



Reflections on employee well-being
and the psychological contract

THE STATE OF THE EMPLOYMENT RELATIONSHIP

The Reflections series aims to provide members with more context and understanding of issues raised by the CIPD annual surveys. We intend these publications to stimulate thinking about what current trends mean for practitioners and their organisations' activities.

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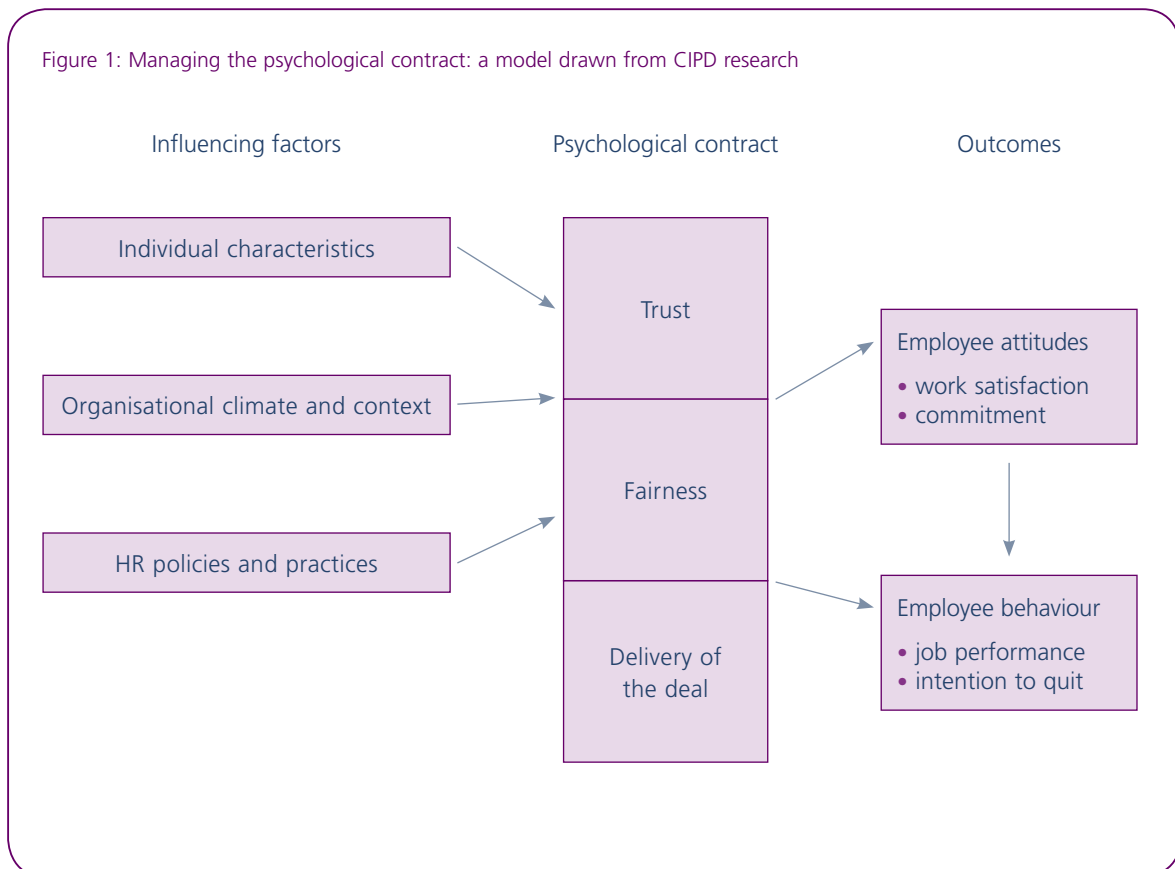
Foreword

Organisations are recognising that motivating their staff to perform is a much more complex issue than just providing financial incentives. CIPD research has highlighted the importance of engaging staff and securing their discretionary commitment in achieving high performance. And our long-standing analysis of the psychological contract, the mutual web of obligations between employer and employee, has helped to define and illustrate some of the key factors influencing the employment relationship and the commitment of staff.

In December 2004, the CIPD published a report by Professor David Guest and Dr Neil Conway on its latest survey of employee attitudes called *Employee Well-being and the Psychological Contract*. The study set out a model of the psychological contract based on previous CIPD research and profiled the attitudes of 1,000 employees to various aspects of their employment (see Figure 1). As in previous years, the

report examined underlying employee attitudes about fairness, trust and organisational delivery of the 'deal' that have a major influence on securing a positive psychological contract, employee satisfaction and commitment. But the report also threw light on other specific issues including careers, line management and stress that should have considerable significance for both practitioners and policy-makers.

