

SUMMER 2012



EMPLOYEE OUTLOOK

PART OF THE **CIPD OUTLOOK** SERIES

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Summary of key findings	2
Job satisfaction and engagement	4
Employee attitudes towards managers	6
Pressure at work	8
Work-life balance	9
The link between work and well-being	11
Employee attitudes and the economic downturn	13
Job-seeking	16
Conclusions	17
Background to the survey	18

Summary of key findings

Job satisfaction and engagement

The employee engagement index has risen again this quarter for the third consecutive time and now stands at 39% (38% in spring and 36% in winter). However, the majority of respondents (58%) remain neutral – neither engaged nor disengaged.

There is a strong link between employees who are looking for a new job and employee engagement. Of the 39% of employees who are engaged, just 9% are looking for a new job, compared with a survey average of 20%. In contrast, 26% of those respondents with neutral engagement are looking for a new job and 66% of disengaged staff.

Overall, job satisfaction has maintained last quarter's high and sits at +47, which is a large improvement on this time last year (summer 2011: +35). However, the overall score is made up of several differences across sectors. Employees in the private sector (+49) are most satisfied with their jobs this quarter, with employees in the public sector least satisfied (+38) and less satisfied than last quarter (spring 2012: +45).

Employee attitudes towards managers

Overall, employees are most likely to feel that their managers always/usually treat them fairly (72%) and are committed to their organisation (71%). On the other hand, employees are least likely to say that their manager always/usually coaches them on the job (30%), discusses their training and development needs (39%) or gives them feedback on how they are performing (46%).

However, respondents are less positive in their attitudes towards their senior managers compared with their immediate managers. While scores were more positive last quarter, perceptions of every item this quarter have worsened. Employees remain the most negative about leaders' consultation regarding important decisions (-26). There has also been a noticeable drop in confidence in leaders (from +11 to +3).

Communication and advocacy

Over half of respondents (53%) feel fully or fairly well informed about what is happening within their organisations; this has stayed fairly constant over the last few quarters. Respondents from the voluntary sector are still the most likely to feel fully or fairly well informed (65%), with an increase in this score compared with previous quarters. Public sector respondents feel least likely to be informed (51%).

When it comes to satisfaction with opportunity to feed views upwards, this quarter shows a slight decrease from last quarter (+14 from +16 last quarter), with scores highest in the voluntary sector (+21) and lowest in the public sector (-5).

Pressure at work

The proportion of staff saying they are under excessive pressure at work either every day or once or twice a week has edged down since last quarter, with 37% saying they are under excessive pressure either every day or once or twice a week. This compares with 38% for the previous three months.

Public sector employees are significantly more likely to report they are under excessive pressure than employees in the other two main sectors.

Work-life balance

The proportion of employees agreeing or strongly agreeing they achieve the right work-life balance has fallen slightly since the last quarter to 60% from 61%. Private sector employees are most satisfied with this aspect of their working life, with 62% agreeing they achieve the right balance between their work and home lives, virtually unchanged from the last quarter (63%).

The link between work and well-being

The survey finds a significant link between employee engagement and respondents' well-being. Engaged employees score much more highly against the Office for National Statistics subjective well-being questions in relation

to life satisfaction, happiness and how worthwhile life is. Engaged employees also have lower scores on average in terms of how anxious they are compared with employees with neutral engagement or those who are disengaged.

Employee attitudes and the economic downturn

The proportion of employees saying it is likely or very likely they could lose their job as a result of the economic downturn has increased to 19% from 18% for the previous quarter.

Employees are marginally more upbeat about their chances of finding a new job if they are made redundant, compared with last quarter. In all, 12% of employees think it would be easy or very easy to find a new job if they lost their current position, compared with 9% for the previous quarter.

Nearly four in ten employees (38%) report their organisation has made redundancies as a result of the economic downturn, up slightly from last quarter (35%). The proportion of public sector staff saying their organisation has made redundancies has remained fairly static at 56% (57% last quarter). In all, 25% of private sector employees report their organisation has made redundancies, compared with 28% last quarter.

