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For more information visit www.roffeypark.com or contact:

UK Office
Tel: +44 (0) 1293 851644
Email: info@roffeypark.com

Singapore Office
Tel: +65 6549 7840
Email: singapore@roffeypark.com
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Acknowledgements

The authors would like to acknowledge Roffey Park consultants for their contributions to questionnaire design and interpretation of findings. In particular, Alex Swarbrick, Adrian Lock, Steve Hearsum and Gary Miles have added much value. The authors would also like to acknowledge Andy Smith for helping to distil key messages from the research; Janice McBrown for proofreading and coordinating media coverage of the research; Carol Hatcher for making everything work smoothly; and Alison Hoare and Debbie Beaney for the design and typesetting of this report.
Introduction

This report presents the findings of Roffey Park’s 2014 Management Agenda Survey. The survey has been running for 17 years and aims to highlight the views of managers on aspects of organisational life. It is a key barometer of working life and is regularly featured by both the national media and trade press, as well as featuring in professional management journals.

Over 1,800 UK managers, from both inside and outside HR and of varying levels of seniority, responded to this year’s survey. The survey canvasses the views of managers drawn from a broad range of industrial sectors and from organisations both large and small. Details on the profile of respondents, and the organisations they work for, can be found in Appendix 1. Information on how the research was conducted can be found in Appendix 2. In a new development this year, we have followed up survey data with qualitative interviews with a sample of respondents to provide additional insight.

The report covers a broad range of aspects of organisational life, from leadership and culture, through to working in teams and innovation. The report is structured as follows:

Executive Summary
Chapter 1 – Organisation context
Chapter 2 – People challenges
Chapter 3 – Human Resources
Chapter 4 – Organisational purpose, values and strategy
Chapter 5 – Organisational culture
Chapter 6 – Ethics
Chapter 7 – Innovation
Chapter 8 – Leadership
Chapter 9 – Working in teams
Chapter 10 – Engagement and the employee deal

Rather than present an exhaustive account of the data collected in this year’s survey, we have chosen to focus on aspects of the data that appear most interesting and which, we hope, in their combination provide an engaging and informative view of the challenges and perspectives of today’s managers.
Executive Summary

Whilst in each of the chapters in this report we have summarised the main findings relevant to the chapter, in this executive summary we have highlighted some of the main themes and discussion points that emerge across the report.

Private Sector set for growth, whilst austerity continues for the public sector

Our survey presents a picture consistent with current talk of economic recovery, with the balance of HR managers expecting the size of their organisation’s workforce to grow over the next two to three years. However, there is a clear distinction between expectations in the private compared to the public sector. The private sector, and in particular small and medium-sized organisations (SMEs), are anticipating a growing workforce. By comparison, the public sector is expecting a decline in the size of the workforce, further downsizing and redundancies.

To make this comparison sharper, we calculated an Employment Growth Index (EGI) (the balance of positive minus negative expectations around workforce size). The overall EGI for the private sector is +34, compared with a startling -46 in the public sector. At the same time, our survey also suggests that the public sector is investing less in its employees compared with the private sector. It may be that public sector leaders and managers are receiving insufficient support to deliver the transformation effort required of them.

Talent on the move

There are clear signs that, following a long period of fragile economic performance, managers in the UK are feeling safe enough to start looking around for other opportunities with nearly half of managers surveyed considering a move in the near future.

This does not appear to be primarily about money. Neither does lack of responsibility feature strongly as an issue affecting retention. However, the lack of promotion opportunity is a key issue. This suggests that delayering has gone too far as more headroom is needed if managers’ aspirations are to be met. Whilst this may be a difficult challenge to resolve, there are other factors affecting retention that are more straightforward. The survey confirms that people are more likely to leave because of poor management and a lack of appreciation.

The survey suggests talent should be high on HR’s agenda but indicates this may not be the case, with HR currently focusing on internal change and performance management and less on strategic talent management. Whilst HR managers report their key focus switching to retention and succession planning in five years time, there is a danger that this will be too little, too late. The survey also suggests that HR need to develop a more sophisticated and segmented talent offer to reflect changes in the demographics of the workforce and the differing aspirations of various groups. The survey confirms the importance of inter-generational issues and dynamics for the future.

Lack of trust a barrier to more ethical organisations

Our research does not reflect well on the ethical climate within organisations. Nearly half of respondents reported having observed misconduct in their organisation. Of these, roughly one-third chose not to report the misconduct, mostly because they did not think corrective action would be taken or, worse, feared reprisal. Rather than report, they are more likely to walk; managers who observe misconduct are more likely to report an intention to leave their organisation.

There are other manifestations of a lack of trust apparent from our research. One-fifth of managers report that they do not expect their organisation to treat staff fairly. Fairness also emerges as the least positively rated dimension of a construct of ethical leadership. 40 per cent of managers report a dissonance between the espoused values of the organisation and those in use.

HR looking to OD for an answer to change?

Managing change dominates the HR agenda with it being the most common challenge reported by HR professionals both now and in five years time. Much of this reported change relates to cultural transformation programmes. The drivers for these programmes were most often financial and performance related but over a third reported their failure. The sense of change fatigue and cynicism reflects HR managers’ views that these change programmes do not acknowledge the realities of organisational life; and emphasise systems and processes over good quality dialogue and conversations.

No surprise then that HR managers are keen to build organisation design and development capabilities, to counter these problems and put people engagement at the centre of future change effort.
Team development overlooked?

Absence of trust and avoidance of accountability emerge as key impediments to effective team working. A striking 58 per cent of managers report that team members rarely challenge the unproductive behaviours of others in a team that they are part of at work. The impact of these perceptions can be seen clearly when we consider managers’ views on the innovation climate within their organisations. Barely one-fifth agree that the climate in their organisation encourages risk-taking whilst under one-third consider that their organisation’s culture is accepting of mistakes. Half of HR managers report innovation as a key challenge with private sector organisations looking to develop new products and services to fuel growth. Whilst leadership development features strongly as a means to encourage greater innovation, the development of teams appears less prominent. In the search for enhanced innovation and performance, sufficient attention needs to be given to the power of teams.

Leadership still seen as the key lever

As with previous Agendas, organisations main response to the challenges that they face is in developing leadership. Nearly nine out of ten HR managers identify leadership development as the key lever to support business performance, so the importance of effective leadership development becomes ever more important. Improved leadership, albeit a more distributed model, is seen too as the panacea for improvements in other areas such as ethics, and innovation. The survey also reaffirms the importance of leaders in changing and embodying culture. Organisations continue to require leaders who can affect the bottom line through greater people engagement. The qualities of effective leadership again relate to openness, emotional intelligence and trust building.

The good news is that there are positive signs regarding the quality of leadership. Two-thirds of managers rate the leadership skills of their line manager as ‘good’ or ‘very good’ and one half of managers rate the strategic leadership of their organisation positively. There is, at the same time, considerable room for improvement. One in ten managers go as far as to say the leadership skills of their line manager are ‘bad’ or ‘very bad’. Nearly one half of managers also characterise their organisation as having a ‘low support’ culture with a minority of leaders getting the balance right in building both high support and high challenge organisations. So, despite some positive indicators on the quality of leadership, given the investment in leadership development of the last decade, some questions remain unanswered about what makes for effective leadership development and, more fundamentally, whether our expectations of leaders are realistic.
1. Organisation context
Overall, the balance of HR managers’ expectations about employment growth are positive (45 per cent anticipate a growth in the size of their organisation’s workforce, compared with 32 per cent expecting a decline, an overall Employment Growth Index (EGI) of +13). The overall positive picture masks the rather bleaker picture in the public sector. 61 per cent of HR managers in the public sector are anticipating a decrease in the size of their organisation’s workforce as compared with 15 per cent anticipating an increase (an EGI of -46). More positive expectations about future growth are held by SMEs compared with larger organisations operating in the private sector (an EGI of +55, compared with a comparative figure of +36 for larger organisations). It seems, then, that George Osborne’s intention to encourage private sector growth, particularly through SMEs, is being realised.

Perhaps not surprisingly, given the expectations around reductions in workforce size and more redundancies in the public sector (62 per cent of HR managers in the public sector anticipate further redundancies), a significant minority of public sector HR managers in our sample anticipated a growing proportion of part-time and contract/temporary employees in the workforce (20 per cent of HR managers in the public sector reported that they expected there to be a growing proportion of part-time employees in their organisation in the next two to three years; the respective figure for contract and temporary employees was 28 per cent). The comparative percentages for HR managers in other sectors expecting a growing proportion of the use of such staff was much lower.

The picture in the public sector reported by managers is one focussed on increasing efficiency and reducing costs, with redesigning processes and systems and cost spending restrictions the two most commonly reported responses to challenges faced (the third most common was downsizing and redundancies). Whether this greater efficiency and reduced cost is being achieved and what impact this is having on delivery we cannot say, but a pertinent question is to what extent this dwindling number of public sector managers is being adequately equipped to manage the challenges they face? Whilst managers in the public sector report the introduction of new technology (52 per cent), the development of strategic partnerships (43 per cent), and the centralisation of back-office functions (37 per cent), only 15 per cent of public sector managers report their organisation investing more in employees. 13 per cent of public sector managers actually report their organisation investing less in employees (an Employee Investment Index (EII) of +2). Compared with the public sector, managers across the private and not-for-profit sectors report pursuing a dual strategy of increasing efficiency (through cost spending restrictions, the redesign of processes or implementing new technology) whilst looking to develop new products and services or looking for new markets. In the private sector, it appears as if a significant minority of organisations are seeking to merge or acquire other businesses (23 per cent), or develop strategic alliances and partnerships (30 per cent). This implies a need for innovation, commercial acumen, strategic thinking and the ability to establish and develop partnerships. The private sector seems to be recognising the implications of the capabilities of its people by investing more in its employees (28 per cent of managers reported their organisation was investing more in employees). 8 per cent of managers in the private sector reported their organisation investing less in its employees (an overall EII for the private sector of +20). For the not-for-profit sector, nearly two-fifths of managers reported their organisation seeking to develop strategic partnerships and alliances (39 per cent), and again there is some recognition of the need to invest in employees (24 per cent of managers reported that their organisation was investing more in employees, compared with 6 per cent reporting that their organisation is investing less (an EII of +18)).

Nearly half of managers working in the private sector reported their organisation looking to develop new markets, with managers in SMEs more likely to report their organisation adopting this approach to address the economic challenges it faced. Managers in SMEs were more likely to report their organisation looking to develop strategic partnerships whilst larger organisations were more likely to be looking to pursue mergers and acquisitions. In either case, there appeared to be a recognition of the implications of these strategic imperatives for employee development, with, depending on the size of the organisation, between 27 and 35 per cent of managers reporting their organisation investing more in its employees.
Employment expectations positive in the private and not-for-profit sector, negative in the public sector

| How do you expect the size of your organisation’s workforce to change over the next two to three years? |
|-------------------------------------------------|-------------------------------------------------|-------------------------------------------------|-------------------------------------------------|
| HR managers reporting ... | Private Services (%) | Production and Manufacturing (%) | Not-for-profit (%) | Public sector (%) |
| Increase in size | 62 | 53 | 46 | 15 |
| Decrease in size | 19 | 28 | 16 | 61 |
| Employment Growth Index (EGI) (balance of positive versus negative expectations) | 43 | +25 | 30 | -46 |
| Base size (n) | 494 | 153 | 86 | 299 |

Employment expectations more positive in SMEs compared to larger organisations in the Private sector

69 per cent of HR managers in private sector SMEs reported anticipating an increase in the size of their organisation’s workforce. 14 per cent expected a decline, resulting in an Employment Growth Index (EGI) of +55. By comparison, whilst 58 per cent of HR managers in large organisations in the private sector expected an increase in the size of their organisation’s workforce, 22 per cent expected a decline (an EGI of +36).

| How do you expect the composition of your organisation’s workforce to change over the next two to three years? |
|-------------------------------------------------|-------------------------------------------------|-------------------------------------------------|-------------------------------------------------|
| HR managers reporting ... | Private Services (%) | Production and Manufacturing (%) | Not-for-profit (%) | Public sector (%) |
| Growing proportion of full-time employees | 39 | 34 | 20 | 15 |
| Growing proportion of part-time employees | 14 | 6 | 15 | 21 |
| Growing proportion of contract/temporary employees | 14 | 23 | 19 | 31 |
| No change | 33 | 37 | 47 | 33 |
| Base size (n) | 496 | 151 | 86 | 296 |

A greater proportion of HR managers in the public sector anticipate a growing use of part-time and contract/temporary employees over the next two to three years when compared with other sectors, perhaps as a result of both the redundancies that have already taken place in the sector and the expectations of more to come.
Public sector continues to seek to cut costs and enhance efficiency

How is your organisation responding to challenges in the political and economic environment?

Percentage of public sector managers reporting (%)

- Redesigning processes or systems: 66%
- Cost spending restrictions: 64%
- Downsizing/redundancies: 62%
- Implementing new technology: 53%
- Developing strategic partnerships: 44%
- Centralizing back-office functions: 42%
- Reducing or suspending recruitment: 34%
- Outsourcing back-office functions: 26%

Base size (n) = 526
Percentages add up to more than 100 as respondents could provide more than one answer

Is the public sector investing enough in its employees?

