looking for a new job with a different employer.

This survey looks at employees' perceptions of work and the workplace. We received 2,226 responses from individuals in the UK who are employed in a representative cross-section of industries and from organisations of different sizes.

As is customary in this survey, we asked questions to understand the following:

Job satisfaction and employee engagement

Job satisfaction has remained consistent with the previous survey at +47 (net satisfaction score); this is a rise of +5 from when the survey was conducted at the same time last year. Women (68% very satisfied or satisfied) are more satisfied than men (60% very satisfied or satisfied). Employees are more satisfied in the private sector (+50), than in the voluntary (+43) and public sectors (+41) and the most satisfied in micro businesses (2-9 employees) (+75).

Our survey shows that 39% of employees are engaged; this is a small increase on the results from the autumn 2014 survey. The number of disengaged employees has declined slightly from 4% in autumn 2014 to 3% in this survey; however, the number of employees who are neutral has risen to 59% and counts for the largest response category in this survey.

Breaking down the engagement scores by factor, employees are most dissatisfied as a result of their attitude to senior managers (a 2.9 mean score, where 1 = engaged and 5 = disengaged), work-life balance (2.8 mean score) and satisfaction with line managers (2.8 mean score). We look at these factors in a bit more detail later in the survey.

Job-seeking

The overall proportion of respondents who are looking for a new job with a different employer has decreased slightly after a relatively stable period: 23% of respondents are looking for a new job with a different employer. This is highest within the voluntary sector (29%). Younger employees are more likely to be looking for a new job with a different employer than older employees.

Employee attitudes to senior leaders and line managers

Employee attitudes towards senior leaders are continuing to steadily improve. The area where senior leaders continue to be weakest is consulting with employees on important decisions: here, the net agree score is -22, a small increase from -24 in autumn 2014. Although the public sector still scores the worst in this area, there has been an improvement from autumn 2014, which hopefully is a reflection of positive action being taken in this sector.

Under two-thirds of employees are very satisfied or satisfied with their relationship with their line manager (64%); this represents a small decline from autumn 2014 (65%). For the first time in this survey we asked respondents their perception on important line manager behaviours: fairness (32%) and being open and honest (29%) came back as the most important behaviours.

Work-life balance and pressure at work

There is a slight increase in the number of people saying that they are achieving the right balance between work and their home lives (62% of respondents strongly agreeing or agreeing); this compares with 59% in autumn 2014.

The number of people saying they experience excessive pressure at work has declined: 38% of respondents say they experience excessive pressure every day or once or twice a week; this compares with 40% in autumn 2014. The exception to this seems to be in the voluntary sector, where there has been an increase in employees saying they feel excessive pressure once or twice a month (+6 from the autumn 2014 survey).

Organisation culture

For the first time in this survey we asked employees to describe the culture of the organisation they currently work for and their preferred culture to work within. The survey results show that nearly 50% of employees describe the culture of their organisation as a *'formalised and structured place to work, where procedures govern what people do and hold people together.'* When we asked respondents to select their preferred working environment, over half

specified that they would prefer to work in *'an organisation with a family feel, held together by loyalty and tradition'* (55%). This is interesting because both of these cultures are internally focused and many organisations will want to exhibit a culture which is more externally focused.

Performance management

Finally, with much current discussion about the need to change the performance management process, we asked several questions in an attempt to understand the employee perspective and preferences for this practice. Eighteen per cent of respondents said they never receive performance feedback, either formally or informally. Only 56% of respondents said they have objectives set as part of their performance management process. Of those that have objectives set as part of their performance management process, only half (53%) said they help them perform better at their job and just over a third (37%) said objectives would help advance their career.

Looking to the performance management process of the future, employees felt strongly that their performance should be assessed as an individual (79%) rather than as a team (39%). Seventy-nine per cent said that feedback should include clear objectives and should be balanced (77%). Over half said it is important that it explains their contribution to the wider organisation (51%) and should be future-focused (46%). Employees did not express a strong feeling that performance should be discussed regularly (23%) and under a third felt that performance feedback should be conveyed as a ranking or a rating (27%).

'... an organisation with a family feel, held together by loyalty and tradition.'

1 Job satisfaction and employee engagement



Engagement seems to be trending upwards from 2013 onwards

Employee engagement

The *Employee Outlook* Engagement Index comprises a set of measures which are important to understanding the level of engagement an employee feels towards their organisation. The Index consists of 16 items, weighted and aggregated together to give an overall score (Table 1).

The Engagement Index highlights that the proportion of engaged employees seems slightly to be trending upwards and in spring 2015 it is measuring 39% compared with 38% in autumn 2014 and 35% in autumn 2013. Disengagement

has further reduced to 3% from 4%, which has been the reported figure in the two previous surveys. But the largest population remains with feelings of neutrality towards the factors we use to measure engagement; this population is at 59% – slightly up from 58% in the previous survey.