The proportion of workers saying their organisation is planning to make redundancies has edged up slightly to 15% from 14% for the previous quarter.

Job-seeking

A fifth (20%) of respondents are looking for a new job with a different employer. As with the results for last quarter, respondents from the voluntary sector are most likely to be seeking out new opportunities (30%), with those from the private sector least likely to be (19%).

The younger the employee, the more likely it is that they will be looking for a new job, with 47% of 18–24-year-olds doing so and just 11% of those 55 and older.

Middle managers (26%) and employees without management responsibility (26%) are most likely to be looking for a new job this quarter. With regard to length of service, those employees who have been with their employer for up to six months are most likely to be actively seeking a new job (31%).

Job satisfaction and engagement

The *Employee Outlook* employee engagement index is made up of responses to a number of questions known to be integral to understanding the level of engagement an employee feels towards their organisation (see box below).

The engagement index has risen again this quarter for the third consecutive time and now stands at 39% (38% in spring and 36% in winter). However, the majority of respondents (58%) remain neutral – neither engaged nor

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

	All	Men	Women	Private sector	Public sector	Voluntary sector
Engaged	39	38	40	39	35	52
Neutral	58	58	59	57	62	48
Disengaged	3	4	2	3	3	1

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

	Summer 2012	Spring 2012	Winter 2011/12
Engaged	39	38	36
Neutral	58	58	60
Disengaged	3	3	3

The employee engagement index

These questions asked the extent to which an employee:

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

Methodology

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

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

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

EMPLOYEE OUTLOOK

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

	All employees	Engaged	Neutral	Disengaged
Yes	20	9	26	66
No	80	91	74	34

disengaged – a sizable number that employers should take note of. Just 3% of respondents are disengaged.

This quarter shows little difference between men and women's engagement levels. When it comes to sector, voluntary sector respondents are most likely to be engaged (52%), followed by those in the private (39%) and public sectors (35%).

There is a strong link between employees who are looking for a new job and employee engagement. Of the 39% of employees who are engaged, just 9% are looking for a new job, compared with a survey average of 20%. In contrast, 26% of those respondents with neutral engagement are looking for a new job and 66% of disengaged staff.

Job satisfaction

Overall, job satisfaction has maintained last quarter's high and sits at +47, which is a large improvement on this time last year (summer 2011: +35). However, the overall score is made up of several differences across sectors. Employees in the private sector (+49) are most satisfied with their jobs this quarter, with

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

	Summer 2012	Spring 2012	Winter 2011-12
Overall	+47	+47	+41
Voluntary sector	+45	+47	+45
Private sector firm or company	+49	+47	+43
Public sector	+38	+45	+34
Micro businesses	+58	+65	+57
Small businesses	+47	+51	+42
Medium businesses	+39	+42	+36
Large businesses	+40	+38	+33

employees in the public sector least satisfied (+38) and less satisfied than last quarter (spring 2012: +45).

Job satisfaction for the youngest workers aged 18-24 is again lowest at +14. Job satisfaction increases as an employee's age increases, with those employees aged 55+ being the most satisfied with their jobs (+59). Women (+51) remain more satisfied with their jobs than men (+43).

This quarter shows a slight improvement in job satisfaction in large organisations (+40), with a slight dip in all other sizes of organisation, although employees in micro organisations (+58) remain the most satisfied.

Regional differences showed last quarter that employees in the East Midlands were the most satisfied; this quarter employees in the north-east of England (+63) are most satisfied, followed by those in the West Midlands (+61).

Table 5: Employee net satisfaction, by age

	Summer 2012	Spring 2012	Winter 2011-12
18-24	+14	+25	+43
25-34	+39	+38	+36
35-44	+40	+39	+33
45-54	+43	+40	+33
55+	+59	+61	+56

Table 6: Employee net satisfaction, by geographic region

	Summer 2012	Spring 2012
North-east of England	+63	+49
North-west of England	+38	+42
Yorkshire	+45	+35
East Midlands	+46	+53
West Midlands	+61	+43
East of England	+48	+52
London	+44	+48
South-east of England	+8	+51
South-west of England	+49	+48
Wales	+37	+46
Scotland	+40	+48

Employee attitudes towards managers

Employees continue to be generally positive in their attitudes towards their immediate line managers.