Figure 1: Managing the psychological contract: a model drawn from CIPD research



Survey Reports like this contain a wealth of material that is valuable to HR professionals. The CIPD is anxious that the core messages from its research findings are accessible to the widest possible audience. We've therefore commissioned a number of experts to write short essays about different aspects of the survey findings. The aim was to provide more context and background to the findings, as well as to identify and spell out the key implications for practitioners. This publication is the result.

The survey findings suggest that organisations are becoming more successful in delivering their promises, and that the levels of employee satisfaction and commitment have increased. But there are real issues about fairness and trust, both of which have shown a decline over the last two years or more, particularly in the private sector. **Charles Woodruffe** discusses the challenges this raises in managing talent, particularly with graduates.

One of the biggest challenges for HR is to support line managers in managing and developing their people. In earlier surveys, employees reported having significantly more trust in their line managers than in the organisation as a whole. The picture that emerges this year is less positive. **Sue Hutchinson** outlines the need for organisations to ensure that line managers 'buy in' to the policies they are expected to deliver.

Stress has been moving steadily up the agenda in recent years and the survey asked a number of questions about the sources of stress. It shows that on a number of dimensions respondents are reporting

stress levels that exceed those incorporated in the standards published by the Health & Safety Executive (HSE) last autumn. **Stephen Palmer** discusses the findings and underlines links between low levels of stress and the 'high-quality workplace'.

Concerns about stress have led to increased interest in the related issue of employee well-being. **Nic Marks's** analysis suggests that the answer is for managers to get the right balance between excitement and stress by looking at the fit between individual skills and the requirements of the job.

There has been much debate recently about careers and their future. The survey identifies three distinct groups of employees in terms of attitudes towards their career: those looking for a traditional career, those who are more disengaged and want no emotional ties to the organisation, and a third group looking for independent careers, not tied to any particular organisation. **John Mockler** argues that we must establish a more flexible model of careers that allows for movement between these three models as individual circumstances change.

The report provides some very interesting information about differences in attitudes between the private and public sectors. **Mike Emmott** has extracted some of the findings most relevant to public sector managers and concludes that, despite important differences between sectors in the state of the employment relationship, public sector managers face substantially the same challenges as managers in the private sector – that of building high-quality workplaces.

The authors of these essays include both academics and practitioners, and each has tried to pull out the key implications for HR professionals. What they all illustrate is that:

- All organisations have some type of psychological contract, which has an important influence on the well-being and performance of their staff.
- Organisations should be regularly surveying the attitudes of their employees to assess the state of the psychological contract.
- HR practices and how they operate are critical influences in creating a positive psychological contract and high organisational performance.
- HR professionals should apply their expertise to respond to issues raised and develop a positive psychological contract in their organisation.

While these essays have relevance to HR managers in particular, we hope they encourage a wider interest in the concept and application of the psychological contract. The CIPD has developed a practical tool to help apply the idea and assess the state of the employment relationship in an organisation. This is available to CIPD members at www.cipd.co.uk/tools

Charles Woodruffe has worked as a management consultant for 20 years. His company, Human Assets, is based in central London and specialises in creating and implementing strategies to ensure that clients have the staff they need now and in the future. Present and past clients include Shell, Exxon-Mobil, the Security Service (MI5), Unisys, HSBC, British Airways, Nomura International, Ernst & Young, PricewaterhouseCoopers, the Churchill Insurance Group, the Royal Bank of Scotland, the Bank of England and the States of Jersey.

Charles has published widely, including:

- *Winning the talent war: a strategic approach to attracting, developing and retaining the best people.* (1999) Chichester: John Wiley & Sons.
- *Development and assessment centres: identifying and assessing competence.* (2000) London: CIPD.

He has also published numerous articles in journals such as the *Leadership and Organization Development Journal*, *People Management*, the *Training Journal* and *Competency*.

He is an active member of the CIPD and was on the North London Branch Committee for several years. He is also a Chartered Occupational Psychologist.

Commitment and satisfaction: the true state of the psychological contract

Charles Woodruffe

The research sponsored by the CIPD on the state of the psychological contract has served, for a number of years, as an important reality-check. Around 1995 when the first survey was carried out, several influential writers (notably Jeffrey Pfeffer and Frederick Reichheld) were asserting that the psychological contract had been thoroughly violated by many employers and that the employees of 'Generation X' had a focus on building a strong CV across organisations. The CIPD surveys at that time tended to give a different message, suggesting that traditional careers still existed and were valued by employees. The surveys also suggested that the psychological contract was not in a terminal state. For example, the summary of the 1996 survey stated that, 'the traditional psychological contract, built around job security and a career, is still alive and surprisingly well.'