Despite the challenges faced in transforming the way the public sector works, only 15 per cent of public sector managers reported that their organisation was investing more in employees. 13 per cent of public sector managers actually reported their organisation investing less in employees, an overall Employee Investment Index of +2.
In the private and not-for-profit sectors, organisations are looking for ways to improve efficiency whilst seeking new markets and looking to develop new products and services.

How is your organisation responding to challenges in the political and economic environment?²

<table>
<thead>
<tr>
<th>Private Services</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost spending restrictions</td>
<td>54</td>
</tr>
<tr>
<td>Implementing new technology</td>
<td>51</td>
</tr>
<tr>
<td>Looking for new markets</td>
<td>48</td>
</tr>
<tr>
<td>Redesigning processes or systems</td>
<td>47</td>
</tr>
<tr>
<td>Looking to develop new products and services</td>
<td>42</td>
</tr>
<tr>
<td>Focussing on core businesses</td>
<td>42</td>
</tr>
<tr>
<td>Developing strategic partnerships or alliances</td>
<td>30</td>
</tr>
<tr>
<td>Mergers and acquisitions</td>
<td>23</td>
</tr>
<tr>
<td>Base size (n)</td>
<td>681</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Production and manufacturing</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost spending restrictions</td>
<td>54</td>
</tr>
<tr>
<td>Looking for new markets</td>
<td>54</td>
</tr>
<tr>
<td>Looking to develop new products and services</td>
<td>53</td>
</tr>
<tr>
<td>Redesigning process of systems</td>
<td>50</td>
</tr>
<tr>
<td>Focussing on core businesses</td>
<td>49</td>
</tr>
<tr>
<td>Implementing new technology</td>
<td>49</td>
</tr>
<tr>
<td>Downsizing/redundancies</td>
<td>37</td>
</tr>
<tr>
<td>Centralizing back-office functions</td>
<td>31</td>
</tr>
<tr>
<td>Base size (n)</td>
<td>201</td>
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</table>

<table>
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<tr>
<th>Not-for-profit</th>
<th>%</th>
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<tbody>
<tr>
<td>Looking to develop new products and services</td>
<td>54</td>
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<td>Cost spending restriction</td>
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<td>Redesigning processes and systems</td>
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<td>Implementing new technology</td>
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<td>Looking for new markets</td>
<td>49</td>
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<tr>
<td>Focussing on core businesses</td>
<td>44</td>
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<tr>
<td>Developing strategic partnerships or alliances</td>
<td>39</td>
</tr>
<tr>
<td>Downsizing/redundancies</td>
<td>27</td>
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<tr>
<td>Base size (n)</td>
<td>160</td>
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</table>

28 per cent of managers in the private services sector reported their organisation investing more in employees. 9 per cent reported their organisation investing less (an Employee Investment Index of +19)

28 per cent of managers in the production and manufacturing sector reported their organisation investing more in employees. 7 per cent reported their organisation investing less (an Employee Investment Index of +21)

24 per cent of managers in the not-for-profit sector reported their organisation investing more in employees. 6 per cent reported their organisation investing less (an Employee Investment Index of +18)

Note: percentages add up to more than 100 as respondents could provide more than one answer

² Figures show percentage of managers reporting their organisation adopting the relevant practice/strategy.
Managers in SMEs in the private sector are more likely to report their organisation looking to develop new markets.

How is your organisation responding to challenges in the political and economic environment?

<table>
<thead>
<tr>
<th>Response to economic and political challenges</th>
<th>Organisation size (number of employees)</th>
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<td></td>
<td>Less than 100 (%)</td>
</tr>
<tr>
<td>Cost spending restrictions</td>
<td>38</td>
</tr>
<tr>
<td>Reducing or suspending recruitment</td>
<td>11</td>
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<tr>
<td>Outsourcing back office</td>
<td>9</td>
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<tr>
<td>Redesigning processes or systems</td>
<td>25</td>
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<tr>
<td>Implementing new technology</td>
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<td>Centralising back office</td>
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<td>Developing strategic partnerships</td>
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<tr>
<td>Mergers and acquisitions</td>
<td>7</td>
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<tr>
<td>Looking for new markets</td>
<td>56</td>
</tr>
<tr>
<td>Investing more in employees</td>
<td>27</td>
</tr>
<tr>
<td>Investing less in employees</td>
<td>6</td>
</tr>
<tr>
<td>Base size (n)</td>
<td>119</td>
</tr>
</tbody>
</table>

The above analysis excludes the public sector and not-for-profit sector. Percentages add up to more than 100 as respondents could provide more than one answer.

Nearly half of managers in the private sector report that their organisation is looking to develop new markets. Managers in the sector also report their organisations looking to merge with or acquire other businesses, or develop strategic partnerships. Organisations in the private sector are clearly recognising the need to invest in developing their employees. Between one quarter and one third of the managers surveyed reported their organisation investing more in employees.
2. People challenges
Summary

What are the people challenges now and in five years’ time?

HR managers identified developing appropriate leadership and management styles as the top people challenge currently in their organisations (87 per cent of HR managers selected this option). Chapter 8 of this report provides more detail on what HR managers mean by an ‘appropriate leadership style’. Employee engagement and morale (75 per cent) and performance management (70 per cent) were the next two most common current people challenges.

When we compare today’s people challenges with those anticipated in five years’ time, we notice a shift in focus from internal change and performance management to a focus on talent management. HR professionals anticipate that by then, the top people challenge will be the retention of key employees (46 per cent), followed by succession planning (45 per cent). This theme continues with the spotlight on: sourcing talent (40 per cent of HR managers identify ‘finding the right employees in the right markets where we do business around the world’ as a main people challenge); developing talent (43 per cent of HR managers identify developing appropriate leadership and management styles as a main challenge; 41 per cent identify career management as a main challenge); and retaining talent (40 per cent of HR managers identify ‘managing the multi-generational workforce’ as a main challenge). This focus on talent is not surprising given expected demographic changes in the UK. A CIPD (2007) report into Talent highlighted demographic trends in the UK. By the year 2020 it is projected that the UK workforce aged 20-40 will decrease by 16 million and those aged between 45 and 65 will increase by 17 million. The talent challenges are many, but they include a more competitive market for early career talent, the potential loss of experienced and knowledgeable older workers, and the need for organisations to accommodate changing expectations and preferences (flexible working, reward and recognition) either due to an older workforce, or due to talented individuals having greater bargaining power.

Our research identified some groups whose responses indicated that the war for talent has already ignited in their minds. 71 per cent of 20-30 year old HR managers identified retention of key employees as the second highest current people challenge (after developing appropriate leadership styles, 79 per cent). This fits with recent reports that job movement is starting to increase. Our research may have highlighted Generation Y respondents’ awareness of the needs, motivations and intentions of their peers.

Our research also identified differences in the responses of HR managers working in different sectors, in particular the production and manufacturing sector. 62 per cent of HR managers in the production and manufacturing sector identified ‘finding the right employees in the right markets where we do business around the world’ as one of their top three current people challenges (compared to 46 per cent in the wider sample). 44 per cent of managers from the production and manufacturing sector also anticipated that ‘working across cultures’ will be a key people challenge in five years’ time (compared to 33 per cent in the wider sample). Could it be that the production and manufacturing sector is already experiencing the challenges of operating in the global market and therefore is ahead in terms of developing a more global outlook to talent management? We found from in-depth discussions with HR managers operating in this sector that they are focusing on identifying talent with global mindsets and encouraging greater global mobility in staff, in addition to developing their technical specialists to be leaders of the future. They are also dealing with the key people challenge of retaining the knowledge and experience of those in the 50+ age group, whilst at the same time recruiting and developing talent to replace them in time. Technical fields such as engineering were particularly likely to be utilising these approaches to help them deal with the scarcity of skills.
Talent management is moving up the agenda but is it happening fast enough?

What are the main people challenges your organisation is facing now and is likely to face in five years’ time?

Note: Base size (n) = 1025. Percentages add up to more than 100 as respondents could provide more than one answer.

There is a clear shift in HR managers’ views of key people challenges today compared to anticipated challenges in five years’ time. Today the focus is on performance management and employee engagement. In five years’ time, the focus shifts to talent management. With indications that talent is ready to move (see chapter 10), we ask the question “is talent management moving up the agenda fast enough?”
Operating in a global market and developing technical specialists into leaders identified as key talent challenges by HR managers

“We have quite a number of people aged 50 and above and if we assume that they’re going to be retiring at some point, we will be left with a hole. The challenge is how to keep bringing in the new talent but also learning from, and retaining the skills, knowledge, experience of those people.”

HR Director, Technology Sector

“We need to be thinking about people’s development beyond their technical capability into the global market and, in particular, needing people to feel comfortable with mobility and moving talent into the significant value jobs to develop the organisation in those emerging markets.”

“We need to look at what technology talent expect.”

Senior Manager, Manufacturing Sector

“We are asking ourselves - are we offering the type of environment the next generation really want?”

“We need to design and develop our own people.”

Senior Manager, Aerospace Sector

“We grow our own talent: we employ PhD students who need to be translated into research leaders of tomorrow.”

Director of HR, Healthcare Sector

“Our people move all over the world. How do we recruit and retain the people who have a global role? What is the engagement, the psychological contract that will mean they will buy in and stay and work with us?”

Director of HR, Healthcare Sector

1 Attracting the next generation
2 Attracting talent in an increasingly global market

1 Developing technical specialists into leaders
2 Global mindsets
3 Growing your own

1 What does the psychological contract look like for global talent?
2 How to retain the knowledge and skills of those in the 50+ age group
3. Human Resources
Summary

Our research has identified an unchanging picture of the challenges faced by the HR function. Managing change was the most common challenge reported by HR professionals both now (77 per cent of HR professionals rated managing change as the top challenge now) and in the future (46 per cent rated it as the top challenge in 5 years’ time). It seems that change is indeed a constant and our research has found some HR professionals feeling overwhelmed by the amount of change or disillusioned with the nature of it. Given that HR professionals identified managing change as their top challenge it is not surprising that over three-quarters of HR Managers (77%) indicated that their organisation had attempted to change its culture in the last five years.

Top of the list of reasons for driving cultural change was the need to improve efficiency and respond to financial challenges. Respondents talked about the need to do things differently and to operate with fewer resources. When talking about culture change, they also articulated a greater focus on effective performance management. Despite widespread attempts to change culture, 37 per cent of HR managers reported that cultural change had not been ‘that successful’ (that figure rises to 44 per cent in the public sector). Some of the HR managers we spoke to referred to issues such as the sheer scale of change required, a lack of appetite for the risk associated with change and a failure to take account of ‘the unwritten realities’ of the organisation in trying to effect organisational change. There is also a suggestion that in doing so, organisations may be over-reliant on introducing systems and processes rather than equipping managers with the capabilities to hold effective conversations, particularly with respect to performance management.

The question for HR is how can it influence the nature of change to reflect both the existing culture and to focus on people, not process? The next three top challenges reported by HR professionals now and in 5 years’ time were: demonstrating the link between people management and business results (70 per cent now and 45 per cent in five years’ time), influencing senior managers (69 per cent now and 39 per cent in five years’ time) and becoming more strategic (64 per cent now and 36 per cent in five years’ time). Whilst identifying these quite strategic issues as top challenges, an additional overarching challenge faced by HR appears to be balancing the desire to pursue more strategic activities whilst managing the pressures of operational work. Our HR respondents spoke of the need to deal with capability and performance issues negating the possibility of addressing more strategic concerns.

Our research suggests that, on the whole, HR is being asked by managers in the business for assistance with predominantly operational issues, and is helping the business to manage these issues very effectively. It does appear, however, that this effectiveness comes with a cost. More than half of managers in the wider business regard HR as ‘reactive’, with less than one quarter seeing the HR function as ‘proactive’. Whilst ‘adding value to the business’ was the second most common response of non-HR managers when asked to describe HR, this was a perception held by less than one third of non-HR managers. There appears, then, to be work to do for HR. Whilst both managers in the business and within the HR function see HR as ‘reactive’, managers in the business see HR as helpful in providing support when they need it but not necessarily adding value to the business.

It would seem that HR sees some of the key barriers to having greater impact as the short-term focus of the business and its own reactive workload, but more than one-third (38 per cent) also believe HR spends too much time on unimportant things. We cannot say from our research what these ‘unimportant’ things may be, but there is clearly a question in the minds of a significant minority about whether HR is effectively prioritising its resources in a way that can add most value.

Our research indicates that HR is intent on developing capabilities that will help it both add value to the business and demonstrate that value. HR managers report key competencies and knowledge areas for development concentrated on business and commercial understanding, organisational design and development, managing change and demonstrating impact through metrics and analytical capabilities. For example, when asked for the top four competencies that HR needed to develop, the four most common answers reported by HR managers were understanding the business (84 per cent), the ability to influence decision-makers (78 per cent), changing culture (64 per cent) and the development of organisational capabilities (61 per cent). Similarly, when asked in which areas HR professionals would most benefit from external support and expertise, the most common responses given by HR managers were organisational development (40 per cent), leadership (39 per cent) and metrics and data analysis (33 per cent). A desire for greater influence appears to be a theme running through the data. Both in terms of making the case to management about change, or in the way in which HR managers increasingly feel they must operate, influencing managers of the importance of people management.