With regard to sector differences, engagement levels have remained the same in the private sector at 39% and have increased in the public sector to 35% (previously 30%). However, engagement levels have declined in the voluntary sector to 49% (from 55% previously), but resulting in

Table 1: Employee Engagement Index

Factor	Items included in the factor
Going the extra mile	I will often take on more work to help relieve my colleagues' workloads. I will often work for more hours than those I am paid or contracted to do.
Alignment to organisation purpose	I know very clearly what the core purpose of my organisation is. I am highly motivated by my organisation's core purpose.
Work-life balance	I achieve the right balance between my home and work lives. Approximately how much of the time do you feel under EXCESSIVE pressure in your job?
Relationships with colleagues	I have positive relationships with my colleagues.
Satisfaction with role	My job is as challenging as I would like it to be. My organisation gives me the opportunities to learn and grow. I am satisfied with the content of my job role. Overall, how satisfied or dissatisfied would you say you are with your current job?
Attitude to senior managers	I have confidence in the directors/senior management team of my organisation. I trust the directors/senior management team of my organisation.
Satisfaction with line manager/advocacy	Overall, how satisfied, or dissatisfied, are you with the relationship you have with your immediate supervisor, line manager or boss? How likely or unlikely would you be to recommend your organisation as an employer? I don't think my employer treats me fairly.

more reports of neutrality rather than disengagement (with no respondents disengaged). The proportion of neutral responses increased from 44% to 51%. As per previous surveys, engagement levels decrease with

the size of the business, with larger organisations (those with more than 250 employees) having the fewest engaged employees (35%, which is the same as in autumn 2014, but with slightly lower levels of disengagement

and slightly higher neutral responses). Micro businesses (those with 2-9 employees) are reporting engagement levels comparable with those reported last year (64% are engaged in spring 2015 compared with 61% in spring 2014).

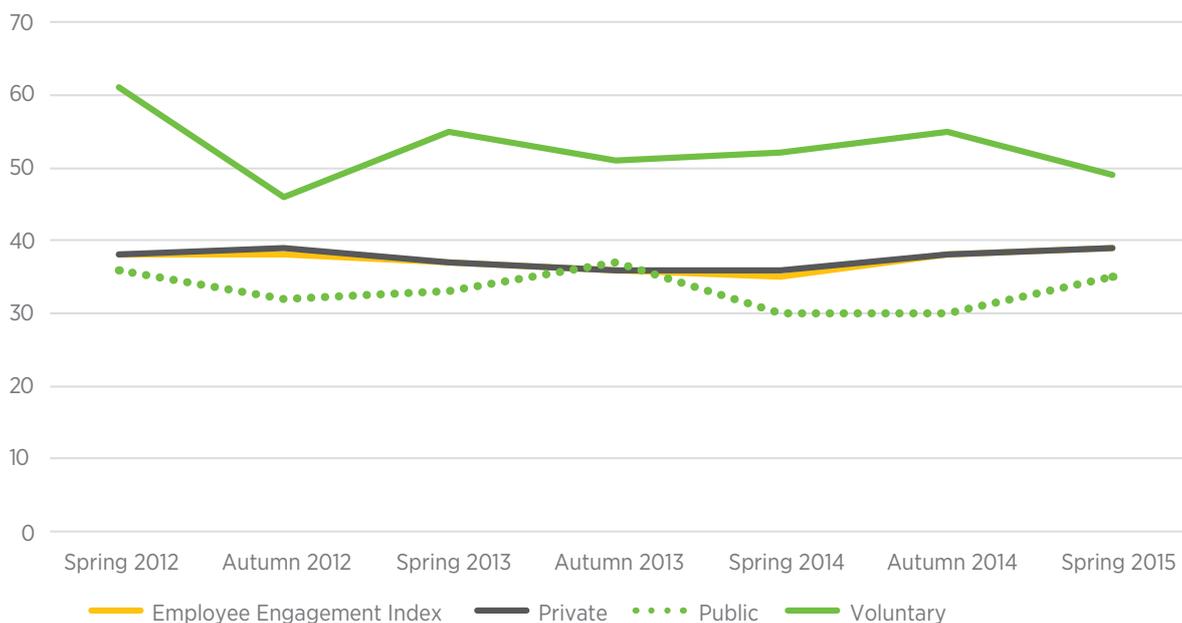
Table 2: The extent to which employees are engaged at work, by gender, sector and size of organisation (%)

	Engaged	Neutral	Disengaged
All	39	59	3
Men	35	62	3
Women	42	56	2
Private sector	39	58	3
Public sector	35	62	3
Voluntary sector	49	51	-
Micro business	64	35	1
Small business	41	52	7
Medium business	40	58	1
Large business	35	62	3

Table 3: The extent to which employees are engaged at work, by quarter (%)

	Spring 2015	Autumn 2014	Spring 2014
Engaged	39	38	35
Neutral	59	58	61
Disengaged	3	4	4

Figure 1: Employee engagement trends (2012-15)





Employees in micro businesses report the highest levels of job satisfaction at +75, compared with medium businesses at +38.