Overall, employees are most likely to feel that their managers always/usually treat them fairly (72%) and are committed to their organisation (71%). On the other hand, employees are least likely to say that their manager always/usually coaches them on the job (30%), discusses their training and development needs (39%) or gives them feedback on how they are performing (46%). So clearly, managers need to do some more work around personal development to boost motivation, which is particularly important in the current environment.

As trust in senior leaders is fairly weak (see below), it is interesting that nearly two-thirds (61%) of employees believe their line managers are open and honest. This can often have a mitigating effect on other negative perceptions.

Employee perceptions of their senior managers

Overall, respondents are less positive in their attitudes towards their senior managers compared with their immediate managers. While scores were more positive last quarter, perceptions of every item this quarter have worsened. Employees remain the most negative about leaders' consultation regarding important decisions (-26). There has also been a noticeable drop in confidence in leaders (from +11 to +3).

When considering sector differences, respondents from the public sector remain much more negative than the other sectors. Perceptions of consultation in the public sector are particularly poor this quarter, having dipped beyond -26 to -44; trust and confidence have also fallen further. While scores in the voluntary and private sector are generally more positive, the majority have fallen this quarter. All scores in the private sector have deteriorated and all but one in the voluntary sector (perceptions of respect +32, up from +29).

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

	Summer 2012	Spring 2012	Winter 2011-12
Consults me on matters of importance to me	57	54	53
Discusses my training and development needs with me	39	41	36
Recognises when I have done a good job	54	55	52
Makes me feel my work counts	52	54	51
Gives me feedback on how I am performing	46	45	44
Is open and honest	61	61	57
Is supportive if I have a problem	65	64	61
Keeps me in touch with what's going on	51	52	48
Makes clear what is expected of me	61	60	58
Listens if I have a suggestion to make	62	63	60
Treats me fairly	72	71	68
Is committed to my organisation	71	74	68
Makes sure I have the resources to do the job	56	56	49
Coaches me on the job	30	29	26

EMPLOYEE OUTLOOK

Table 8: Net agree scores regarding perceptions of leaders

	Summer 2012	Spring 2012	Winter 2011-12
They consult employees about important decisions.	-26	-22	-31
They treat employees with respect.	+12	+16	+7
I trust them.	+1	+6	-9
I have confidence in them.	+3	+11	-2
They have a clear vision of where the organisation is going.	+23	+28	+8

Table 9: Net agree scores, by sector (summer 2012 and spring 2012)

	Private sector		Public sector		Voluntary sector	
	Summer 2012	Spring 2012	Summer 2012	Spring 2012	Summer 2012	Spring 2012
They consult employees about important decisions.	-23	-22	-44	-26	-10	-10
They treat employees with respect.	+17	+20	-10	-2	+32	+29
I trust them.	+9	+13	-28	-20	+13	+28
I have confidence in them.	+12	+19	-25	-16	+8	+28
They have a clear vision of where the organisation is going.	+30	+35	+1	+6	+27	+43

Communication and advocacy

Over half of respondents (53%) feel fully or fairly well informed about what is happening within their organisations; this has stayed fairly constant over the last few quarters. Respondents from the voluntary sector are still the most likely to feel fully or fairly well informed (65%), with an increase in this score compared with previous quarters. Public sector respondents feel least likely to be informed (51%).

When it comes to satisfaction with opportunity to feed views upwards, this quarter shows a slight decrease from last quarter (+14 from +16 last quarter), with scores highest in the voluntary sector (+21) and lowest in the public sector (-5).

More than half of the sample (52%) would be very likely or likely to recommend their organisation as an employer to others (54% last quarter). Those working in the voluntary sector are most likely to recommend their employer (63%), compared with 53% in the private sector and 46% in the public sector.

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

	Summer 2012	Spring 2012	Winter 2011-12
Overall	53	53	50
Private	53	52	51
Public	51	51	45
Voluntary	65	62	54

Pressure at work

The proportion of staff saying they are under excessive pressure either every day or once or twice a week has edged down since last quarter, with 37% saying they are under excessive pressure either every day or once or twice a week. This compares with 38% for the previous three months.