A greater proportion of HR managers identified ‘recruiting and retaining talented HR professionals’ as a challenge in five years’ time compared to now. This may reflect the broader picture identified in our research (and covered in chapters 1 and 10). That is, one in which managers are increasingly looking for opportunities to move on and there is an emergent concern around talent retention and the talent pipeline.
Managing change dominates the HR agenda

Main challenges facing HR as a function now and in five years time

- Recruiting and retaining talented HR professionals
- Keeping abreast of developments
- Transitioning to new roles
- Upgrading the quality of HR professionals
- Aligning with the business
- Becoming more strategic
- Influencing senior managers
- Establishing the link between people management and business results
- Managing change

Note: percentages may add up to more than 100 as respondents could provide more than one answer

A greater proportion of HR managers identified recruiting and retaining talented HR professionals as a challenge in five years’ time compared to ‘now’. This may reflect the broader picture (chapters 1 and 10) of talent being ready to move with economic recovery seemingly in train.

Influence appears to be a key theme underlying the concerns of HR managers, whether that be playing a more strategic role in the business, demonstrating the impact of people management, or influencing change.
Making space to be strategic a challenge given operational pressures

"We are moving away from being a transactional service, moving into a more engaging with the business to support and enable research, that’s a different skill set.”

HR Director, Not-for-profit Sector

"In order to be able to put business cases for change together we need to have some real data and analysis of data that helps us create the business case for change. And, in terms of that, we need to improve our knowledge of what matrices we have and how HR drives the performance and supports the performance of the business.”

Senior HR Manager, Aerospace Sector

“HR professionals [need to] understand their place in the organisation, what they’re there to achieve, and how they can add extra value to the business. How they can be the champions of change in terms of helping the business leaders understand how to engage with people in a different way.”

HR Manager, Manufacturing Sector

“So there’s huge amounts of capability and performance issues coming through, and whilst our HR managers are dealing with it, they can’t be more strategic, they can’t be more proactive.”

Junior HR Manager, NHS Trust
Over three-quarters of HR Managers reported that their organisation had attempted to change its culture in the last five years.

What is driving cultural change?

- Drive for improvement, efficiency & performance
- Response to financial challenges
- Changes in the market
- Growth, mergers or downsizing
- New leader, typically CEO

77 per cent of HR managers reported that their organisation had attempted to change its culture in the last five years. When we asked HR managers to describe the reasons behind attempts at culture change, answers centred around responding to financial challenges and seeking improvements in efficiency.

Note: the graphic presents the top five reasons for culture change given by HR managers in response to an ‘open response’ question.
Change focused on developing a performance driven culture

“Change focused on developing a performance driven culture. Attempts to change culture focused on performance management. All of that. It’s about doing it in a positive way to change the way that we operate.”

Senior HR Manager, Financial Services

“We’re going through a period of organisational change. We had a change of Chief Executive a couple of years ago, which has resulted in a significant cultural change and we’re looking to be far more proactive in our leadership and management of staff, and far more focused on performance, and performance aligned with strategic objectives.”

Director of HR, Healthcare Sector

“One of the ones to improve in, as an example, is having people feel that we really manage performance effectively, and there are two prongs to that: one is the people who know they’re doing a good job feeling perhaps they haven’t been valued enough. And then people observing that others who aren’t performing quite as effectively are allowed to get away with it, they’re not pulled up and they’re not coached and developed.”

HR Director, Technology Sector
More than one-third of HR managers do not regard efforts at culture change as successful, rising to more than two-fifths in the public sector.

How successful have efforts been to change the culture in your organisation?

- Very successful: 34%
- Fairly successful: 3%
- Not that successful: 5%
- Not at all successful: 58%

Base size (n) = 613

Whilst 37 percent of HR managers overall reported that efforts to change their organisation’s culture had not been successful (either ‘not that successful’ or ‘not at all successful’), this figure rises to 44 percent in the public sector. By comparison, 33 percent of HR managers in the private sector and 28 per cent in the not-for-profit sector regarded efforts to change culture as not successful.
There are indications that HR risks being overwhelmed by the scale of change.

“I’m on my third cut of a transformation programme to change the business, so sometimes you do feel like you’re wasting your time”

Junior HR Manager, Utilities Sector

“This organisation has never done such a huge amount of change management before, and I think that the HR managers will be completely overwhelmed”

Junior HR Manager, Public Sector

“We’re trying to turn around a massive oil tanker of culture change”

HR Business Partner, Motor Sector

“The organisation does not have a huge risk appetite to make changes, so it is quite a challenge to gain senior manager buy-in and support”

L & D Manager, Financial services

Scale of change

Appetite for change

HR capacity and capability to manage scale and nature of change
HR providing effective support to the business but still seen as reactive and not necessarily adding value

The vast majority (70 per cent) of managers surveyed had sought support from HR, most commonly with recruitment and selection (66 per cent of managers who had sought help had done so with respect to this issue), managing underperformance (54 per cent), or assistance with a disciplinary or capability procedures (50 per cent). Managers sought support less commonly on more strategic issues such as employee engagement (23 per cent). Whilst over four-fifths (81 per cent) of managers regarded the support they received as helpful, only just over one quarter (28 per cent) of managers saw HR as adding value to the business.

Note: percentages may add up to more than 100 as respondents could provide more than one answer.
HR Managers regard short-termism and lack of resources as barriers to having greater impact.

What do you believe are the main barriers to HR being effective?

- HR appears "ivory tower"
- There is no consistency because the responsibilities are devolved
- HR professionals are not of a high enough calibre
- HR has no influence at board level
- HR professionals lack credibility in the business
- HR spends too much time on unimportant things
- The business is very short term focused
- HR is too thinly spread
- HR is too reactive

Percentage of HR Managers

Base size (n) = 980

Note: percentages may add up to more than 100 as respondents could provide more than one answer.
HR Managers identify developing business and organisational development capabilities as key to confronting challenges and having greater influence.

Which of the following competencies do you see as being most critical for HR in your organisation?

- Understanding the business: 82%
- Ability to influence decision-makers: 78%
- Culture change ability: 64%
- Developing organisational capabilities: 61%
- Balancing the short-term and long-term: 57%
- Diagnostic and analytical capability: 53%
- Personal credibility: 49%
- Base Size (n): 985

Which of the following areas of knowledge are most important for HR professionals in your organisation?

- Management of change: 74%
- Leadership: 74%
- Organisational design and development: 67%
- Talent Management: 62%
- Workforce Planning: 53%
- HR Metrics and data analysis: 49%
- Employee relations: 44%
- Base Size (n): 903

In which three of the following HR areas would your organisation most benefit from external expertise and support?

- Organisational development/effectiveness: 40%
- Leadership development: 40%
- Metrics and data analysis: 31%
- Judgment, commercial and strategic skills: 29%
- Process, redesign and implementation: 25%
- HR strategy development: 21%
- Workforce planning: 19%
- Base Size (n): 918

Note: percentages may add up to more than 100 as respondents could provide more than one answer.
4. Organisational purpose, values and strategy
Summary

The vast majority of managers report understanding their organisation’s strategy and values. This overall picture masks some clear differences between the perspectives of managers working in different sectors, at different levels of seniority and with differing experience of the organisation concerned. Whilst over 90 per cent of managers report understanding their organisation’s strategy and values at least adequately, just over two-fifths (43 per cent) say that they understand their organisation’s strategy very well. With regard to understanding organisational values, the respective figure is just over half (55 per cent of managers surveyed report that they understand their organisation’s values very well). Clarity about organisational strategy and values, perhaps not surprisingly, increases with seniority and decreasing size of the organisation.

A more important observation is, the difference managers report between the stated values of their organisation and those they observe practised by ‘management’. This difference is most pronounced in the public sector, perhaps reflecting the tension between the public service values of many who work in the sector and the implications of the financial constraints placed upon it by successive austerity drives. Two-fifths of managers (40 per cent) report that the values practised by ‘management’ do not reflect what they consider to be those of the organisation. This proportion rises to more than half (51 per cent) in the public sector. It appears that managers in the not-for-profit sector are more likely to be viewed as living up to the values espoused by their organisation. Congruence between observed and stated values is also positively linked to the size of organisation worked for (the smaller the organisation, the more likely there is to be perceived congruence), seniority (the more senior you are the more likely you are to view practised and espoused values as congruent) and length of time in the organisation, although this latter relationship is somewhat weaker.

One quarter of managers regarded the collective sense of purpose in their organisation as weak. Again, views in the public sector are most negative with roughly one in three (30 per cent) managers in the public sector regarding the collective sense of purpose in their organisation as weak or very weak. Again, this may reflect a perception of a clash between public sector values and the implications of the current focus on cost-cutting and efficiency. As for values and strategy, the higher the level of seniority and the smaller the size of the organisation, the more likely there is perceived to be a collective sense of purpose in the organisation.
Whilst the vast majority of managers are clear about their organisation’s strategy, only two-fifths report understanding it very well.

91% of managers understand their organisation’s strategy at least adequately well  (n=1375)

43% of managers understand their organisation’s strategy very well (n=1375)

93% of managers understand their organisation’s values at least adequately well (n=1395)

55% of managers understand their organisation’s values very well (n=1395)

The vast majority of managers report that they understand their organisation’s strategy and values at least adequately well. Yet, only two-fifths report understanding their organisation’s strategy very well, with just over half reporting the same about their organisation’s values.
Clarity regarding organisational strategy and values increases with seniority and decreasing size of organisation.

**Percentage of managers who understand their organisation's strategy/values very well by role level**

- **Board director (n=99)**
- **Other Director/Senior Manager (n=562)**
- **Middle Manager (n=630)**
- **Junior Manager (n=104)**

**Percentage of managers who understand their organisation's strategy/values very well by organisation size**

- **More than 250 employees (n=1149)**
- **Between 100 and 250 employees (n=109)**
- **Less than 100 employees (n=117)**

Numbers in brackets are the total number of responses to each item.
The majority of public sector managers report a lack of congruence between their organisation’s stated values and those practised by management.

<table>
<thead>
<tr>
<th>Sector</th>
<th>Percentage</th>
<th>Base size (n)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Services</td>
<td>34</td>
<td>616</td>
</tr>
<tr>
<td>Production and Manufacturing</td>
<td>39</td>
<td>182</td>
</tr>
<tr>
<td>Not-for-profit</td>
<td>28</td>
<td>148</td>
</tr>
<tr>
<td>Public</td>
<td>51</td>
<td>495</td>
</tr>
<tr>
<td>Overall</td>
<td>40</td>
<td>1441</td>
</tr>
</tbody>
</table>

The difference between espoused and practised values appears greatest in the public sector, perhaps reflecting the tension between the public service values of many who work in the sector and the implications of the financial constraints placed upon it by successive austerity drives. Congruence between the espoused values of the organisation and those seen to be practised by ‘management’ was highest in the not-for-profit sector.

<table>
<thead>
<tr>
<th>Level of Seniority</th>
<th>Percentage</th>
<th>Base size (n)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board Director</td>
<td>76</td>
<td>104</td>
</tr>
<tr>
<td>Director/other senior manager</td>
<td>58</td>
<td>577</td>
</tr>
<tr>
<td>Middle manager</td>
<td>48</td>
<td>653</td>
</tr>
<tr>
<td>Junior manager</td>
<td>50</td>
<td>107</td>
</tr>
</tbody>
</table>

Managers are more likely to feel the values practised by ‘management’ reflect those espoused by the organisation if they are more senior and if they work in a small as opposed to large organisation.

<table>
<thead>
<tr>
<th>Size of organisation (number of employees)</th>
<th>Percentage</th>
<th>Base size (n)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 100</td>
<td>69</td>
<td>124</td>
</tr>
<tr>
<td>Between 100 and 250</td>
<td>64</td>
<td>115</td>
</tr>
<tr>
<td>More than 250</td>
<td>51</td>
<td>1202</td>
</tr>
</tbody>
</table>
One quarter of managers regard the collective sense of purpose in their organisation as weak, rising to nearly one third in the public sector.

<table>
<thead>
<tr>
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</tr>
<tr>
<td>Overall</td>
<td>25</td>
<td>1441</td>
</tr>
</tbody>
</table>

As for congruence in values, managers in the not-for-profit sector are more likely to be positive about the collective sense of purpose in their organisation, with less than one in ten regarding it as weak. By comparison, nearly one-third of managers in the public sector regard the sense of collective purpose in their organisation as weak or very weak.