Job satisfaction

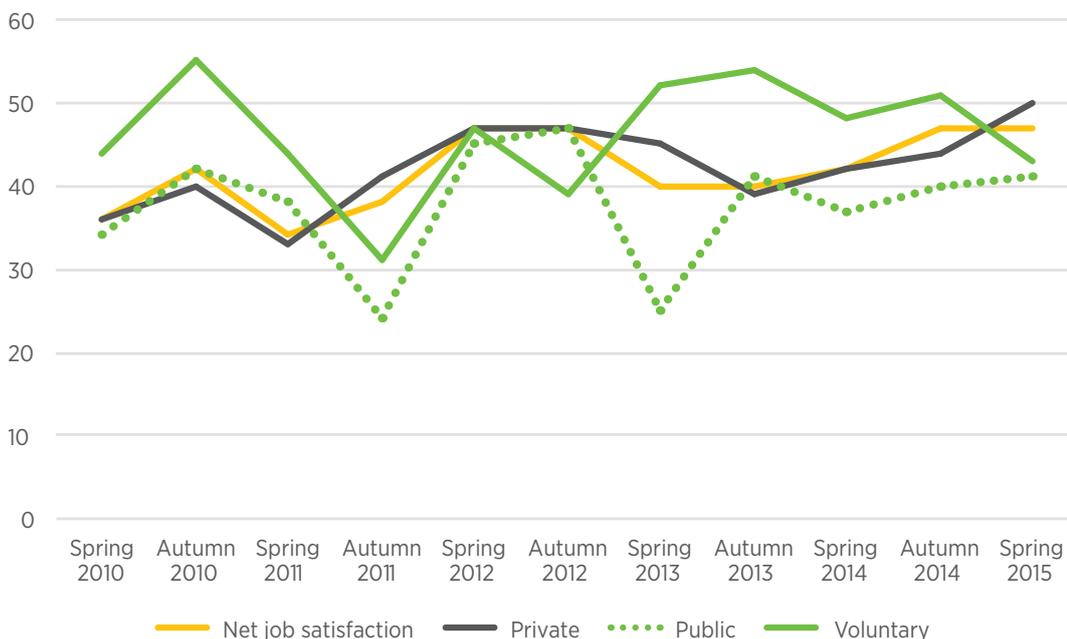
Net job satisfaction remains the same as per the results of the autumn 2014 survey at +47. Unlike previous surveys, it is private sector employees who are the most satisfied (+50) and voluntary sector employees, who typically are the most satisfied, have seen their net satisfaction decline to +43 (this is down +8 from autumn 2014). Employees in the public sector remain the least satisfied at +41, but this represents an increase from the previous two surveys to bring the sector back to the level it reported in autumn 2013.

Employees in micro businesses report the highest levels of job satisfaction at +75, which as a trend is consistent across the last few surveys. Employees in small businesses (businesses with 10–49 employees) are slightly more satisfied (+42 as opposed to +41 in autumn 2014). However, it's medium businesses (those with 50–249 employees) that have seen a decline in job satisfaction to +38 (from +40 in autumn 2014) as well as a decline in employee engagement (+40 in spring 2015 as compared with +44 in autumn 2014).

Table 4: Employee net satisfaction, by sector and size of organisation

	Spring 2015	Autumn 2014	Spring 2014	Autumn 2013
Overall	+47	+47	+42	+40
Private sector	+50	+44	+42	+39
Public sector	+41	+40	+37	+41
Voluntary sector	+43	+51	+48	+54
Micro business	+75	+67	+64	+63
Small business	+42	+41	+34	+36
Medium business	+38	+40	+33	+32
Large business	+41	+36	+36	+33

Figure 2: Employee job satisfaction trends (2010–15)



The results of this survey show women are more satisfied than men, with 68% of women saying they are very satisfied or satisfied and 60% of men saying the same.

Older workers are the most satisfied, with those aged above 55 reporting job satisfaction levels of +56 (which is slightly down from +62 in autumn 2014). Those in age groups 25-34, 35-44 and 45-54 all reported net employee satisfaction scores of +44. The least satisfied group is those aged 18-24, with a net job satisfaction score of +39; this group is also the least engaged group, with 33% reporting they are engaged and 64% neutral (the highest score of neutrality of all the age groups).

In this survey, we thought it would be interesting to look at the breakdown of the Employee Engagement Index to understand which factors are carrying the lowest scores and contributing to higher levels of disengagement. As shown in Table 5, the highest average scores (which represent greater disengagement) are found with regards to 'attitudes to senior manager', 'work-life balance' and 'satisfaction with line manager/advocacy'. Therefore this report will focus on these areas in more detail.



68%

The results of this survey show women are more satisfied than men, with 68% of women saying they are very satisfied or satisfied .