Public sector employees are significantly more likely to report they are under excessive pressure than employees in the other two main sectors, with 48% saying they are under excessive pressure either every day (17%) or once or twice a week (31%). There has been little change since last quarter, when 47% reported being under excessive pressure either every day or once or twice a week.

The proportion of private sector employees saying they are under excessive pressure, either every day or once or twice a week, has remained virtually static at 35% (37% last quarter).

However, there has been an increase in reported pressure in the voluntary sector. In all, 39% of staff in this sector say they are under excessive pressure either every day (7%) or once or

twice a week (32%). Last quarter, 31% of voluntary sector employees said they were under excessive pressure either every day or once or twice a week.

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

Middle managers are the category of employee most likely to report they are under excessive pressure, with 50% saying they are under excessive pressure either every day (17%) or once or twice a week (33%). Board-level managers and directors and employees with no managerial responsibility are least likely to report being under excessive pressure. See Table 12.

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

	All	Men	Women	Private sector	Public sector	Voluntary sector
Every day	11	12	11	10	17	7
Once or twice a week	26	29	24	25	31	32
Once or twice a month	26	26	26	26	24	33
Less frequently than once or twice a month	26	23	28	28	20	20
Never	11	10	11	11	8	8

Table 12: Proportion of employees saying they are under excessive pressure at work, by size of organisation worked for (%)

	Board-level manager/director	Other senior manager below board level	Middle manager	Front-line manager	Employees with no managerial responsibility
Every day	6	10	17	14	8
Once or twice a week	27	33	33	28	25
Once or twice a month	22	26	30	32	25
Less frequently than once or twice a month	34	20	17	21	31
Never	11	11	3	4	12

Work-life balance

The proportion of employees agreeing or strongly agreeing they achieve the right work-life balance has fallen slightly since the last quarter to 60% from 61%. Private sector employees are most satisfied with this aspect of their working life, with 62% agreeing they achieve the right balance between their work and home lives, virtually unchanged from the last quarter (61%). However, there has been a fall in the proportion of voluntary sector employees agreeing they achieve the right work-life balance, from 63% to 58%. There has also been a significant fall in the proportion of public sector workers agreeing they achieve the right work-life balance, from 60% to 54%.

Men are significantly less likely to agree they achieve the right work-life balance (55%) than women (65%).

There is a strong association between employees who agree they achieve the right balance between their work and home lives and respondents who are engaged, according to the CIPD's employee engagement index. Almost eight in ten employees (77%) who are engaged agree or strongly agree they achieve the right balance between their work and home lives, compared with just 50% of employees who have neutral engagement (they are neither engaged nor disengaged), and just 27% of workers who are disengaged. In all, 36% of

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

	All	Men	Women	Private sector	Public sector	Voluntary sector
Strongly agree	14	14	15	15	13	14
Agree	46	41	50	47	41	44
Neither agree nor disagree	15	18	13	15	18	16
Disagree	19	20	17	18	21	19
Strongly disagree	5	6	4	5	6	6
Not sure	1	1	0	1	1	0
Not applicable	0	0	1	0	0	0

Table 14: Proportion of engaged or disengaged employees who agree or disagree they achieve the right balance between their work and home lives (%)

	Engaged	Neutral	Disengaged
Strongly agree	28	6	2
Agree	49	44	25
Neither agree nor disagree	10	19	16
Disagree	12	23	24
Strongly disagree	1	6	32
Not sure	0	1	0
Not applicable	0	1	0

employees agree or strongly agree their organisation provides them with support to help them manage their work-life balance, with voluntary sector employees most likely to agree this is the case (42%), followed by those in the public sector (36%) and those in the private sector (35%).

Four in ten (41%) employees agree their manager provides support to help them manage their work-life balance, unchanged from last quarter. Voluntary sector employees are most likely to agree this is the case (51%), with private sector staff least likely to (41%).