The current survey continues to give a basically optimistic message. However, it also makes clear that any overall statistic for satisfaction is far less interesting than the differences it hides. There are differences between employers in the bargains they offer staff and there are differences between staff in the bargains they want to receive and reciprocate.

The current survey continues to give a basically optimistic message

Since the mid-1990s, it seems fair to say that organisations have been on a rather circular journey. In very simple terms, they firstly promoted the notion that careers were a thing of the past. Employees, particularly 'able' employees, took on this rhetoric and

became more foot-loose. The war for talent was born and then boosted by the intense competition for knowledge workers that resulted from the dot-com and stock market booms. After a post-millennium lull, many employers have been putting talent management high on their agenda. They have been doing everything possible to win back the commitment of their able staff, recognising that highly engaged employees will not only be a resource that is retained but at the same time will be a resource that beats the competition in serving and satisfying customers. The HR strategy has become the business strategy. The winning organisation will be the one that attracts, develops and retains the best people.

After a post-millennium lull, many employers have been putting talent management high on their agenda

As the latest CIPD study makes clear, the above generalisations neither apply to all organisations nor to all people in organisations. Dealing first with organisational differences, the survey teases out a number of variables that are related to the state of the psychological contract, itself indexed by reports of fairness, trust and delivery of promises. In particular, and not surprisingly, the state of the psychological contract is more positive if there is evidence of the following:

- A high-quality workplace – this is made up of six factors linked to stress and well-being, namely: a manageable workload, some personal control over the job, support from supervisors and colleagues, positive relationships at work, a reasonably clear role, and a sense of control or involvement in changes.

- Good supervisory leadership – this deals with supportive or considerate and task-centred leadership.
- Promises made to provide staff with a career and interesting work – in turn, the number of promises is strongly related to the organisation having in place a large number of progressive human resource practices.

So the survey demonstrates statistically the practices that help to create a positive psychological contract. None of these is terribly surprising but it is reassuring to know that organisations that are striving to do the right things by wooing talent should have their efforts rewarded. But the survey also makes clear that these efforts will only be rewarded by some employees. For some people, traditional careers are dead and the traditional psychological contract based on trust and commitment has been torn up. For others, this is in no sense the case.

So the survey demonstrates statistically the practices that help to create a positive psychological contract

Graduates show an inclination for independence. They are clearly a key target group for talent managers. As a generalisation, they are the knowledge workers and they are also the talent pool from which the future senior management of an organisation will be drawn. A pessimistic reading of the survey might suggest that, with respect to this key group of employees, talent managers can ill-afford to relax. For this group, the task is not to woo them back to wanting a traditional career. It is, instead, to take as a given that these people are independent and to make them want to stay rather than to leave. This will be attempted by implementing the policies that make for a high-quality workplace, good supervisory leadership and delivery on promises made.

What this survey of a stratified sample of 1,000 people can't tell us is how successful large organisations are in engaging the subset of graduates seen as truly high-potential. It would also be interesting to know if these key people have a clearer preference for an independent career than graduates generally. An educated guess is that many large organisations are now putting in great efforts to keep these people but this is an ongoing

battle. People will only stay while their needs are being met at least as well as by a competitor-employer. These needs cover not only the elements of reward, advancement and job satisfaction but also the need to be treated as an individual and to be given a sense of commitment by the employer.

In competing with each other to meet these different needs, employers are faced with a mounting cost. There is a continual negotiation with talented people over the amount of profit left for the providers of capital (Martin and Moldoveanu 2003). This is most evident in fee-earning firms where talented staff expect a large percentage of the revenue they generate. It is also clearly a feature of other organisations that have to compete by offering ever-better 'employment propositions'.

While the survey can't be expected to provide the fine-grained analysis that is really the responsibility of each organisation to carry out, it does offer evidence of the general level of commitment and satisfaction as two major outcomes of the psychological contract. The overall results for commitment were measured by two questions. The first asks about loyalty; 54 per cent of respondents stated that they felt a lot of loyalty to their organisation, with a further 32 per cent reporting some loyalty. The second asked about pride in working for the organisation and 37 per cent said they were very proud indeed, with a further 49 per cent saying they were quite proud. The results for satisfaction with work can also be seen as positive, with only 8 per cent reporting low satisfaction with work and 6 per cent saying they had low satisfaction with work-life balance.