More senior managers are more likely to perceive a common sense of purpose in their organisation.
5. Organisational culture
Summary

Nearly one half (47 per cent) of managers characterised their organisation’s culture as ‘high challenge, low support’. The explanations given for this ranged from an imbalance between demands and resources, a lack of senior management support for agreed projects and priorities, a blame culture and work pressure effectively being passed down the line without adequate support being provided to offset it. The implications of this are clear when we consider the impact on ‘intention to leave’. 61 per cent of managers rating their organisation’s culture as ‘high challenge, low support’ reported that they intended to leave their organisation in the near future. For comparison, less than one-third (28 per cent) of managers working in organisations that they regarded as providing high levels of support as well as challenge expressed an intention to leave in the near future. This latter group spoke of supportive team environments, effective manager-direct report ratios, visible senior management, and clarity and understanding about the bigger strategic picture and their contribution to it.

It is interesting to note, when looking at differences by sector, the relatively poorer results for the Production and Manufacturing sector in terms of the provision of a supportive environment. 56 per cent of managers in this sector regarded their organisation’s culture as ‘high challenge, low support’ compared with 45 per cent in the private services sector and 52 per cent in the public sector. Whether this reflects the technical, task-orientation of many managers in this sector as opposed to more of a people-orientation is an interesting question, but a picture that would fit with other Roffey Park research. It is also worthy of note that the majority of managers in the public sector also regard their organisation’s culture as ‘high challenge, low support’, no doubt reflecting the continued austerity drive and push for even greater efficiencies. A key question might be whether, in the absence of necessary support, managers in this sector are equipped to develop and implement the new ways of working required to meet efficiency targets? A final sectoral difference worthy of note is the relatively positive perceptions of organisational culture reported by managers in the not-for-profit sector. Less than one-third (32 per cent) of managers (32 per cent) in this sector regarded their organisation’s culture as ‘high challenge, low support’. Whilst that sounds very positive, and is more positive compared with other sectors, twice as many managers in the sector rated their organisation’s culture as ‘low challenge, high support’ when compared with managers in other sectors. There is some evidence that this lack of challenge should be of concern, with 42 per cent of managers in this category stating that they intend to leave their organisation in the near future.

There are also differences by level of seniority. Board directors are more likely to rate their organisation’s culture as ‘high challenge, high support’, and least likely to regard it as ‘high challenge, low support’. The relationship with seniority is not linear, however, with middle managers appearing to perceive an imbalance between demands and available support more acutely.

More than half of managers regard their organisation’s culture as ‘low support’.

Whilst overall 47 per cent of managers regard their organisation’s culture as ‘high challenge, low support’, this figure rises to 56 per cent in the production and manufacturing sector and 52 per cent in the public sector. Less than one-third (32 per cent) of managers in the not-for-profit sector consider their organisation’s culture to be one of ‘high challenge, low support’.

The percentage of managers regarding their organisation’s culture as ‘high challenge, low support’ varies with seniority. More than half of middle managers (53 per cent) felt that their organisation’s culture was one of ‘high challenge, low support’ compared with 44 per cent of junior managers and 30 per cent of board directors.

More than double the proportion of managers (23 per cent) in the not-for-profit sector regarded their organisation’s culture as ‘low challenge, high support’ when compared with managers in other sectors (9 per cent of managers in the public sector and 11 per cent in the private sector felt that their organisation’s culture was one of low challenge and high support).
Nearly half of managers operate in ‘high challenge, low support’ cultures

**Lack of senior management support**
“We seem to be expected to deliver all sorts of things that require senior management to support them going forward. We deliver, senior management fail to support and nobody holds them accountable. Hoping this will change with our new manager.”

HR Manager, Not-for-Profit Sector

**Lack of resources and too many demands**
“Work is high challenge in both quantity and content stretch. Deadlines are tight. Hours are long. Resources are hard to come by and continually reduced. Leaders and managers do not have time to provide support.”

HR Manager, Financial Services Sector

**Leaders themselves under pressure**
“Our leaders are struggling themselves with their workload, and having to pick up new skills: especially stronger decision-making processes, commercial skills, people leadership, leading through change, leading remote teams... This sometimes leads to lack of direction/support further down the line, and a sense of "panic". Sometimes, too, leaders take on less challenging tasks/decisions themselves, and delegate the harder ones!”

Senior HR Manager, Not-for-Profit Sector

**Lack of autonomy and support for leaders**
“Often feel undermined and underutilised, need more autonomy. My opinions are not listened to quite often, so don’t feel supported with new ideas and insights.”

Junior HR Manager, Education Sector

**Blame culture**
“There exists a blame culture and this is hampered by top leadership challenging on issues that are either not an agreed priority or that are not adding value to overall strategy.”

Senior HR Manager, Leisure Sector

**Gaps in support for middle managers**
“There is a lot that is expected of all of us but the support is directed mainly at the lower grades of staff. Heads of service seem like the forgotten layer - with little if no support put in place. It's no surprise that I'm seeing evidence of burnout amongst my peers (and even myself to some degree)”

Senior Manager, Local Government
Just under two-fifths of managers see their organisation as a ‘high challenge, high support’ culture

Good manager - report ratios
“We have a good ratio of managers to members of staff so that as a manager you can dedicate sufficient time to each member (I manage 4 people directly currently compared to 9 in my previous organisation). We do demand a lot of every employee but I think this is rewarded in the level of trust and autonomy each role has.”
Manager, Not-for-Profit Sector

Open communication
“Because difficult issues are raised and discussed, grudges are not held and support to succeed is provided.”
Senior Manager, NHS

Supportive team
“Supportive team and manager plus supportive administrators help all to achieve challenging targets.”
HR Manager, Financial Services Sector

Clarity about direction
“With a new CEO, culturally we have been transforming to a more commercially focused, accountable workplace. This has been a challenge to some, but the clarity of direction and purpose has brought with it a clear vision, with employees understanding better the part they play in contributing to the success of the company. Individuals are therefore more able to accept challenge on a professional level (not taking it personal) and seek or be given support where it is needed.”
Senior HR Manager, Financial Services Sector

Visible senior management
“Senior management is working hard to be visible and to communicate priorities, clarify challenges and issues, and reassure while being realistic about what needs to be done.”
Senior Manager, Central Government

High Challenge
High Support
(37%)
One in nine managers work in ‘low challenge, high support’ work environments

Desire to move towards a performance culture
“The business is staffed by very nice people - there has not in the past been a performance culture, and this is one of the things we are trying to address in our transformation programme.”
Senior HR Manager, Not-for-Profit Sector

Risk-averse cultures and lack of dynamic change
“The business is very measured and risk averse. This has lead to a culture of little challenge and little dynamic change.”
Senior Manager, Not-for-Profit Sector

A culture of paternalism
“Partners are paternalistic and over supportive. Staff who have been here many years are unwilling to take on responsibility and find change difficult.”
Senior HR Manager, Financial Services Sector

A culture of challenge desired but not supported
“Very supportive for personal development, However, challenge is talked about as a preference for behaviour but not actively rewarded, appreciated or recognized.”
Senior HR Manager, Utilities Sector

Lack of management skill
“It is a supportive organisation with paternalistic and collaborative culture but at the same time inconsistencies across the organisation because of lack of management skills in some areas.”
HR Manager, Healthcare Sector

Changing culture to one of high challenge and high support
“Overall organisational culture is changing from one of high support, low challenge to one of high support, high challenge. Although in some parts of the business there’s still a level of complacency in terms of holding high/challenging expectations.”
Senior HR Manager, Financial Services Sector

Low Challenge
High Support
(12%)
Nearly one in twenty managers work in ‘low challenge, low support’ work environments.

**Putting a block on talent**
“The organisation lacks any commercial vision and pigeon-holes people. Talented people often see ways in which their skills would benefit the organisation but they are not allowed to use them. Challenge is therefore very low.”

HR Manager, Local Government

**Skills under-utilised**
“Most people are working at least two levels below their pay grade. Regular complaints about lack of challenging work.”

HR Manager, Utilities

**Poor record on implementation**
“Culture of keeping your head down until it all goes away - inevitably things do go away, poor record of implementation and/or seeing things through.”

Senior Manager, Local Government

**Lack of accountability**
“The vision is not clear and there is not enough structure from the very top. People are not held to account.”

Senior HR Manager, Media
Managers working in ‘low support’ cultures are more likely to leave their organisation.

Base size (n) = high challenge, high support: 520; low challenge, high support: 166; high challenge, low support: 678 and low challenge, low support: 64
6. Ethics
Summary

Nearly half (49 per cent) of the managers surveyed report having observed misconduct in their organisation. This is potentially of concern, even more so when we consider that nearly one-third (32 per cent) chose not to report the observed misconduct, often, it seems, because they thought corrective action would not be taken or they did not wish to get involved (even more worryingly, one quarter of managers feared that action would be taken against them if they reported misconduct). There appears, perhaps not surprisingly, to be a seniority effect, with senior managers being more likely to say that they have both observed, and reported, misconduct.

The extent to which leaders, and the organisations they work for, are encouraging an ethical climate or facilitating an awareness of ethical issues is worth exploring, particularly since our research indicates that managers who observe misconduct are more likely to express an intention to leave their organisation. 53 per cent of managers who had observed misconduct in their organisation expressed an intention to leave their organisation in the near future. The comparative figure for managers who had not observed such misconduct was 41 per cent.

Overall, there is evidence that the vast majority of organisations are putting systems and processes in place to encourage greater ethical awareness and facilitate reporting of misconduct. However, there is evidence that organisations could be doing more in this regard, particularly when overall figures are broken down by sector. For example, whilst 56 per cent of managers overall report that their organisations provide training on ethics, the comparative figure in the not-for-profit sector is 37 per cent and the public sector 47 per cent. Whilst these comparatively low figures may reflect the incorporation of ethics into the standards of professions represented in these sectors, it could also indicate that there is room for a greater focus on these issues.

We asked managers to rate their line manager according to a construct of ethical leadership comprising six dimensions: fairness; power sharing; role clarification; people orientation; integrity; and ethical guidance. More than half the managers surveyed rated their line managers positively on each of the six dimensions.

However, this was only marginally the case with respect to ‘fairness’. ‘Fairness’ was the dimension out of the six that was least likely to be rated positively. 37 per cent of managers agreed that their line manager was ‘focussed mainly on his or her own goals’, and 21 per cent agreed with the statement that their manager ‘holds me accountable for problems over which I have no control’. With fairness a central issue in the workplace, and trust a subject of future study at Roffey Park, this result makes interesting reading. The importance of ethical leadership is reinforced by the finding that managers regarding ethical leadership as somewhat lacking were more likely to express an intention to leave their organisation.

1 Kalshoven K (2010) ‘Ethical leadership: through the eyes of employees’. University of Amsterdam.
Whilst nearly one half of managers observe misconduct, one-third of these managers chose not to report it.

<table>
<thead>
<tr>
<th></th>
<th>Public Sector % (n)</th>
<th>Private Sector % (n)</th>
<th>Not-for-profit sector % (n)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Observing misconduct</td>
<td>54 (496)</td>
<td>45 (800)</td>
<td>53 (148)</td>
</tr>
<tr>
<td>Reporting misconduct</td>
<td>69 (279)</td>
<td>66 (383)</td>
<td>73 (80)</td>
</tr>
</tbody>
</table>

Numbers in brackets are the total number of responses to each item.

Note: The ‘reporting misconduct’ percentages show the percentage of managers that observed misconduct who went on to report it. For example, 54 per cent of managers in the public sector observed misconduct. Of those public sector managers who observed misconduct, 69 per cent went on to report it.

Managers in the public and not-for-profit sectors are both more likely to observe and report misconduct when compared with managers in the private sector. Having said that, across all sectors, between roughly one quarter and one third of managers chose not to report instances of misconduct.

Reasons for not reporting an observing misconduct:

- 51% did not believe corrective action would be taken
- 37% did not want to get involved
- 25% feared that action would be taken against them
- 8% were not aware of any procedure for reporting misconduct

Base size (n) = 126

Note: Percentages do not add up to 100 as respondents could provide more than one answer.
Managers in more senior roles are more likely to say that they have both observed, and reported, misconduct

<table>
<thead>
<tr>
<th>Role</th>
<th>Observed Misconduct</th>
<th>Reported Misconduct</th>
<th>Percentage of Observers Who Chose Not to Report</th>
</tr>
</thead>
<tbody>
<tr>
<td>Junior Managers</td>
<td>43%</td>
<td>57%</td>
<td>43%</td>
</tr>
<tr>
<td>Middle Managers</td>
<td>47%</td>
<td>65%</td>
<td>35%</td>
</tr>
<tr>
<td>Other Director/Senior Managers</td>
<td>52%</td>
<td>70%</td>
<td>30%</td>
</tr>
<tr>
<td>Board Directors</td>
<td>51%</td>
<td>83%</td>
<td>17%</td>
</tr>
</tbody>
</table>
The importance of establishing and maintaining an ethical climate is highlighted by managers who have observed misconduct being more likely to say that they intend to leave the organisation in the near future.
Managers report that their organisations are making efforts to support an ethical climate, but there is evidence to suggest they could do more.