Table 5: Employee engagement, mean scores by factor

Factor	Items included in the factor	Mean score (1 = strongly agree, 5 = strongly disagree)
Attitude to senior managers	I have confidence in the directors/senior management team of my organisation. I trust the directors/senior management team of my organisation.	2.9
Work-life balance	I achieve the right balance between my home and work lives. Approximately how much of the time do you feel under EXCESSIVE pressure in your job?	2.8
Satisfaction with line manager/advocacy	Overall, how satisfied, or dissatisfied, are you with the relationship you have with your immediate supervisor, line manager or boss? How likely or unlikely would you be to recommend your organisation as an employer? I don't think my employer treats me fairly.	2.8
Going the extra mile	I will often take on more work to help relieve my colleagues' workloads. I will often work for more hours than those I am paid or contracted to do.	2.5
Satisfaction with role	My job is as challenging as I would like it to be. My organisation gives me the opportunities to learn and grow. I am satisfied with the content of my job role. Overall, how satisfied or dissatisfied would you say you are with your current job?	2.5
Alignment to organisation purpose	I know very clearly what the core purpose of my organisation is. I am highly motivated by my organisation's core purpose.	2.1
Relationships with colleagues	I have positive relationships with my colleagues.	2.0

2 Job-seeking

The overall proportion of respondents who are looking for a new job with a different employer has increased slightly after a relatively stable period. Twenty-three per cent of respondents are looking for a new job. Job-seeking is highest in the voluntary sector

(29%) and is the same in the public and private sectors at 23%.

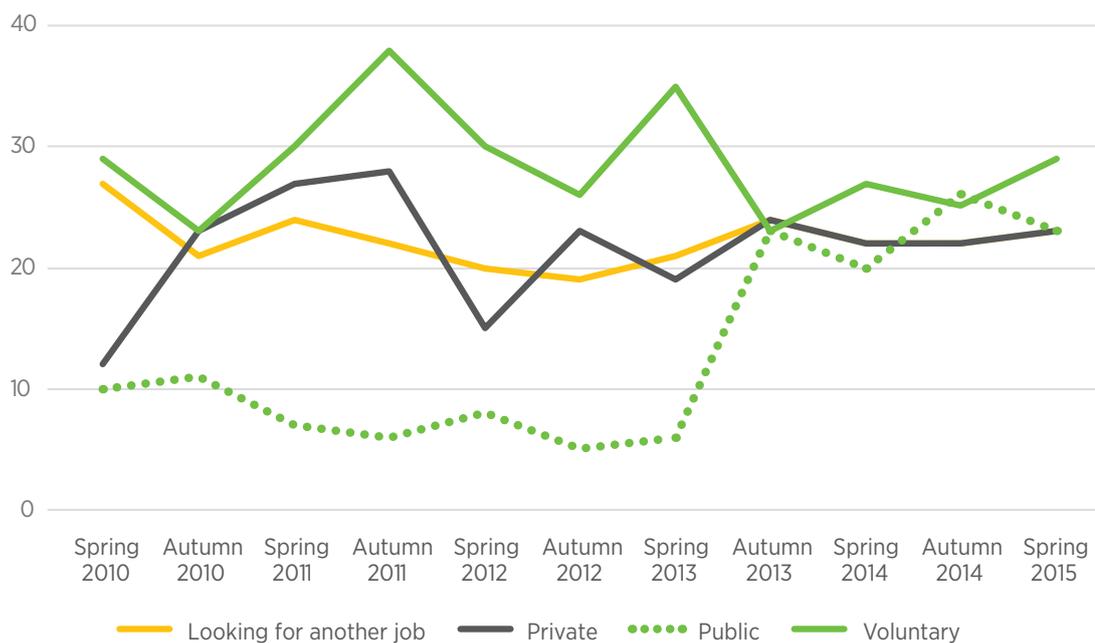
There is no difference in job-seeking intentions between men and women (23% of men and women say they are looking for a new job with a different employer).

Our survey shows that younger people are more likely to be looking for a job than older employees; 34% of those aged 18–24 and 30% aged 25–34 are looking for a new job with a different employer.

Table 6: Proportion looking for a new job, by sector (%)

	Spring 2015	Autumn 2014	Spring 2014	Autumn 2013
All	23	22	22	24
Private sector	23	21	22	24
Public sector	23	26	20	23
Voluntary sector	29	26	27	24

Figure 3: Employees looking for a new job with a different employer, trends (2010–15)



3 Employee attitudes towards senior leaders and line managers

Attitudes to senior managers

Attitudes to senior managers continue to rise, which is positive. We measure employee satisfaction with senior managers across five elements: consultation, respect, trust, confidence and clarity of vision. From a dip in scores in autumn 2013, all aspects of the measurement have continued to rise. The highest response remains with employee perception of senior managers' clarity of vision of where the organisation is going (+31) and managers treating employees with respect (+17). Scores on employees' trust in senior managers also continued to rise from the last

survey in autumn 2014 (from +4 to +6). Consultation of employees in important decisions by senior managers still continues to be weak at -22, although there has been a small improvement since autumn 2014 (-24).

There are sector differences. The most noticeable insight from the data is that despite the public sector scoring the lowest across all the different measures used to establish employees' views on senior managers, there has been the greatest improvement in this sector from autumn 2014 until now. The voluntary sector has the highest net



The highest response remains with employee perception of senior managers' clarity of vision of where the organisation is going (+31) and managers treating employees with respect (+17).