Graduates show an inclination for independence. They are clearly a key target group for talent managers

The psychological contract also influences people's motivation, organisational citizenship and intention to quit. Each of these produced results that can be given a 'half-full' or 'half-empty' spin. For example, 38 per cent said they were very motivated, and 46 per cent said they were fairly motivated; 66 per cent have volunteered to do tasks outside their job description and 40 per cent have never thought about leaving their job.

Looking at them with a 'half-full' perspective, all these could be taken to suggest that we can be quite sanguine about the employment relationship in contemporary Britain. However, I would urge you to return to the distinction the survey makes between the three different career preferences and interpret the positive results as meaning that the current emphasis on talent management is working to keep the independent and the disengaged relatively loyal and satisfied. The statistics

People stay as long as it suits them and the people you most want to stay will find it easiest to leave

should not be a source of complacency about the retention of talented people having been achieved. I suspect that the day-at-a-time contract that employers once quoted to their staff now applies the other way round. People stay as long as it suits them and the people you most want to stay will find it easiest to leave.

Implications for practitioners

- It is vital to take time to find out what each individual wants from their employment relationship with you. Employment propositions should, as far as possible, be tailored around each individual's needs.
- Ask – and then ensure that you listen to what staff have to tell you – about what you are doing well and badly in terms of satisfying their needs.
- Ensure that the truly talented people are correctly identified. You can only give the best career options to a few people. Poor identification risks giving the wrong people the best breaks while the genuinely talented people leave to work elsewhere.
- Ensure that senior managers are completely persuaded of the strategic business imperative of attracting and retaining talented people, and educate them that many of these people will have an independent career perspective. Those with an independent perspective are people whose commitment needs to be constantly regained. It can't be taken for granted and must not be abused by poor management.

Sue Hutchinson is a Research and Teaching Fellow at the University of Bath School of Management and is currently engaged in research on front-line managers and the delivery of effective people management in the NHS.

Previous research and publications (for both academics and practitioners) have addressed lean methods of working, devolution of HR activities to the line, and managing industrial relations change and annualised hours.

Before joining the university she worked in a number of research and consultancy roles for various organisations, including the CIPD, and started her career as an industrial relations adviser for an employers' association.

The role of the line manager

Sue Hutchinson

I was heartened to find that this year's survey considers, in depth, line management behaviour. This reflects the increasing recognition of the role that line managers play in the management of the employment relationship, particularly in terms of their potential to influence employee attitudes and behaviour.

The role of the line manager has changed significantly in the last decade or so, and many managers, particularly at the lower levels, are now expected to be involved in a considerable number of people management activities, in addition to their more traditional supervisory duties. We know from other surveys that an increasing number of HR practices have been devolved to the line. In support of this trend, it is argued that people management policies should be 'owned' by the line rather than being held by a specialist function, because line managers are directly responsible for supervising staff on a daily basis and ultimately responsible for their performance.

Forty-five per cent receive regular feedback on how they are doing.

Increasingly, therefore, managers are expected to be involved in recruitment and selection decisions, provide coaching and guidance, conduct performance appraisals, deal with problems at the workplace and of course provide leadership. This survey suggests that many managers are doing this well. For example:

- Sixty-three per cent of employees interviewed felt that their immediate manager provided support when necessary 'most of the time'.

- Forty-seven per cent, just under half, felt that their manager motivates them to work effectively 'most of the time'.
- Forty-five per cent receive regular feedback on how they are doing.

This is good news and, interestingly, views appear to be more positive in the public sector, particularly the NHS and local government. However, there is also a less positive picture which shows some managers failing to perform these duties effectively. Consider these findings:

- Thirty per cent felt that their manager never/rarely helps them to improve performance.
- Almost a quarter never/rarely receive feedback on how they are doing or receive praise and recognition from their boss.

Apparently, those staff working long hours, in larger establishments, who are more senior, and those seeking an 'independent' career (in other words, people seeking to control their own career in some way) are less positive about line management leadership. But these negative views are not surprising. Other research raises concerns about line managers' ability to perform the people management aspects of their jobs.