<table>
<thead>
<tr>
<th>Managers reporting that their organisation has...</th>
<th>Overall % (n)</th>
<th>Public Sector % (n)</th>
<th>Not for profit % (n)</th>
<th>Private services % (n)</th>
<th>Production and manufacturing % (n)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A written code of conduct and standards</td>
<td>81 (1431)</td>
<td>80 (493)</td>
<td>72 (148)</td>
<td>82 (609)</td>
<td>91 (181)</td>
</tr>
<tr>
<td>Training on ethics available to employees</td>
<td>56 (1421)</td>
<td>47 (488)</td>
<td>37 (147)</td>
<td>62 (605)</td>
<td>73 (181)</td>
</tr>
<tr>
<td>Advice on ethical issues</td>
<td>68 (1415)</td>
<td>59 (486)</td>
<td>55 (145)</td>
<td>74 (604)</td>
<td>78 (180)</td>
</tr>
<tr>
<td>A system for confidential reporting</td>
<td>82 (1416)</td>
<td>81 (485)</td>
<td>75 (147)</td>
<td>82 (604)</td>
<td>87 (180)</td>
</tr>
</tbody>
</table>

Numbers in brackets are the total number of responses to each item.

Whilst it appears that the vast majority of managers are aware of policies and processes relating to ethical conduct at work, there appears to be less of a focus on raising awareness of ethical issues and prompting reflection around the ethical questions raised by situations at work through training and development. It may be that organisations need to address ethics and ethical decision-making at a cultural and behavioural level rather than a procedural one if they are to avoid the kind of corporate ethics scandals that have dominated newspaper headlines in recent times.
Managers, on the whole, rate their own manager as ‘ethical’, although there is room for improvement particularly with respect to fairness.

We asked managers to rate their line manager according to a construct of ethical leadership comprising six dimensions. Each dimension comprised two questionnaire items. The level of (dis)agreement with each of the six dimensions and their corresponding items is shown below. To note, items for five of the six dimensions are positive statements. The exception to this is the fairness dimension for which items are negative statements. Disagreeing with these statements is therefore to be interpreted positively.

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Items</th>
<th>Disagree (%)</th>
<th>Disagree(%)</th>
<th>Agree(%)</th>
<th>Agree(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>People orientation</td>
<td>Is interested in how I feel and how I am doing (n=1481)</td>
<td>16</td>
<td>13</td>
<td>74</td>
<td>65</td>
</tr>
<tr>
<td></td>
<td>Is genuinely concerned about my personal development (n=1478)</td>
<td></td>
<td>19</td>
<td>57</td>
<td></td>
</tr>
<tr>
<td>Fairness</td>
<td>Holds me accountable for problems over which I have no control (n=1470)</td>
<td>50</td>
<td>59</td>
<td>21</td>
<td>29</td>
</tr>
<tr>
<td></td>
<td>Is focussed mainly on reaching his/her own goals (n=1475)</td>
<td></td>
<td>42</td>
<td>37</td>
<td></td>
</tr>
<tr>
<td>Power sharing</td>
<td>Allows subordinates to influence critical decisions (n=1470)</td>
<td>17</td>
<td>18</td>
<td>64</td>
<td>66</td>
</tr>
<tr>
<td></td>
<td>Delegates challenging responsibilities to subordinates (n=1472)</td>
<td></td>
<td>16</td>
<td>67</td>
<td></td>
</tr>
<tr>
<td>Ethical guidance</td>
<td>Explains what is expected from employees in terms of behaving with integrity (n=1471)</td>
<td>16</td>
<td>15</td>
<td>64</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Clarifies the likely consequences of unethical behaviour by myself and colleagues (n=1476)</td>
<td></td>
<td>16</td>
<td>53</td>
<td>58</td>
</tr>
<tr>
<td>Role clarification</td>
<td>Explains what is expected of me and my colleagues (n=1476)</td>
<td>17</td>
<td>15</td>
<td>64</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Clarifies priorities (n=1476)</td>
<td></td>
<td>20</td>
<td>60</td>
<td>62</td>
</tr>
<tr>
<td>Integrity</td>
<td>Keeps his/her promises (n=1470)</td>
<td>14</td>
<td>14</td>
<td>65</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Can be trusted to do the things he/she says (n=1473)</td>
<td>15</td>
<td>15</td>
<td>67</td>
<td></td>
</tr>
</tbody>
</table>

Numbers in brackets are the total number of responses to each item.

‘Fairness’ was the least positively rated dimension of ethical leadership. One-fifth of managers reported that their manager held them accountable for problems over which they had no control. Nearly two-fifths felt their manager was focussed mainly on their own goals.

Kalshoven K (2010) ‘Ethical leadership: through the eyes of employees’. University of Amsterdam. People orientation – displaying care about, and respecting and supporting ‘followers’; Fairness – the treatment of others in a way that is right and equal, and the making of choices which are principled and fair; Power sharing – enabling ‘followers’ to have a say in decision-making, making space to listen to their ideas and concerns; Ethical guidance – promotion and recognition of ethical conduct. Role clarification – clarity concerning expectations, responsibilities and performance goals, Integrity – consistency of words and acts, and the keeping of promises.
Managers who perceive their manager as less ‘ethical’ are more likely to report an intention to leave.

**Intention to leave and level of ethical leadership**

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Level of (dis)agreement* with ethical leadership</th>
</tr>
</thead>
<tbody>
<tr>
<td>People Orientation (n=1479)</td>
<td>Yes: 40%, No: 15%</td>
</tr>
<tr>
<td>Fairness (n=1472)</td>
<td>Yes: 35%, No: 20%</td>
</tr>
<tr>
<td>Power Sharing (n=1471)</td>
<td>Yes: 30%, No: 25%</td>
</tr>
<tr>
<td>Ethical Guidance (n=1473)</td>
<td>Yes: 25%, No: 20%</td>
</tr>
<tr>
<td>Role Clarification (n=1476)</td>
<td>Yes: 20%, No: 15%</td>
</tr>
<tr>
<td>Integrity (n=1471)</td>
<td>Yes: 15%, No: 10%</td>
</tr>
</tbody>
</table>

Numbers in brackets are the average number of responses to each dimension.

* The chart shows level of disagreement with the positive items for five of the six dimensions. For the fairness dimension, the percentages shown are levels of agreement with the negative items that comprise this dimension.

Of those managers who expressed an intention to leave their organisation, 22 per cent felt their manager lacked integrity. By comparison, of those managers who did not express an intention to leave their organisation, 7 per cent felt their manager lacked integrity.
7. Innovation
Overall, one half of HR managers surveyed report that ‘encouraging innovation’ is a main people challenge. Our research suggests that whilst there is some variation by sector on this issue, it is an issue that resonates across sectors. Perhaps reflecting the increased focus in the public sector on driving efficiency coupled with arguably less of a tradition of innovation, a greater proportion of HR managers in the public sector (61 per cent) rated innovation as a key people challenge when compared with other sectors (48 per cent in the private services sector; 41 per cent in both the production and manufacturing, and not-for-profit sectors). A number of HR managers we spoke with highlighted a tension in their organisation between a focus on compliance and a desire for greater innovation, and questioned the extent to which their HR processes supported greater innovation.

There are signs that widespread recognition of this challenge is not being matched in terms of action on the ground. Certainly, the views of managers on how their organisation supports innovation are, on the whole, less than positive. Nearly two-thirds of managers (62 per cent) disagreed that ‘time and space is made available for thinking creatively’; more than half (53 per cent) disagreed that the culture of their organisation ‘encourages risk taking and innovation’; and just over two-fifths (41 per cent) did not agree with the statement that the ‘behaviour of senior leaders supports creativity and innovation’.

So, what is HR doing to address this disparity? From the evidence, it appears that HR managers are placing their hopes for greater innovation on actively developing leadership capabilities within their organisation. Nearly three-quarters (73 per cent) of HR managers report leadership development as a key HR strategy used to support innovation in their organisation. In comparison, one half (51 per cent) reported the development of a learning culture and roughly two-fifths (39 per cent) referred to team development as a strategy to support innovation. An interesting question is the extent to which organisations’ leadership development efforts are really targeting the capabilities needed for greater innovation as opposed to developing leadership more generally in the hope that this will translate into improved innovation capability in the organisation.
50 per cent of HR managers report ‘encouraging innovation’ as a key people challenge, rising to 60 per cent in the public sector.

The U-shaped relationship between organisational size and innovation may be explained by the greater flexibility of smaller firms and the increased resources of larger firms. Mid-sized firms may be in a difficult middle ground as far as innovation is concerned, having neither the resources of larger organisations nor the agility of smaller ones.
Yet managers are, on the whole, less than positive about aspects of the innovation climate in their organisations.

- 69% agreed that ‘your team has a clear set of goals’
- 59% agreed that ‘the competency framework includes the ability to manage change’
- 52% agreed that ‘there is recognition for innovative ideas’
- 50% agreed that ‘the culture supports participative management and decision making’
- 42% agreed that ‘the culture and environment support open communication and interaction’
- 39% agreed that ‘there are systems and processes in place for collecting, evaluating and feeding back on ideas’
- 38% agreed that ‘the competency framework includes creativity’
- 32% agreed that ‘the culture is accepting of mistakes’
- 30% agreed that ‘the behaviour of senior leaders supports creativity and innovation’
- 25% agreed that ‘there are training and development programmes focussed on creativity and innovation’
- 21% agreed that ‘the reward system encourages innovative ideas’
- 20% agreed that ‘the culture encourages risk taking and innovation’
- 15% agreed that ‘time and space is made available for thinking creatively’

Base size (n) = 1428
The table shows the percentage of managers that agree with each of the statements. Rows in grey highlight differences between manager views in the public sector compared with other sectors.

<table>
<thead>
<tr>
<th></th>
<th>Public Sector % (n)</th>
<th>Not for Profit % (n)</th>
<th>Private Sector % (n)</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is recognition for innovative ideas</td>
<td>46 (495)</td>
<td>58 (147)</td>
<td>55 (786)</td>
</tr>
<tr>
<td>The reward system encourages innovative ideas</td>
<td>15 (492)</td>
<td>16 (147)</td>
<td>26 (783)</td>
</tr>
<tr>
<td>The behaviour of senior leaders supports creativity and innovation</td>
<td>22 (493)</td>
<td>38 (146)</td>
<td>33 (783)</td>
</tr>
<tr>
<td>There are training and development programmes focussed on creativity and innovation</td>
<td>25 (494)</td>
<td>20 (146)</td>
<td>26 (782)</td>
</tr>
<tr>
<td>The culture encourages risk taking and innovation</td>
<td>13 (495)</td>
<td>25 (146)</td>
<td>23 (782)</td>
</tr>
<tr>
<td>Time and space is made available for thinking creatively</td>
<td>11 (494)</td>
<td>21 (147)</td>
<td>17 (784)</td>
</tr>
<tr>
<td>The culture and environment support open communication and interaction</td>
<td>32 (494)</td>
<td>51 (147)</td>
<td>47 (780)</td>
</tr>
<tr>
<td>The culture is accepting of mistakes</td>
<td>23 (495)</td>
<td>43 (145)</td>
<td>35 (784)</td>
</tr>
<tr>
<td>There are systems and processes in place for collecting, evaluating and feeding back on ideas</td>
<td>37 (492)</td>
<td>37 (146)</td>
<td>41 (779)</td>
</tr>
<tr>
<td>The competency framework includes creativity</td>
<td>33 (491)</td>
<td>32 (147)</td>
<td>42 (775)</td>
</tr>
<tr>
<td>The competency framework includes the ability to manage change</td>
<td>62 (490)</td>
<td>55 (147)</td>
<td>58 (777)</td>
</tr>
<tr>
<td>The culture supports participative management and decision making</td>
<td>41 (493)</td>
<td>57 (147)</td>
<td>54 (781)</td>
</tr>
<tr>
<td>Your team has a clear set of goals</td>
<td>68 (493)</td>
<td>76 (146)</td>
<td>68 (782)</td>
</tr>
</tbody>
</table>

Note: numbers in the bracket are the total number of responses to each item. Percentages show managers that agree or strongly agree.
Larger organisations may face the challenge of building a ‘critical mass’ of innovative leaders

**The behaviour of senior leaders supports creativity and innovation**
- Less than 100 employees (119): 28%
- 100-250 employees (111): 40%
- More than 250 employees (112): 52%

**The culture encourages risk taking and innovation**
- Less than 100 employees (119): 18%
- 100-250 employees (111): 20%
- More than 250 employees (112): 38%

**The culture is accepting of mistakes**
- Less than 100 employees (119): 28%
- 100-250 employees (111): 40%
- More than 250 employees (112): 55%

**The reward system encourages innovative ideas**
- Less than 100 employees (119): 20%
- 100-250 employees (111): 26%
- More than 250 employees (112): 34%

**There is recognition for innovative ideas**
- Less than 100 employees (119): 49%
- 100-250 employees (111): 62%
- More than 250 employees (112): 71%

**Time and space is made available for thinking creatively**
- Less than 100 employees (119): 13%
- 100-250 employees (111): 17%
- More than 250 employees (112): 37%

**The competency framework includes creativity**
- Less than 100 employees (119): 34%
- 100-250 employees (111): 54%
- More than 250 employees (112): 62%

**The competency framework includes the ability to manage change**
- Less than 100 employees (119): 39%
- 100-250 employees (111): 62%
- More than 250 employees (112): 62%

Level of agreement with these items decreases with increasing size of the organisation.