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

	All	Men	Women	Private sector	Public sector	Voluntary sector
Strongly agree	7	7	8	7	7	6
Agree	29	27	30	28	29	36
Neither agree nor disagree	25	24	26	25	26	21
Disagree	23	24	21	23	24	21
Strongly disagree	12	13	10	12	13	10
Not sure	1	1	1	0	1	2
Not applicable	4	4	4	4	1	4

Table 16: The proportion of employees agreeing their *manager* provides them with support to help them manage their work-life balance (%)

	All	Men	Women	Private sector	Public sector	Voluntary sector
Strongly agree	9	9	9	9	10	10
Agree	32	31	34	32	33	41
Neither agree nor disagree	22	22	23	22	23	19
Disagree	19	19	19	18	20	18
Strongly disagree	10	11	9	11	11	8
Not sure	0	0	0	0	1	1
Not applicable	6	7	5	7	2	4

The link between work and well-being

This quarter's *Employee Outlook* included four subjective well-being questions developed by the Office for National Statistics as part of efforts to measure national well-being.

Respondents were asked to answer the following questions on a scale of 0 to 10, where 0 is not at all and 10 is completely:

- Overall, how satisfied are you with your life nowadays?
- Overall, how happy did you feel yesterday?
- Overall, how anxious did you feel yesterday?
- Overall, to what extent do you feel the things you do in your life are worthwhile?

The survey finds a significant link between employee engagement and respondents' well-being. Engaged employees score much more highly against the Office for National Statistics subjective well-being questions in relation to life satisfaction, happiness and how worthwhile life is. Engaged employees also have lower scores on average in terms of how anxious they are compared with employees with neutral engagement or those who are disengaged.

Table 17: Average (mean) responses to the below subjective well-being questions, which are asked on a 0 to 10 scale, where 0 is not at all and 10 is completely

	ONS	All	Men	Women	Private sector	Public sector	Voluntary sector
Overall, how satisfied are you with your life nowadays?	7.4	6.3	6.2	6.4	6.3	6.1	6.4
Overall, to what extent do you feel the things you do in your life are worthwhile?	7.6	6.6	6.4	6.7	6.6	6.5	6.9
Overall, how happy did you feel yesterday?	7.3	6.2	6.2	6.2	6.3	6.0	6.2
Overall, how anxious did you feel yesterday?	3.2	4.0	3.8	4.3	3.9	4.3	4.3

Table 18: Average (mean) responses to the below subjective well-being questions among respondents who are engaged or disengaged

	Engaged	Neutral	Disengaged
Overall, how satisfied are you with your life nowadays?	7.2	5.8	3.9
Overall, to what extent do you feel the things you do in your life are worthwhile?	7.5	6.0	4.4
Overall, how happy did you feel yesterday?	7.0	5.7	4.2
Overall, how anxious did you feel yesterday?	3.3	4.4	5.2

There is also a strong link between the extent to which employees trust the senior management team in their organisation and their well-being. There is a particularly strong link between employees who strongly agree they trust their senior managers and lower than average levels of anxiety. See Table 19.

The extent employees agree they are consulted by senior managers on important decisions also has a strong correlation with well-being scores. Employees who agree or strongly agree they are consulted score on average significantly higher in their responses to how satisfied they are with their life, how worthwhile their life is and how happy they are. They also have lower scores in relation to the question 'how anxious did you feel yesterday?'

Table 19: Average (mean) responses to the below subjective well-being questions among respondents that agree or disagree that they trust senior managers in their organisation.

	All	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
Overall, how satisfied are you with your life nowadays?	6.3	7.5	6.9	6.2	5.9	5.3
Overall, to what extent do you feel the things you do in your life are worthwhile?	6.6	7.8	7.1	6.4	6.1	5.6
Overall, how happy did you feel yesterday?	6.2	7.4	6.7	6.2	5.7	5.2
Overall, how anxious did you feel yesterday?	4.0	2.8	3.7	4.2	4.5	4.9

Table 20: Average (mean) responses to the below subjective well-being questions among respondents that agree or disagree that senior managers in their organisation consult employees about important decisions.