Table 7: Senior manager net agree scores

	Spring 2015	Autumn 2014	Spring 2014	Autumn 2013
They have a clear vision of where the organisation is going.	+31	+26	+25	+26
They treat employees with respect.	+17	+15	+12	+16
I have confidence in them.	+10	+9	+3	+8
I trust them.	+6	+4	+1	+5
They consult employees about important decisions.	-22	-24	-26	-22

Table 8: Senior manager net agree scores, by sector

	Private sector		Public sector		Voluntary sector	
	Spring 2015	Autumn 2014	Spring 2015	Autumn 2014	Spring 2015	Autumn 2014
They consult employees about important decisions.	-20	-21	-31	-40	-18	-12
They treat employees with respect.	+20	+22	0	-10	+37	+29
I trust them.	+13	+14	-19	-32	+20	+15
I have confidence in them.	+16	+18	-13	-27	+24	+15
They have a clear vision of where the organisation is going.	+36	+31	+15	+3	+38	+36

agree scores on all the measures and the results have also increased from the previous survey across all the measures.

Attitudes to line managers

We then asked employees a number of questions to understand their satisfaction with their immediate supervisor or line manager. Over two-thirds of all employee respondents

are either very satisfied or satisfied with their relationship with their line manager (64%): this is a small decrease from when the survey was conducted in autumn 2014 (65%). There are very few differences between men and women and across the sectors. In particular, the percentage of employees who are dissatisfied with their relationship

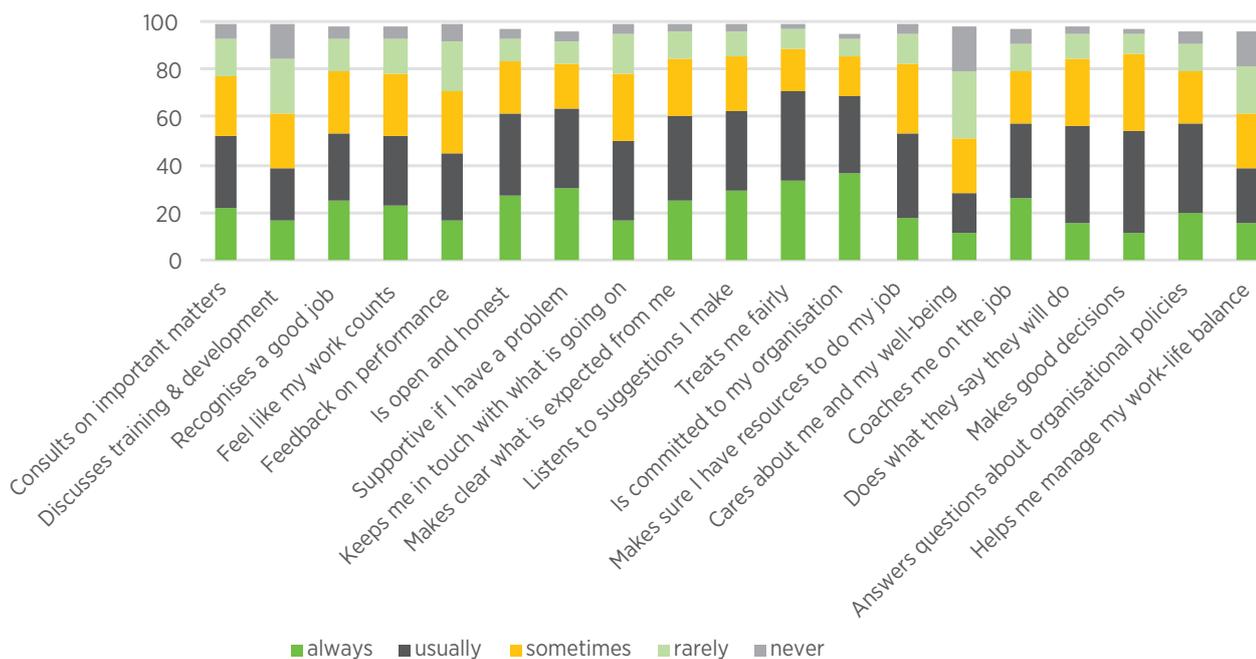
with their line manager was remarkably similar between men and women and across the sectors.

We asked employees to respond to questions about how frequently their line manager displays a number of behaviours. Looking at the data, line managers are being open and honest, supportive if employees have

Table 9: Employee satisfaction with relationships with immediate supervisor, line manager or boss (%)

	All	Men	Women	Private	Public	Voluntary
Very satisfied	22	21	23	22	23	20
Satisfied	42	41	43	41	43	47
Neither satisfied nor dissatisfied	21	23	19	22	19	15
Dissatisfied	10	10	10	10	10	12
Strongly dissatisfied	4	4	5	4	5	6

Figure 4: To what extent does your immediate supervisor, manager or boss do each of the following...?



problems, treating employees fairly and caring about employee well-being. They are less frequently discussing training and development, providing feedback on performance, coaching on the job and helping employees manage their work-life balance.