Larger organisations are more likely to have competency frameworks incorporating behaviours relevant to innovation such as creativity and the ability to manage change, but are less likely to be regarded as offering a climate conducive to innovation. The competencies that these larger organisations are seeking to develop in their leaders may not be necessarily filtering through to the wider organisation climate.

Numbers in the bracket are the total number of responses to each item.
More than three quarters of HR managers report leadership development as a key strategy for encouraging greater innovation.

**HR practices used to support innovation**

- The annualisation or modulation of work time
- Training in innovation and creativity
- Reward and recognition for ideas
- Team development
- Developing a learning culture
- Recruitment of highly educated, technically qualified and experienced personnel with diverse backgrounds
- Leadership development

Base size (n) = 865

Percentages add up to more than 100 as respondents could provide more than one answer.
HR Managers report appointing innovation leaders and developing a more enabling and open style of leadership

“We’ve appointed a Senior Innovation Leader, who reports directly to the President, via our international groups, so that’s one thing we’ve done and he’s creating a team to help run innovation processes.”

OD Manager, Media Sector

“I think, the longer-term aim would be that we have to encourage greater risk-taking, calculated risk-taking, which is not, necessarily, in our culture just now...we’ve got a culture change programme going on in our business, which we’re using division by division and part of that culture change programme is looking at leadership attitudes and you get into risk via that programme, but we recognise that’s a slow-burn; it’s not something you can literally go and flick a switch in people. That needs a collective momentum. So, it needs a whole load of leaders who are getting gradually awakened to leading in a different way and being more open. So in one of our business divisions, we’ve got to a critical mass of that programme and we can see that it’s started to have an impact.”

OD Manager, Private Sector

“To be a good researcher, you have to come up with a novel question that you are seeking to answer. To be a good researcher, you have to be able to innovate, to think creatively. But if you are brought up through this standard structure anywhere in the world, everybody works to the professor. So you’re following their ideas, what they want to do. Then all of a sudden you’re meant to make that leap. How do we get people to get out of that structural, academic way of thinking and start thinking more creatively, more innovatively about what they do...it links to this Pathway to Independence (a Leadership Development programme). So you’re not just making this leap when you’re going from a postdoc to a team leader, but all the time that you’re being developed, through your PhD and your postdoctoral years, so actually the leadership provided by the research team leader is enabling and encouraging you to be innovative.”

HR Director, Not-for-profit Sector
8. Leadership
Our research explored perceptions of both ‘distant’ and ‘nearby’ leadership. There appears room for improvement on both counts. Overall, one fifth of managers surveyed rated strategic leadership in their organisation as poor. This overall figure masked some interesting differences between sectors, with the public sector faring worst. 27 per cent of managers in the public sector regarded distant leadership in their organisation as poor, compared with just 15 per cent in the not-for-profit sector.

Managers were, on the whole, more positive about the leadership skills of their line manager with just under two-thirds (64 per cent) rating their leadership skills as ‘good’ or ‘very good’. That does still leave more than one-third of managers less than impressed with their line managers’ leadership skills. We explored with managers through in-depth interviews what, for them, constituted ‘good’ leadership. The answers seem to revolve around five key themes:

- A clear vision and strategy
- Being approachable, supportive and trusting
- An empowering style
- Excellent communication skills, including the ability to listen well
- Possessing credibility both in the eyes of direct reports and the wider organisation

With managing change dominating the HR agenda, it is perhaps not surprising to see this theme reflected in the challenges reported by managers more broadly. The focus on efficiency and doing more with less (apparent from the views of HR managers) is also evident, with managers seemingly faced with the challenge of managing both heavy workloads and change whilst at the same time feeling the pressure to maintain staff morale and engagement. The other main theme to emerge is that of politics and influence, with 21 per cent of managers reporting that influencing upwards and dealing with organisational politics were key challenges. 18 per cent reported balancing diverse stakeholder interests and influencing without authority as key challenges.

The importance of being able to exert influence in the organisation appears to be on the minds of our managers. Indeed, it emerges as one of the top development needs as identified by managers themselves. In our interviews with managers, we asked why influence was such a key development need and answers focused on the need to work across boundaries, be they functional, organisational or cultural. Roffey Park’s forthcoming research ‘Living within a Matrix’, will explore this theme further.

How does HR see the development needs of leaders in their organisation? And what is it doing to help leaders cope with the dual challenge of doing more with less whilst engaging staff? HR managers we spoke with talked about encouraging a more open, engaging style of leadership designed to encourage greater autonomy and innovation amongst staff. They also talked about spreading core leadership behaviours throughout their organisations, and not allowing leadership development to become the preserve of those at the top of the organisation. For them, developing a critical mass of leaders with the right style was a key lever in changing the existing culture of their organisation.

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1 Based on the work of Beverly Alimo-Metcalfe, we defined distant leadership as concerning responsibility for the organisation’s vision and mission, culture, and strategy with a view to achieving organisation aims. Alimo-Metcalfe B, Alban-Metcalfe J (2005) ‘Leadership: Time for a new direction’, Leadership 1:51.
One fifth of managers overall rate ‘distant’ leadership as poor, rising to more than one quarter of junior managers.

Our research found clear relationships between manager perceptions of distant leadership and both industrial sector and role level. 12 per cent of Board Directors regarded distant leadership in their organisation as poor compared with 27 per cent of Junior Managers. 27 per cent of managers in the public sector regarded distant leadership in their organisation as poor compared with 18 per cent in the private sector and 15 per cent in the not-for-profit sector.

Numbers in the bracket are the total number of responses to each item. Percentages shown are for managers rating distant leadership as ‘good’ or ‘very good’, ‘poor’ or ‘very poor’.
‘Nearby’ leadership was rated more positively, with two-thirds of managers rating the leadership skills of their line manager as ‘good’ or ‘very good’.

<table>
<thead>
<tr>
<th>Overall, how would you rate the leadership skills of your line manager?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Role Level (n)</td>
</tr>
<tr>
<td>Board Director (91)</td>
</tr>
<tr>
<td>Other Director/Senior Manager (620)</td>
</tr>
<tr>
<td>Middle Manager (685)</td>
</tr>
<tr>
<td>Junior Manager (121)</td>
</tr>
<tr>
<td>Sector (n)</td>
</tr>
<tr>
<td>Public Sector (516)</td>
</tr>
<tr>
<td>Private Sector (157)</td>
</tr>
<tr>
<td>Not-for-profit Sector (844)</td>
</tr>
</tbody>
</table>

Roughly two-thirds of managers rated the leadership skills of their line manager as ‘good’ or ‘very good’. That leaves one-third less than impressed (one in ten actually rate the leadership skills of their line manager as bad or very bad). Directors are slightly more likely to perceive their line manager’s leadership as ‘good’ or ‘very good’ (72 per cent) compared to junior managers (62 per cent). Perceptions of line managers’ leadership are more positive in private and not for profit organisations (67 per cent and 70 per cent ‘good’ or ‘very good’ respectively) compared to in the public sector (61 per cent).

Numbers in the bracket are the total number of responses to each item.
What do followers want?

What does very good and very poor line manager leadership look like?

When asked what ‘good’ looked like, responses seemed to fit into five themes: a clear vision and strategy; approachable, supportive and trusting; empowering; excellent communication skills including, crucially, the ability to listen well; and possessing credibility both in the eyes of their reports and in the wider organisation. For those that were less than impressed, it seems the absence of one or more of the above qualities underlies the assessment. Managers who rated the leadership skills of their line manager negatively spoke of a lack of strategic direction, a lack of trust, poor general management (around poor communication and coordination) skills or lack of credibility within the wider organisation.

So what does it feel like to be a junior manager in the public sector being poorly led?

“Staff feel undervalued, lack of incentive, lack of morale, confused direction.”

“My line manager has little contact with me, does not communicate any vision or pass comment on what I do.”

“My line manager is disconnected, very interested in politics and own interests.”

Compared to being a Director in a not for profit organisation being well led?

“Energetic, committed, clear line of sight between organisational goals and our team goals, genuinely interested in her team, very bright and articulate, courageous, hard working, generous and not self-centred.”

“Very interpersonally skilled; strong communicator of vision and strategic purpose, strong on delivery.”

“My line manager role models values and behaviours needed to create strategic alliances internally and externally. I feel empowered to perform to raise HRs presence at the strategic table.”
Managers report managing workload whilst maintaining staff morale and navigating organisational politics as key leadership challenges.

What are the top three challenges you face as a leader or manager in your organisation?

1. Managing workloads (31%)
2. Maintaining staff morale and engagement (32%)
3. Managing change (26%)
4. Improving efficiency/doing more with less (24%)
5. Balancing operational and strategic pressures (29%)
6. Organisational Politics (21%)
7. Influencing upwards (21%)
8. Influencing without authority (18%)
9. Balancing diverse stakeholder interests (18%)

Base size (n) = 1562
Percentages add up to more than 100 as respondents could provide more than one answer.
Managers perceive key development needs around coaching skills, influence, managing change and politics.

Base size (n) = 1047
Focus on influence may reflect increasing need to work across boundaries

“To be able to deliver value, HR needs to be able to influence managers, that’s where the skills of the HR Business Partner in particular need to be strong. So they need to really understand and interpret the business matrix and matrices to be able to drive performance into the business.”

HR Manager, Aerospace Sector

“Importance of lateral communication between departments needs to be role modelled by the top team”

HR Director, Technology Sector

“The more recent ways of looking at organisations as continuing patterns of dynamic dialogue and conversation, anybody who can effect a little bit of change and be influential. But people have forgotten the complexity of that reality. Have people’s actual understanding of their rights and roles at work kept pace with organisational complexity? My circle of concern and my circle of direct influence and control are much blurrier than they were.”

Manager, Media Sector

“Influencing is part of communication, particularly lateral communication between the departments. Even at the senior management team level communication is seen to be not very effective, and therefore it’s no great surprise if that is reflected at other levels in the business.”

HR Director, Technology Sector

“For senior staff and HR partners to deliver value they need to influence others and to interpret and work across the business matrix (functional, organisational & international)”

HR Business Partner, Manufacturing Sector

“You’re constantly having to make what’s massively important to you, someone else’s priority, and quite often it isn’t their priority. You spend a lot of your time influencing to get things done. It usually takes a hell of a lot of ground work and picking off stakeholders individually, before we even get a meeting to talk about something.”

HR Business Partner, Manufacturing Sector
HR managers report their organisations investing in coaching and developing a critical mass of leaders with the right style.

Many respondents spoke about the challenges and benefits of job rotation and lateral movement for succession planning and career development.

"We've been trying to drive more joined up approaches to succession planning...A lot of our divisions have the prevailing mindset that I can only recruit similar people to the vacancies, so we don't have a culture of moving people into roles to stretch them...In the past if you needed someone who was a specialist in selling to TV companies then you would poach another specialist who sells to TV companies, now were encouraging them to take someone who sells in a different part of our business and fit them in to do it. It's about fostering increased internal movement.”

HR Manager, Media Sector

Coaching as a leadership development tool is valued highly by organisations, particularly when the benefits of coaching are clearly articulated and an individual approach is taken.

"That needs a collective momentum. So, it needs a whole load of leaders who are getting gradually awakened to leading in a different way and being more open. So, in any one of our business divisions, we've got a critical mass of that programme and we can see that it's started to have an impact.”

HR Manager, Media Sector

Respondents spoke about building a critical mass of leaders exhibiting the right leadership behaviours – those with a global mindset, who are authentic and encourage autonomy and continuous improvement.

"We have multiple teams across different European places with multiple reporting lines, which requires a high degree of sophistication around interpersonal skills, emotional intelligence, sense-making for individuals; all the core leadership abilities that we need to be starting to encourage to happen at a lower level of the organisation, rather than just the guys at the top.”

HR Manager, Manufacturing Sector

"We do now have a lot more activity happening with coaching and the buy-in to the value of coaching is happening within the company. Coaching as and when they need it rather than shifting through courses and then they don't actually execute what they've learned.”

Manager, Financial Services Sector

"We've been trying to drive more joined up approaches to succession planning...A lot of our divisions have the prevailing mindset that I can only recruit similar people to the vacancies, so we don't have a culture of moving people into roles to stretch them...In the past if you needed someone who was a specialist in selling to TV companies then you would poach another specialist who sells to TV companies, now were encouraging them to take someone who sells in a different part of our business and fit them in to do it. It's about fostering increased internal movement.”

HR Manager, Media Sector
9. Working in teams
Summary

Our evidence suggests a relative lack of concern with team development amongst managers, whether in or outside HR. For example, one-third (33 per cent) of HR managers regard developing teams as an important area of knowledge compared with the more than two thirds (67%) rating understanding of organisational design and development as key. It may well be that team development is considered by our respondents to be incorporated within this broader discipline. However, this possibility is somewhat challenged by the finding that only 6 per cent of HR managers regard building high performance teams as a pressing OD issue. There are also signs that managers more broadly do not feel that team development is a key concern. For instance, only 12 per cent of managers stated that ‘developing effective teams’ is one of the top 3 challenges they face as a leader. This may simply reflect a greater focus on other areas as opposed to a sense that teams are not important, but it may also reflect an undervaluing of the power of effective teams.