	All	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
Overall, how satisfied are you with your life nowadays?	6.3	7.8	6.9	6.4	6.0	5.7
Overall, to what extent do you feel the things you do in your life are worthwhile?	6.6	8.2	7.0	6.6	6.3	5.9
Overall, how happy did you feel yesterday?	6.2	7.5	6.8	6.4	5.9	5.5
Overall, how anxious did you feel yesterday?	4.0	2.9	3.6	4.1	4.3	4.6

Employee attitudes and the economic downturn

The proportion of employees saying it is likely or very likely they could lose their job as a result of the economic downturn has increased to 19% from 18% for the previous quarter. There has been a slight increase in the proportion of public sector workers saying it is likely they could lose their jobs to 25% from 24% for the previous quarter. There has also been a slight increase in the proportion of private sector workers saying it is likely they could lose their jobs to 18% from 17%. The proportion of voluntary sector workers reporting it is likely they could lose their jobs has remained static at 15%.

easy or very easy to find a new job if they lost their current position, compared with 9% for the previous quarter. Private sector employees are most optimistic, with 13% thinking it would be easy or very easy to find a new job compared with 10% for the previous quarter. Voluntary sector workers are also slightly more optimistic about their job prospects if they lose their current job, with 9% saying it would be easy or very easy to find a new job in contrast to 8% for the last quarter. Public sector workers are also more upbeat, with 10% believing it would be easy to find a new job compared with 6% for the previous quarter.

Employees are marginally more upbeat about their chances of finding a new job if they are made redundant, compared with last quarter. In all, 12% of employees think it would be

Table 21: Proportion of employees saying it is likely or unlikely that they could lose their jobs as a result of the economic downturn (%)

	All	Private sector	Public sector	Voluntary sector
Very likely	4	4	5	3
Likely	15	14	20	12
Neither likely nor unlikely	26	26	25	20
Unlikely	30	30	29	34
Very unlikely	20	21	15	23
Don't know	5	5	6	7

Table 22: Proportion of employees thinking it would be easy or difficult to find another job if they were to lose their current job (%)

	All	Private sector	Public sector	Voluntary sector
Very easy	2	3	2	2
Easy	10	10	8	7
Neither easy nor difficult	19	19	20	21
Difficult	33	33	34	38
Very difficult	31	31	32	25
Don't know	5	5	5	7

Nearly four in ten employees (38%) report their organisation has made redundancies as a result of the economic downturn, up slightly from last quarter (35%). The proportion of public sector staff saying their organisation has made redundancies has remained almost static at 56% (57% last quarter). In all, 25% of private sector employees report their organisation has made redundancies, compared with 28% last quarter.

The proportion of workers saying their organisation is planning to make redundancies has edged up slightly to 15% from 14% for the previous quarter. One in three (36%) public sector workers report their organisation is planning redundancies, an increase over the quarter from 31%. One in ten (10%) private sector employees say their employer is planning redundancies, virtually unchanged from the previous quarter. In all, 10% of voluntary sector workers report their employer is planning redundancies, compared with 12% in the spring *Employee Outlook*. There has been a slight increase in the proportion of employees reporting their organisation has cut back on training to 25% from 23% for the previous quarter. Private sector and voluntary sector respondents are least likely to say this is the case (20% and 21% respectively), with those in the public sector most likely to report training cutbacks (44%).

In all, 44% of employees report their organisation has frozen pay, almost unchanged from the last quarter (43%). Public sector respondents are most likely to report a pay freeze, with 69% saying this is the case, a slight fall from 72% for the previous quarter. The proportion of private sector employees reporting a pay freeze has edged up to 37% from 34%, while 54% of voluntary sector respondents report a pay freeze compared with 41% in the winter 2011–12 report.

The proportion of respondents saying their employer has reduced contributions to employee pensions has increased slightly overall to 9% from 8% last quarter. The proportion of public sector workers reporting cuts to pensions is 17% compared with 14% last quarter.