In this survey for the first time we asked respondents their perception of the importance of the same behaviours

in order to better understand whether line managers are spending time on the things that employees perceive as being more important.

Table 10 shows employees' perceptions on the importance of line manager behaviours. We can see that over a third of employees (32%) feel that the most important behaviour line managers should display is fairness

in how they treat them; the second most important behaviour is to be open and honest (29%). It is therefore positive to see that line managers are in fact spending their time in the areas most valued by employees. Discussing training and development, helping employees manage their work-life balance and coaching on the job are seen as being less important as well as being done less frequently.

Table 10: Behaviours considered important for immediate supervisor, manager or boss (%)

	Overall	Male	Female	18-24	25-34	35-44	45-54	55+	Private	Public	Voluntary
Treats me fairly	32	30	33	30	34	31	37	28	33	33	18
To be open and honest	29	31	27	20	18	34	28	33	30	29	26
Makes sure I have the resources to do the job	23	24	23	19	20	20	25	27	23	25	24
To be supportive if I have a problem	22	20	24	25	25	20	20	23	21	23	23
Makes clear what is expected of me	20	18	22	18	25	20	21	19	20	19	31
Recognises when I have done a good job	19	18	21	18	20	18	21	19	19	21	17
Does what they say they will do	17	19	16	15	17	16	20	18	17	18	20
Makes good decisions	17	20	14	14	14	20	16	17	15	18	25
Makes me feel my work counts	17	12	20	15	13	19	16	18	15	18	18
Keeps me in touch with what's going on	13	13	13	19	12	9	12	15	13	16	6
Gives me feedback on how I am performing	13	13	13	15	18	11	11	13	12	13	17
Consults me on matters of importance to me	12	15	10	5	10	14	13	14	12	13	14
Cares about me and my well-being	12	11	13	8	11	14	12	13	11	14	17
Listens if I have a suggestion to make	11	14	10	11	9	9	14	12	13	7	14
Discusses my training and development needs with me	8	8	9	12	11	9	8	5	9	7	9
Helps me manage my work-life balance	7	6	7	5	8	7	8	5	7	7	2
To be committed to my organisation	5	4	6	7	8	4	4	6	6	5	6
Coachs me on the job	5	5	5	9	7	6	4	2	5	5	6
Answers questions about organisational policies	2	2	2	2	2	3	2	2	2	2	3

4 Work-life balance and pressure at work

'...62% of respondents are achieving the right work-life balance.'

Although employees only expect a limited role for line managers in helping them manage their work-life balance, it is still an important factor in driving employee engagement. Based upon the results from this survey, there is a slight increase in the proportion of employees agreeing that they are achieving the right balance between work and their home lives, with 62% of respondents strongly agreeing or agreeing.

The proportion of women strongly agreeing that they are achieving the right balance between their work and home lives has increased (+3), but the number of women agreeing with this statement actually declined (-3). For men, however, the proportion strongly agreeing or agreeing increased from the previous survey (+6 in total).

In the previous survey we saw a decline in work-life balance levels in the voluntary sector; however, in this survey there has been an increase in both the proportion of voluntary sector employees strongly agreeing and agreeing with the statement. At the same time, however, there has been a small increase in employees in the same sector reporting that they strongly disagree they have achieved the right balance between their work and home lives (-2). In the public sector in particular employees seem to be more satisfied with their work-life balance. In the private sector there seems to be a polarised story, with more people strongly agreeing (+5) that they have achieved the right balance between their work and home lives, but at the other end of the spectrum there is a small increase in people who strongly

Table 11: Proportion of employees agreeing they achieve the right balance between their work and home lives (%)

	All	Men	Women	Private	Public	Voluntary
Strongly agree	16 (+4)	14 (+5)	18 (+3)	16 (+5)	13 (+2)	16 (+3)
Agree	46 (-1)	45 (+1)	47 (-3)	45 (-2)	49 (+1)	51 (+5)
Neither agree nor disagree	13 (-2)	15 (-3)	12 (0)	14 (-2)	12 (-1)	6 (-5)
Disagree	18 (0)	19 (0)	17 (0)	18 (0)	16 (-3)	20 (+1)
Strongly disagree	7 (0)	7 (-2)	6 (+1)	7 (+1)	8 (0)	6 (-2)

disagree that they have the right balance between their work and their home lives (+1).

Pressure at work

Positively, there is an increase in the number of people who never find themselves under excessive pressure at work (+3). This is most felt amongst men (+4) and in the private sector (+4). There are also fewer people

saying that they experience infrequent excessive pressure (less frequently than once a month). However, more people seem to be feeling excessive pressure once or twice a month, particularly in the voluntary sector (+6). Overall, 38% of people say they experience excessive pressure every day or once or twice a week; this compares with 40% in autumn 2014.

'...more people seem to be feeling excessive pressure once or twice a month, particularly in the voluntary sector.'