In his 2002 book, ‘The Five Dysfunctions of a Team’ Patrick Lencioni identified the many pitfalls that can hamper effective teamwork. The five dysfunctions he identified were:

- Inattention to results – focus on status, ego and personal success before team success
- Avoidance of accountability – ducking the responsibility to challenge unproductive behaviours leading to low standards in the group
- Lack of commitment – feigning buy-in for group decisions leading to ambiguity in the organisation
- Fear of conflict – seeking artificial harmony over constructive debate
- Absence of trust – unwilling to be vulnerable within the group

Asking our survey respondents to consider teams they were part of but did not lead, it appears that teams are not as effective as they could be across each of the five dimensions. Absence of trust and avoidance of accountability emerge as key impediments to effective team working. By far the most negative response regarded managers’ perceptions of how effectively unproductive behaviour in the group is challenged. Nearly three-fifths (58 per cent) of managers reported that team members rarely challenge the unproductive behaviour of others in the team.

It seems then, that on the one hand there is much room for improvement in the team performance, and on the other, a relative lack of focus on developing effective teams in support of improved organisational performance.

Nearly three-fifths of managers report that unproductive behaviours go unchallenged

<table>
<thead>
<tr>
<th>Team Dysfunction</th>
<th>Questionnaire item</th>
<th>Usually (%)</th>
<th>Sometimes (%)</th>
<th>Rarely (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inattention to results</td>
<td>Team morale is significantly affected by the failure to achieve team goals</td>
<td>27.7</td>
<td>55.1</td>
<td>17.2</td>
</tr>
<tr>
<td></td>
<td>Members of the team are slow to seek credit for their own contributions and quick to point out those of others</td>
<td>19.0</td>
<td>57.0</td>
<td>24.0</td>
</tr>
<tr>
<td></td>
<td>Sacrifices (e.g. budget, headcount) are made willingly for the good of the team</td>
<td>19.4</td>
<td>50.2</td>
<td>30.4</td>
</tr>
<tr>
<td>Avoidance of accountability</td>
<td>Team members call out each other’s deficiencies and unproductive behaviours</td>
<td>8.4</td>
<td>33.9</td>
<td>57.8</td>
</tr>
<tr>
<td></td>
<td>Members of the team are concerned about the prospect of letting down their peers</td>
<td>41.9</td>
<td>47.2</td>
<td>10.9</td>
</tr>
<tr>
<td></td>
<td>Members of the team challenge one another about their plans and approaches</td>
<td>29.4</td>
<td>54.0</td>
<td>16.6</td>
</tr>
<tr>
<td>Lack of commitment</td>
<td>Team members know what other members are working on</td>
<td>46.4</td>
<td>41.4</td>
<td>12.2</td>
</tr>
<tr>
<td></td>
<td>Team members are confident that peers are committed to the decisions that were agreed on in a meeting</td>
<td>36.3</td>
<td>51.9</td>
<td>11.8</td>
</tr>
<tr>
<td></td>
<td>Team discussions end with clear and specific resolutions and calls to action</td>
<td>35.4</td>
<td>47.5</td>
<td>17.1</td>
</tr>
<tr>
<td>Fear of conflict</td>
<td>Members of the team are passionate and unguarded in their discussion of issues</td>
<td>32.9</td>
<td>47.3</td>
<td>19.8</td>
</tr>
<tr>
<td></td>
<td>Team meetings are compelling and not boring</td>
<td>24.8</td>
<td>51.0</td>
<td>24.2</td>
</tr>
<tr>
<td></td>
<td>Most important issues are discussed in team meetings</td>
<td>41.9</td>
<td>42.6</td>
<td>15.5</td>
</tr>
<tr>
<td>Absence of trust</td>
<td>Team members quickly and genuinely apologise to one another</td>
<td>38.6</td>
<td>44.2</td>
<td>17.2</td>
</tr>
<tr>
<td></td>
<td>Team members know about one another’s personal lives and are comfortable discussing them</td>
<td>24.5</td>
<td>48.1</td>
<td>27.4</td>
</tr>
<tr>
<td></td>
<td>Team members openly admit their weaknesses and mistakes</td>
<td>19.6</td>
<td>45.5</td>
<td>34.9</td>
</tr>
</tbody>
</table>

Note: The figures in bold represent the most common response for each questionnaire item. Base size (n) = 1447
Developing effective teams does not appear high on HR’s agenda

**Most important areas of HR knowledge**

- Working across cultures
- Team development
- HR technology
- Leadership
- Organisational design and development
- Talent management
- Workforce Planning
- HR metrics and data analytics
- Employee relations
- Reward and compensation
- Management of change
- Team development

Base size (n) = 903

Only one-third of HR Managers see team development as a key body of knowledge

**Most pressing OD issues**

- Building a high performance team
- Strategy and vision building
- Employee engagement
- Building skills and capability
- Leadership development
- Culture change
- Restructuring
- Leadership development
- Building skills and capability
- Employee engagement
- Strategy and vision building

Base size (n) = 864

Only six per cent of HR managers report that building high performance teams is a pressing OD issue

Note: percentages may add up to more than 100 as respondents could provide more than one answer
Developing effective teams does not appear high on the list of challenges perceived by managers.

Leadership challenges reported by managers

- Managing people not directly employed by the organisation
- Managing across cultures and time zones
- Working in strategic alliances
- Managing cross-boundary teams
- Developing effective teams
- Dealing with underperformance
- Lack of strategic direction
- Balancing diverse stakeholders interests
- Influencing without authority
- Organisational politics
- Influencing upwards
- Doing more with less
- Balancing operational and strategic pressures
- Managing workload
- Maintaining staff morale and engagement
- Managing change

Base size (n) = 1562

Only one in ten managers see developing effective teams as one of their top three challenges.

Note: percentages may add up to more than 100 as respondents could provide more than one answer.
10. Engagement and the employee deal
Summary

With talk of economic recovery being on a more sound footing, our survey suggests that after hunkering down to brave the economic storm managers are now beginning to look out for opportunities to move on. Nearly half of the managers we surveyed reported considering a move in the near future (this finding is consistent with CIPD’s recent Employee Outlook report which reported rising job-seeking intentions), most commonly because of a lack of promotion opportunities or prospects (49 per cent of our sample gave this as a reason for considering a move in the near future). Poor management (48 per cent) and a lack of appreciation (43%) were the next two most common reasons for considering a move. As highlighted in our chapter on the views of HR, it seems that there is a question about whether retaining talent is being given the prominence it needs if organisations are not to lose some of their most valuable staff. Providing opportunities for development and improving the quality of leadership appear two key actions that could forestall the potential loss of talent.

Workload, organisational politics and management style are the three most prominent sources of workplace stress identified by managers in our survey. This is perhaps not surprising given the focus reported on doing more with less and operating across boundaries highlighted in other chapters of this report. It does highlight the need for managers to become skilled at determining and gaining support for key priorities in their work, and to be effective at setting a compelling strategic direction that engages staff. There are some interesting variations in sources of workplace stress with role level, with more junior managers experiencing lack of support, lack of clarity over their role, and job insecurity more keenly than their more senior managers. In contrast, a greater proportion of senior managers consider long hours and workload to be sources of workplace stress when compared with their more junior colleagues. When asked what their manager could do to make their working life less stressful, the managers we surveyed talked about a clear vision and expectations, clear priorities, role clarity and feeling empowered.

Whilst the vast majority of managers (82 per cent) report working longer than their contracted hours, largely because of volume of work, the majority also appear happy with the balance between their work and personal life (71 per cent of managers report feeling happy with the balance between their work and personal life). This is less the case for female and more senior managers. 24 per cent of male managers report wanting a better balance between their work and personal life compared with 32 per cent of female managers. Similarly, 35 per cent of board directors report wanting a better balance between work and personal life compared with 22 per cent of junior managers.

Whilst the majority of female managers (53 per cent) would like a more flexible work pattern, a significant minority of men (45 per cent) feel likewise. Roughly one-third of men indicate that the ability to work flexibly is a source of motivation (by comparison, 45 per cent of women identified flexible working as a source of motivation). It seems then, that flexible working, is no longer quite so gendered. Our research also identified some variations in work motivation with age, with financial rewards and opportunities for promotion more dominant as sources of motivation in younger age groups. With age, it seems, there is an increasing focus on the nature of the job and finding a fit between personal and organisational values. Our findings are of importance to those responsible for ensuring that the workplace is attractive to, and meets the needs of, a five-generation workforce.

Our research also suggests an issue of trust. Whilst managers rate many aspects of their work positively, nearly one-fifth do not expect their employer to treat staff fairly.

1 Employee Outlook: Autumn 2013. CIPD/Halogen.
Nearly half of managers report considering a move in the near future

<table>
<thead>
<tr>
<th>Seniority (n)</th>
<th>Percentage of managers considering a move in the near future (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board Director (106)</td>
<td>27</td>
</tr>
<tr>
<td>Other Director/Senior Manager (585)</td>
<td>49</td>
</tr>
<tr>
<td>Middle Manager (661)</td>
<td>49</td>
</tr>
<tr>
<td>Junior Manager (108)</td>
<td>46</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Industrial sector (n)</th>
<th>Percentage of managers considering a move in the near future (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production and Manufacturing (183)</td>
<td>46</td>
</tr>
<tr>
<td>Private Services (626)</td>
<td>46</td>
</tr>
<tr>
<td>Public Sector (503)</td>
<td>49</td>
</tr>
<tr>
<td>Not-for-profit (148)</td>
<td>45</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Age (n)</th>
<th>Percentage of managers considering a move in the near future (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>20-30 (45)</td>
<td>60</td>
</tr>
<tr>
<td>31-40 (325)</td>
<td>53</td>
</tr>
<tr>
<td>41-50 (568)</td>
<td>50</td>
</tr>
<tr>
<td>51-60 (462)</td>
<td>42</td>
</tr>
<tr>
<td>60+ (60)</td>
<td>25</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Employee size (n)</th>
<th>Percentage of managers considering a move in the near future (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 100 (127)</td>
<td>35</td>
</tr>
<tr>
<td>Between 100 and 250 (115)</td>
<td>37</td>
</tr>
<tr>
<td>More than 250 (1,218)</td>
<td>50</td>
</tr>
</tbody>
</table>

Overall, 53 per cent of managers reported considering a move in the near future. With the exception of Board Directors and Managers in the 60+ age group, between two and three-fifths of managers are considering a change. Regardless of sector, at least two-fifths of managers report that a move could be imminent. Managers in larger organisations were more likely to report considering moving jobs in the near future.

Numbers in brackets are the total number of responses to each item
Lack of promotion prospects and poor management top the list of reasons for wanting to leave

Reasons for considering a move

The top three reasons for holding an intention to leave were the same regardless of level of seniority, with the exception of Board Directors. The top three reasons for Board Directors were poor management, lack of appreciation and long hours, although caution is required in interpreting this result as the base size was less than 100. There were some differences in reasons for leaving by sector, particularly with respect to managers in the not-for-profit sector. 27 per cent of managers in the not-for-profit sector who expressed an intention to leave their organisation did so as a result of poor management. The figure for managers in the public sector was 48 per cent and in the private sector 43 per cent. Lack of appreciation was also a less common reason for considering a move for managers in the not-for-profit sector. 27 per cent of managers in this sector who reported considering a move gave ‘lack of appreciation’ as a reason for this. The comparative figures in the public and private sector were 49 and 43 per cent respectively. Insufficient financial rewards (38 per cent of managers in the not-for-profit sector compared with 32 per cent in the public sector and 33 per cent in the private sector) and long hours (27 per cent in the not-for-profit sector compared with 21 per cent and 16 per cent in the private and public sectors respectively) featured more strongly as reasons for considering a move in the not-for-profit sector.

Percentages add up to more than 100 as respondents could provide more than one answer. Base size (n) = 557

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Employee (dis)engagement?