The survey asks a number of questions around the issue of relationships and well-being to gauge the extent to which the economic downturn is impacting on day-to-day working life. Almost a fifth (20%) of employees say there has been an increase in conflict at work between colleagues, a slight increase from 19% last quarter. In all, 16% of employees report an increase in bullying by line managers, unchanged from last quarter. In all, 51% of respondents have noticed an

Table 23: In which ways, if at all, has your organisation been affected by the economic downturn? (%)

	All	Private sector	Public sector	Voluntary sector
It has made redundancies.	38	25	56	42
It is planning to make redundancies.	15	10	36	10
It has cut back on training.	25	20	44	21
It has cut back on the number of hours that people work.	21	23	17	13
It has increased the number of hours that people work.	6	5	10	3
It has frozen pay.	44	37	69	54
It has cut pay.	6	6	9	3
It has frozen recruitment.	32	27	57	16
It has reduced the amount contributed to employee pensions.	9	7	17	9
It has reduced employee benefits/perks.	20	19	27	15
It has been affected in some other way.	19	18	22	27
It has not been affected by the economic downturn.	12	15	2	11
Don't know	7	7	6	6

Table 24: As a result of the economic downturn, have you noticed any of the following? (%)

	All	Private sector	Public sector	Voluntary sector
An increase in conflict at work between colleagues	20	17	30	17
An increase in bullying by line managers	16	15	22	12
An increase in stress	51	46	65	44
An increase in people taking time off sick	24	19	38	23
None of these	41	46	26	50

EMPLOYEE OUTLOOK

increase in stress in the workplace, again no change from the previous quarter. The proportion of employees saying they have noticed an increase in people taking time off sick also remains the same as last quarter at 24%. However, there have been some significant sector changes since the last quarter, with 30% of public sector employees saying they have noticed an increase in conflict at work as a result of the economic downturn, compared with just 20% in the spring *Employee Outlook*. Public sector employees are also more likely to say they have noticed an increase in people taking time off work sick, with 38% saying this is the case compared with 25% last quarter. However, private sector and voluntary employees are marginally less likely to report they have noticed an increase in conflict, bullying by managers, stress or people taking time off sick compared with the previous quarter.

Standard of living

Employees are still much more likely to say their standard of living has worsened than improved over the previous six months, but are slightly less negative compared with last quarter, continuing a trend which developed over the last year. In all, 10% of respondents say their standard of living has improved over the last six months compared with 28% saying their standard of living has worsened (net balance -18). This compares with a net balance of -22 for the previous quarter. See Table 25.

Private, public and voluntary sector employees are all marginally more positive when assessing their standard of living over the last six months compared with the previous quarter. See Table 26.

Table 25: Proportion of employees saying their standard of living has improved, stayed the same or worsened over the last six months (%)

	Summer 2012	Spring 2012	Winter 2011-12	Autumn 2011
Improved	10	9	9	9
Stayed the same	63	60	59	55
Worsened	28	31	32	37
Net balance	-18	-22	-23	-28

Table 26: Proportion of employees saying their standard of living has improved, stayed the same or worsened, by sector (%)

	Summer 2012			Spring 2012			Winter 2011-12		
	Private sector	Public sector	Voluntary	Private sector	Public sector	Voluntary	Private sector	Public sector	Voluntary
Improved	10	7	19	9	6	12	10	7	5
Stayed the same	64	61	55	61	55	66	59	56	67
Worsened	26	33	26	29	39	22	31	37	28
Net balance	-16	-26	-7	-20	-33	-10	-21	-30	-23

Job-seeking

A fifth (20%) of respondents are looking for a new job with a different employer. As with the results for last quarter, respondents from the voluntary sector are most likely to be seeking out new opportunities (30%), with those from the private sector least likely to be (19%).

The younger the employee, the more likely it is that they will be looking for a new job, with 47% of 18–24-year-olds doing so and just 11% of those 55 and older.

Middle managers (26%) and employees without management responsibility (26%) are most likely to be looking for a new job

this quarter. With regard to length of service, those employees who have been with their employer for up to six months are most likely to be actively seeking a new job (31%).

Those that strongly disagree that they can trust their senior leaders are the most likely to be actively looking for a new job, at almost half (45%). Finally, as might be expected, those that report being under pressure every day in their current job are the most likely to be actively looking for a new job (37%).