Table 12: Proportion of employees saying they are under excessive pressure at work... (%)

	All	Men	Women	Private	Public	Voluntary
Every day	12 (-1)	13 (-2)	11 (-1)	11 (0)	12 (-5)	13 (+1)
Once or twice a week	26 (0)	26 (-2)	26 (+1)	24 (-2)	34 (+3)	26 (-1)
Once or twice a month	27 (+1)	27 (+2)	28 (0)	27 (+1)	26 (0)	34 (+6)
Less frequently than once a month	22 (-2)	21 (-2)	23 (-2)	23 (-2)	21 (0)	15 (-8)
Never	13 (+3)	13 (+4)	13 (+1)	14 (+4)	7 (+1)	13 (+3)

5 What type of organisation do employees want to work for?

'... an organisation with a family feel, held together by loyalty and tradition.'

In this survey we wanted to better understand the prevalent cultures in existence in organisations and how these actually compare with the types of cultures people would prefer to work in.

Nearly 50% of employees described the culture of their organisation as *'a formalised and structured place to work, where procedures govern what people do and hold people together.'* This is highest in the public (74%) and voluntary sectors (43%) and, unsurprisingly, in large organisations (more than 250 employees) (59%).

Just over a quarter of respondents (26%) reported that they work for *'an organisation with a family feel, held together by loyalty and tradition.'* This is the most prevalent culture in micro organisations (69%).

When we asked respondents to select their preferred working environment, over half specified that they would prefer to work in *'an organisation with a family feel, held together by loyalty and tradition'* (55%). This was higher for women than men (60% as compared with 50%), but a consistent first choice across the age groups.

Table 13: How employees describe the culture of their organisation, by sector and size (%)

	Overall	Private	Public	Voluntary	Micro	Small	Medium	Large
An organisation with a family feel, held together by loyalty and tradition. Leaders are viewed as mentors or parents.	26	31	11	34	69	43	30	13
A formalised and structured place to work, where procedures govern what people do and hold people together.	46	36	74	43	13	24	34	59
A dynamic, entrepreneurial, and creative place to work. People stick their necks out and take risks.	6	6	3	16	9	8	6	4
A result-oriented organisation whose major concern is with getting the job done. People are competitive and goal-oriented, and are held together by an emphasis on winning.	22	27	12	7	9	25	30	24

Those aged 18–24 would least like to work in *'a formalised and structured place to work, where procedures govern what people do and hold people together'* (8%), and after *'an organisation with a family feel'*

would prefer to work in *'a dynamic, entrepreneurial and creative place'* (22%). This group is also most attracted to *'a result-oriented organisation whose major concern is getting the job done'* (15%).

Table 14: How employees describe their preferred working environment, by gender and age (%)

	Overall	Male	Female	18–24	25–34	35–44	45–54	55+
An organisation with a family feel, held together by loyalty and tradition. Leaders are viewed as mentors or parents.	55	50	60	56	53	54	52	59
A formalised and structured place to work, where procedures govern what people do and hold people together.	20	21	18	8	12	20	25	22
A dynamic, entrepreneurial and creative place to work. People stick their necks out and take risks.	15	17	14	22	21	17	15	10
A result-oriented organisation whose major concern is with getting the job done. People are competitive and goal-oriented, and are held together by an emphasis on winning.	10	11	8	15	13	9	7	9

6 Performance management



40%

40% of respondents said they do not have any objectives to work towards.

At present there is a lot of discussion about the future of employee performance management. There is a lot of rhetoric about how it should evolve: for example, it should be more frequent, with feedback provided from more people than just an employee's line manager. There is discussion about rankings being counterproductive and demotivating and that the performance management conversations of the future should focus much more on the 'how' rather than the 'what' and the future rather than the past.

In this survey we wanted to understand the employee perspective. We asked a series of questions initially to establish what the trends are in current practice about the objective-setting part and the review stage of the performance management process. We then asked respondents how they feel the performance management process should look.

Sixty-one per cent of employees said they receive feedback formally and 49% said they receive feedback informally. Eighteen per cent of respondents said that they never receive feedback; this was highest in the private sector (20%) and in smaller organisations, where nearly a third of respondents in micro (29%) and small businesses (28%) said they never receive feedback and just over a quarter of respondents in medium-sized businesses said they never receive feedback (26%).

Of those that receive feedback formally, over a third receive feedback once a year (34%) and just over a quarter receive feedback every four to six months (26%). Of those that said they receive informal feedback, 72% receive feedback at least once a month and 38% at least once a week.

Only 56% of respondents said they have objectives set as part of their performance management, leaving 40% of respondents who said they do not have any objectives to work towards. Smaller organisations are less likely to set objectives; in micro organisations, 74% of respondents said they do not have objectives, while 56% in small organisations and 50% in medium-sized organisations do not have objectives. However, a third of respondents in large organisations also said they do not have any objectives set as part of their performance process.

Of those that have objectives set as part of their performance management process, 45% said they mutually agree all their objectives with their line manager and 32% said they agree most of their objectives with their line manager. Over a quarter said they feel these objectives are very achievable (27%) and 65% said they are fairly achievable. Seventy-six per cent said that they understand how these objectives relate to what the organisation wants to achieve.