<table>
<thead>
<tr>
<th>Questionnaire item</th>
<th>Disagree %</th>
<th>Agree %</th>
</tr>
</thead>
<tbody>
<tr>
<td>I find my work meaningful</td>
<td>4.6</td>
<td>87.0</td>
</tr>
<tr>
<td>I make a difference at work</td>
<td>3.0</td>
<td>89.3</td>
</tr>
<tr>
<td>Work contributes to my general happiness</td>
<td>6.7</td>
<td>81.4</td>
</tr>
<tr>
<td>I feel trusted at work</td>
<td>7.6</td>
<td>81.0</td>
</tr>
<tr>
<td>I can see a future for me in the organisation</td>
<td>3.0</td>
<td>89.3</td>
</tr>
<tr>
<td>I am genuinely interested in the field I work in</td>
<td>3.1</td>
<td>91.3</td>
</tr>
<tr>
<td>I am usually willing to ‘go the extra mile’</td>
<td>0.4</td>
<td>97.8</td>
</tr>
<tr>
<td>I am proud to be part of the organisation</td>
<td>7.1</td>
<td>74.8</td>
</tr>
<tr>
<td>I feel appropriately rewarded</td>
<td>24.9</td>
<td>52.5</td>
</tr>
<tr>
<td>I can be myself at work</td>
<td>11.0</td>
<td>70.0</td>
</tr>
<tr>
<td>I like the people I work with</td>
<td>2.9</td>
<td>84.1</td>
</tr>
<tr>
<td>I respect the people I work with</td>
<td>4.2</td>
<td>80.5</td>
</tr>
<tr>
<td>My manager values the work I do</td>
<td>10.9</td>
<td>71.3</td>
</tr>
<tr>
<td>I am part of a successful team</td>
<td>7.7</td>
<td>72.9</td>
</tr>
<tr>
<td>My job role plays to my strengths</td>
<td>8.4</td>
<td>80.5</td>
</tr>
<tr>
<td>I trust my employer to treat staff fairly</td>
<td>17.9</td>
<td>58.4</td>
</tr>
</tbody>
</table>

Base size (n) = 1441  Note: percentages do not add up to 100 as respondents could answer ‘neither agree nor disagree’

We asked our sample of managers a series of questions that together comprise Roffey Park’s model of employee engagement. Whilst overall engagement scores appear positive, there are clearly some areas of concern (highlighted items). Just over one-fifth of managers surveyed reported that they could not see a future for themselves in their organisation. Nearly one quarter did not feel appropriately rewarded, no doubt reflecting some of the financial constraints that many organisations find themselves working under. More worryingly perhaps is the feeling expressed by nearly one-fifth of managers that they do not trust their organisation to treat staff fairly.

Managers report different work motivations with age

Our research identified varying work motivations with age. Financial rewards and the opportunity for promotion appear most important for those in their twenties and thirties. With age, these motivations decline and the nature of the job, helping others succeed and a sense of fit between personal and organisational values rise in importance. The relevance of this for HR is clear from our survey. Managing the disparate expectations of a multi-generation workforce is viewed as a key people challenge in the next five years.

Numbers in brackets are the total number of responses to each item.
Workload, organisational politics and management style are the main sources of stress in working life.

Organisational politics was less commonly reported as a source of stress in the workplace by managers in the not-for-profit sector (40 per cent) compared with managers in the public (58 per cent) and private sectors (51 per cent). Workload was more commonly reported as a source of workplace stress by managers in the public (58 per cent) and not-for-profit (58 per cent) sectors compared with managers in the private sector (51 per cent).

Base size (n) = 1392
Note: percentages may add up to more than 100 as respondents could provide more than one answer.
Sources of workplace stress vary with seniority

Workload and long hours become more common sources of stress with seniority.

Whilst organisational politics is in the top three sources of workplace stress for all levels of management, it appears that it features less prominently for board directors. Less than one-third of board directors regard organisational politics as a source of workplace stress compared with roughly half of managers at other levels of seniority.

Lack of role clarity, insecurity and lack of support are more common for junior staff.

Numbers in brackets are the total number of responses to each item.

Note: percentages may add up to more than 100 as respondents could provide more than one answer.
Clear vision and open, honest dialogue are needed by managers to help manage stress.

**Promote open and honest dialogue**
- “More regular and open discussions about pain points. Provide support/resources where needed. Not sign the team up for more work without appropriate buy-in from the team. Being more flexible.”
- “Keeping an open and honest dialogue, and help in supporting with business plans as well as flexibility in project planning.”

**Role clarity and empowerment**
- “Clarify my role and responsibility and empower me more to make decisions.”
  - Senior HR Manager, Manufacturing Sector
- “He does well to check on my workload and challenges me regularly over what I am prioritising etc”
- “Be clearer about what should not be done or what could be dropped - we have an ongoing debate about how to do more with less and what that means in terms of prioritising work/issues and how to challenge and refuse new tasking that do not fit with those priorities.”
  - Senior HR Manager, Media Sector

**Clear priorities and permission to say no**
- “Clarify my role and responsibility and empower me more to make decisions.”

**Clear vision and expectations**
- “Clarity over expectation....Clear vision and focus for the business.”
  - Senior HR Manager, Distribution and Transport Sector

**Manager, Consultancy Sector**
- “Keeping an open and honest dialogue, and help in supporting with business plans as well as flexibility in project planning.”
Four in five managers say that they work longer than their contracted hours, mainly for reasons of volume of work.

Numbers in brackets are the total number of responses to each item
Percentages show the number of managers stating they work longer than their contracted working week

**Reasons for working additional hours**

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volumes of work demands it</td>
<td>87%</td>
</tr>
<tr>
<td>To be successful in my work you need to work long hours</td>
<td>18%</td>
</tr>
<tr>
<td>My manager expects it</td>
<td>13%</td>
</tr>
<tr>
<td>I would worry about my security in the organisation if I didn’t work long hours</td>
<td>7%</td>
</tr>
<tr>
<td>Most other people do so I feel I need to</td>
<td>7%</td>
</tr>
<tr>
<td>Commitment is measured by hours spent at work</td>
<td>6%</td>
</tr>
</tbody>
</table>

Base size (n) = 1158

Note: percentages may add up to more than 100 as respondents could provide more than one answer.
Yet, seven out of ten managers say they have a satisfactory balance between their work and personal life.

Whilst the vast majority (82 per cent) of managers report working longer hours than their contracted week, they are also happy with the balance between their work and personal life (71 per cent of managers reported feeling happy with the balance between their work and personal life). However, women are less likely than men to feel they have a satisfactory balance. There is also an interesting relationship with seniority, with more senior managers both more likely to say they work longer than their contracted hours and also to want a better balance between their work and personal life.
One half of managers would like a more flexible work pattern, rising to three-fifths of junior managers.

Whilst 50 per cent of managers surveyed reported a desire for a more flexible work pattern, younger, female and junior managers were more likely to want a more flexible work pattern. Whilst women were more likely to want a more flexible work pattern, a significant minority of men (45 per cent) also desired a more flexible work pattern.

Numbers in brackets are the total number of responses to each item.
11. Appendices
Appendix 1 - Respondent profile

Findings from this year’s Management Agenda are based on the responses of 1,834 managers from organisations of a range of sectors and sizes. The characteristics of the individuals who responded to the survey and the type of organisations they work for are presented here.

Respondent characteristics

Figure 1 below shows the profile of survey respondents by level of seniority. Figure 2 shows the profile of survey respondents by age group.
61 per cent of respondents were female, with 39 per cent male. Figure 3 below shows a breakdown of respondents by seniority within each gender.

More than half of the respondents (59%) were HR managers. HR managers were more likely to be female (68% were female, 32% male).
Respondent Organisation Characteristics

Respondents to the survey worked for a range of organisations of different sizes and sectors. Figures 4 and 5 show breakdowns of respondents organisations by employee size and broad industrial sector. Table 1 (overleaf) shows a more detailed breakdown by industrial sector.

---

**Figure 4**

**Respondent profile by organisation size**

((number of employees)

- Up to 50 (111) 6%
- 51 – 100 (44) 32%
- 101 - 250 (140) 18%
- 251 – 1,000 (232) 8%
- 1,001 – 5,000 (584) 34%
- 5,001 + (618) 6%

Base size (n) = 1834

---

**Figure 5**

**Respondent profile by organisation sector**

- Production and Manufacturing (245) 13%
- Private Services (812) 44%
- Public Sector/Not for Profit (777) 43%

Base size (n) = 1834
<table>
<thead>
<tr>
<th>Sector</th>
<th>Percentage</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production and Manufacturing</td>
<td>13</td>
<td>245</td>
</tr>
<tr>
<td>Heavy Manufacturing</td>
<td>9</td>
<td>23</td>
</tr>
<tr>
<td>Light Manufacturing</td>
<td>27</td>
<td>65</td>
</tr>
<tr>
<td>Building/Construction</td>
<td>12</td>
<td>29</td>
</tr>
<tr>
<td>Aerospace/Defence</td>
<td>10</td>
<td>24</td>
</tr>
<tr>
<td>Other</td>
<td>42</td>
<td>102</td>
</tr>
<tr>
<td><strong>Private Services</strong></td>
<td><strong>44</strong></td>
<td><strong>812</strong></td>
</tr>
<tr>
<td>Energy/Water</td>
<td>4</td>
<td>34</td>
</tr>
<tr>
<td>Private Health Services</td>
<td>2</td>
<td>16</td>
</tr>
<tr>
<td>Financial Services</td>
<td>23</td>
<td>186</td>
</tr>
<tr>
<td>Catering/Leisure</td>
<td>3</td>
<td>24</td>
</tr>
<tr>
<td>Retail/Wholesale</td>
<td>8</td>
<td>65</td>
</tr>
<tr>
<td>IT</td>
<td>5</td>
<td>40</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>5</td>
<td>39</td>
</tr>
<tr>
<td>Legal Services</td>
<td>4</td>
<td>35</td>
</tr>
<tr>
<td>Private Education</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Consultancy</td>
<td>12</td>
<td>101</td>
</tr>
<tr>
<td>Distribution/Transport</td>
<td>8</td>
<td>68</td>
</tr>
<tr>
<td>Media/Publishing</td>
<td>5</td>
<td>41</td>
</tr>
<tr>
<td>Pharmaceuticals</td>
<td>3</td>
<td>23</td>
</tr>
<tr>
<td>Other</td>
<td>17</td>
<td>134</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sector</th>
<th>Percentage</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public sector/Not for profit</td>
<td><strong>42</strong></td>
<td><strong>777</strong></td>
</tr>
<tr>
<td>Central Government</td>
<td>10</td>
<td>75</td>
</tr>
<tr>
<td>Local Government</td>
<td>26</td>
<td>202</td>
</tr>
<tr>
<td>Public Education</td>
<td>12</td>
<td>95</td>
</tr>
<tr>
<td>National Health Service</td>
<td>13</td>
<td>98</td>
</tr>
<tr>
<td>Charity/Not for Profit</td>
<td>23</td>
<td>180</td>
</tr>
<tr>
<td>Other</td>
<td>16</td>
<td>125</td>
</tr>
</tbody>
</table>

Table 1
Appendix 2 - How we designed and conducted the research

The Management Agenda survey is now in its 17th year and is updated annually through a consultation exercise conducted with Roffey Park consultants.

This year’s Management Agenda survey was different from previous years in some respects. First, in addition to the sections that both HR and non-HR managers could answer, we introduced a new section about HR issues and challenges which only HR professionals could answer. This helped us to collect more accurate data on HR related issues from HR professionals. Second, a new section for non-HR professionals was added which provided interesting insights about how the HR function is perceived in the wider business. Third, in addition to the responses collected through the survey we undertook fifteen in-depth qualitative interviews with respondents face-to-face and by telephone on a variety of topic areas covered in the survey including leadership, people challenges, innovation and others. The purpose of these interviews was to explore some of the answers given by respondents and to add depth and colour to the survey findings. Interviews were conducted with both HR and non-HR managers and with managers at different levels of seniority. The managers interviewed worked in a range of different organisations, of different sizes and sectors.

The survey, a self-completion questionnaire consisted of 78 multiple choice, closed and open ended questions. An online version of the survey was produced and the survey was open from beginning of August 2013 until the end of September 2013. An email invitation with a link to the survey was sent to a list of previous Management Agenda respondents and an external database of UK managers. A card with the survey link was also made available for programme participants and visitors to Roffey Park. The incentive for participants to complete the survey was a free copy of the final report and entry into a free prize draw for an iPad.
Related Reading

- **Equipping leaders to drive change in financial services**
  White Paper **Free of charge**

- **Building the case for leadership in professional services**
  White Paper **Free of charge**

- **Talent and the Generations**
  White Paper **Free of charge**

- **What makes change successful in the NHS?**
  Free of charge

- **The Expert as Leader**
  £35

- **The Human Voice of Employee Engagement**
  £35

Forthcoming research

**Spring 2014**
- Living within a matrix – With more and more work being conducted in cross-functional project teams, what skills do managers need to influence without authority, and how can these be developed?
- Innovation leadership – How can the ideas-implementation gap be narrowed? What skills and capabilities do leaders need and how are organisations developing them?
- **Singapore Management Agenda** – 2014 will see the launch of Roffey Park’s first ever Management Agenda in Singapore.

**Summer 2014**
- Resilience – What do we know about it, and how can it be nurtured?

**Winter 2014**
- Collaboration and trust – Trust is at the core of leadership and organisational effectiveness. With an increase in remote partnership working, how can trust be engendered and maintained?

Visit [www.roffeypark.com/reports](http://www.roffeypark.com/reports) for further information.
Now in its 17th year, Roffey Park’s Management Agenda is the definitive barometer of managers’ views on working life. Regularly featured in newspapers and professional journals, the research is widely recognised as one of the most important and reliable indicators of emerging workplace issues in the UK.

Based on the views of 1,800 managers working in organisations from a wide range of sectors and of different sizes, this year’s research report covers everything from manager views on leadership, organisational culture and values, engagement, innovation and ethics. The report presents the views of managers from all levels of seniority and those in both HR and non-HR roles.

This research should appeal to a wide audience, from Board members through to HR, OD and managers in the wider business. It should also be of interest to anyone with responsibility for developing effective people management strategies, OD initiatives, and healthy organisations.