Table 27: Are you looking for a new job with a different employer? (%)

Summer 2012	20
Spring 2012	20
Winter 2011–12	21

Table 28: Proportion looking for a new job, by sector (%)

	Summer 2012	Spring 2012	Winter 2011–12
Private	19	19	20
Public	24	24	23
Voluntary	31	30	26

Table 29: Proportion looking for a new job, by age (%)

	Summer 2012	Spring 2012
18–24	47	35
25–34	31	27
35–44	23	27
45–54	23	22
55+	11	11

Conclusions

A noticeable finding from this quarter's *Employee Outlook* is the proportion of UK workers who feel neutral when it comes to their engagement at work. This represents almost three-quarters (58%) of all those surveyed. And, unsurprisingly, neutral engagement is highest in the public sector.

This score comes from the CIPD's employee engagement index, which takes a wider view of engagement at work than purely job satisfaction (the index is made up of a number of responses to questions known to be integral to understanding the level of engagement an employee feels towards their organisation). In fact, while people's satisfaction with their specific jobs is relatively high, this does not extend to overall engagement with their organisation. This is the third quarter we have run the index and the large number of neutrals or people feeling 'not bothered' has remained constant.

At the CIPD we are curious as to why so many feel this way, particularly given the business and personal benefits reported in the survey of when people are actively engaged at work.

Indeed, there is clear evidence that those who are actively engaged at work are also more likely to:

- go the extra mile with regard to workload and hours
- have greater life satisfaction and happiness
- have positive relations with colleagues
- feel that life is worthwhile
- enjoy greater work-life balance
- know the core purpose of the organisation.

And, are less likely to be:

- looking for a new job
- anxious or under excessive pressure.

There are a number of pointers in the research as to why people might be feeling this way – and these mainly relate to how people are managed. While satisfaction with immediate managers is generally strong, there are continuous issues around a lack of personal development – including coaching on the job, discussing learning and development and giving feedback on performance. Perceptions of leaders also need to improve, with views on leaders' consultation being particularly poor and trust and confidence in leaders falling further this quarter.

However, clearly the issue of neutral engagement is a two-way thing. While the importance of good people management can't be underestimated, employees also need to take the initiative in seeking out ways of getting the most from their working experience – particularly when so many people are struggling to get into employment in the first place in the current difficult economic climate. Neutral engagement is an issue which employers and employees need to work on together for the ultimate benefit of both parties.

This quarter we also worked with the Office for National Statistics to include the four subject well-being questions developed to measure national 'well-being' in order to explore the link between work and well-being and which aspects of people's working lives have the strongest link on their overall well-being.

This showed that employee attitudes to senior managers, and in particular the extent they trust them and are consulted by them on important decisions affecting the business, has the strongest link to their well-being. It is in employers' interests to be interested in the well-being of their staff – not just because they have a duty of care towards them, – but because of the link between well-being and employee engagement, as well as lower risks of accidents and lower levels of stress and absence.

Background to the survey

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

YouGov conducted the latest quarterly online survey for the CIPD of 2,068 UK employees from 18–22 June 2012.

This survey was administered to members of the YouGov Plc UK panel of more than 285,000 individuals who have agreed to take part in surveys. The sample was selected and weighted to be representative of the UK workforce in relation to sector and size (private, public, voluntary), industry type and full-time/part-time working by gender. The sample profile is normally derived from census data or, if not available from the census, from industry-accepted data.

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

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

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

CIPD OUTLOOK SERIES

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

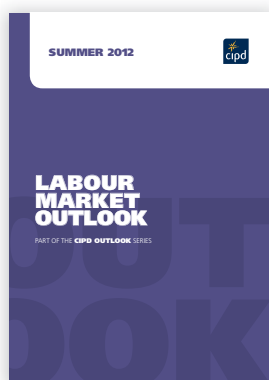
OTHERS IN THE SERIES



HR OUTLOOK

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

cipd.co.uk/hroutlook



LABOUR MARKET OUTLOOK

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

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