Table 15: Current practices and preferences towards performance management (%)

	Form part of performance process	Should be part of the performance process										
		Overall	Male	Female	18-24	25-34	35-44	45-54	55+	Private	Public	Voluntary
Performance assessed as an individual	62	79	78	81	74	79	81	80	78	82	75	81
Performance feedback provides clear objectives	44	79	79	79	67	80	82	81	78	80	76	85
Balance performance feedback	34	77	76	77	56	75	81	81	76	76	75	92
Performance feedback looks at the WHAT and the HOW	48	67	66	68	58	65	66	69	72	67	64	76
Performance feedback explains my contribution to the wider organisation	19	51	56	47	47	49	60	50	47	53	48	56
Performance discussions are mainly focused on the future rather than past performance	15	46	47	45	40	41	54	41	47	47	43	48
Performance assessed as part of a team	18	39	37	41	34	38	46	39	35	42	33	47
Performance feedback provided by people other than just manager	19	38	41	34	38	43	51	30	28	38	37	41
Performance feedback conveyed as a rating or a ranking	33	27	29	25	19	26	34	26	24	33	17	22
Performance discussed regularly	8	23	23	23	27	25	28	22	14	23	21	21

When asked whether respondents feel that objectives help them perform better at their jobs, only half said that they do (52%) and just over a third (37%) said they would help advance their career.

When asking employees about current trends in performance management practice during the review stage, 62% of respondents said their performance is rated as an individual. Forty-three per cent said it looks at both the 'what' and the 'how' and just over a third said the feedback they receive is balanced (34%), but

only 19% said it explains how they contribute to the wider organisation. Only 19% said that their feedback is provided by people other than just their manager and only 15% said their review is future- rather than past-focused. As an output on completion of the review, 44% said they receive clear objectives and over a third (33%) receive a ranking or a rating.

We then asked employees how they feel about these practices being included in the performance management process. Employees feel strongly that their performance should

be assessed as an individual (79%) rather than as a team (39%). Seventy-nine per cent said that feedback should include clear objectives and 77% that they should be balanced. Over half said it is important that it explains their contribution to the wider organisation (51%) and is future-focused (46%). Employees did not express a strong feeling that performance should be assessed as a team (39%) or that it should be discussed regularly (23%). Less than a third feel that performance feedback should be conveyed as a ranking or a rating (27%).

Conclusion

In spring 2015 we do not see any dramatic changes since we last ran the survey in autumn 2014. What we do see are positive trends similar to what we saw with the survey in autumn 2014. Overall, we see that employees are slightly more engaged, net job satisfaction remains the same and there is a slight increase in employees looking for a new job with a different employer.

In the private sector, employee engagement has remained the same since autumn 2014, job satisfaction has increased by +6 and there is a slight increase in people looking for a new job, but this is lower than the cross-sector findings. In the public sector, employee engagement has increased since the last survey (+5%), job satisfaction is lower than the cross-sector findings; trending upwards, but the percentage of employees looking for a new job with a different employer is declining. In the voluntary sector, employee engagement is the highest of all the sectors at 49% but has actually declined since the survey in autumn 2014, job satisfaction has also declined and there are the highest number of employees compared with other sectors looking for a new job.

Attitudes to senior managers are improving but they are still at a level where further improvements should be considered. This survey also demonstrates the importance

of employee attitudes to senior leaders in driving overall employee engagement. The public sector has made improvements in this area from when the survey was last conducted in autumn 2014. This hopefully reflects some positive action that has been undertaken in this sector to improve the relationship between senior leaders and employees, but this positive action needs to continue across all sectors, particularly in relation to involving and consulting employees in important decisions.

Our survey found a small decrease in employees' satisfaction with immediate line managers or supervisors; however, it would seem that on the whole line managers are spending their time in the areas most valued by employees. There is a message to line managers to acknowledge the importance employees place on line managers being caring, displaying trust and fairness and being open and honest. Again, this is another area that our survey found to be important in driving employee engagement.

This survey also found that people are feeling under less pressure at work and achieving a more satisfactory balance between work and home lives. This is positive to see for employees, particularly as we again acknowledge the impact that these factors have on employees' engagement at work.

The most insightful finding in this survey is perhaps that on organisational culture, which finds that the majority of employees (55%) would prefer to work in an organisation that has a strong family feel, where leaders are viewed as mentors and parents, but in fact the majority (46%) work in organisations that are formalised, structured places where they are governed by procedures. This is a stark message to organisations that are trying to create a culture where people can be the best they can and to create an organisation that attracts and keeps people in a world where there is low unemployment and a 'war for talent'.

There are also some strong messages in this survey to take away for organisations that are considering changing their performance management processes. Employees want a performance management process that is: based on their individual, future-focused performance, looking not only at what they do but also how they do it. They want feedback that has clear objectives that clearly relate to how they contribute to the success of the wider organisation and the feedback should be balanced; rankings or ratings are not seen as an important part of the process.



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