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A number of studies have shown that there is often a clear gap between espoused HR policies and the way

these policies are implemented, and this can often be attributed to line management behaviour. Consider, for example, performance appraisal, where line managers have a key role to play in managing individual performance. The management literature claims that this is ranked as the 'most disliked managerial activity' and that managers would rather go to the dentist than conduct a performance appraisal! In practice, it appears that appraisals are not always taking place as regularly as they should (ie in line with policy statements), and sometimes not at all. In addition, employees report that feedback and developmental support is poor, that appraisals can be subject to management bias and can lack consistency, and that there is a reluctance to deal with poor performers. Too often performance appraisal operates as an annual ritual and chore.

... managers would rather go to the dentist than conduct a performance appraisal!

Why is this happening? The literature suggests a variety of reasons: managers lack the necessary skills and training, dislike the bureaucracy involved, lack the time, don't want the responsibility, or even feel that the practice doesn't add value to the organisation. These reasons also explain why many other people management activities, such as coaching and development, involvement and communication, treating people fairly and so on, are not being delivered effectively. Work overload is probably one of the most common reasons, with many managers having had to take on these added responsibilities without a decrease in their other activities. There are clear implications here for HR practitioners.

Why is it important that managers carry out their people management activities well? The survey clearly shows that the quality of line management behaviour can have an important bearing on employee attitudes and behaviour. Ultimately, of course, this may impact on organisational performance. The survey tells us, for example, that effective line management leadership is strongly associated with:

- the state of the psychological contract, measured in terms of promises kept, fairness and trust

- higher work satisfaction and higher organisational commitment
- 'excitement' at work.

The importance of these associations is highlighted when we look at the link with behaviours at work, such as motivation and intention to leave the organisation. Satisfaction, excitement and organisational commitment are the key factors strongly associated with motivation – in other words, work that is satisfying and exciting in a context of high commitment to the organisation is also motivating. Motivation itself is associated with loyalty to the customer.

The crucial role that line management plays overall is therefore clear. Consider, for example, praise and recognition. It is well known that recognition can be a powerful motivator and a means of improving employee attitudes and commitment. We all like to know not only how well we are doing but also that our achievements are acknowledged and appreciated. Managers have a clear role to play here – and it's so easy to do – for example, by just listening and responding to suggestions or simply by praising good work – just saying 'thank you' or 'well done'.

Or we can take another example from the report – intention to quit. Effective line management is shown to be one of a cluster of factors associated with a stronger desire to stay in the organisation. The implications are clear for organisations that wish to reduce their labour turnover. Finally, the report suggests that employees' concept of the 'good employer' includes supportive supervision as well as good HR practices and flexibility. Again, there are clear implications for recruitment and retention.

The survey clearly shows that the quality of line management behaviour can have an important bearing on employee attitudes and behaviour

These findings lend support to other studies such as the recent research for the CIPD by Bath University. This shows that the way front-line managers implement and enact HR policies (or 'bring policies to life') and demonstrate leadership plays a significant part in influencing employee attitudes towards the organisation,

their jobs and organisational performance. One of the factors associated with work-related stress identified by the Health & Safety Commission (and considered in more detail in this report) is again the notion of supervisory support.

I have highlighted what I consider to be the key issues arising from the report but there is much more detail to be found in the survey findings. One obvious issue that practitioners might bear in mind is that the way in which line managers themselves are managed and developed

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will influence their own behaviours and attitudes. Research points to other key policy areas in people management that may make a difference to the quality of the relationship between line managers and their people, including training and development, involvement and communication, and their relationship with their own manager.

Implications for practitioners

- Ensure that all managers in a supervisory role are effective in terms of people management activities. This can impact positively on employee attitudes and behaviour, enabling your organisation to be perceived as a 'good employer'. Ultimately, this can impact on recruitment and retention and the performance of the organisation.
- Review and clarify the role of all line managers. This includes those at senior level, since the survey suggests some neglect of leadership at this level.
- Ensure that managers understand and buy in to the people management policies they are expected to deliver. This means convincing managers of the value of these policies and helping them to understand the consequences of not handling them well.
- Provide managers with time to carry out their people management activities. Often the more traditional management activities take precedence over these 'softer' activities.
- Ensure that line managers receive sufficient training to enable them to perform these duties well, in particular in communication skills including listening, involving and asking.
- Identify what other aspects of people management can provide support to managers in their role of managing and developing people. This will probably include a good working relationship with their own line manager.
- Carefully select line managers, paying particular attention to their people management competencies and interpersonal skills.

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In 2001 he launched the Centre for Coaching and in 2002 set up the Coaching Psychology Forum. In 2004 he demonstrated coaching and therapy on his BBC1 six-part television series, *The Stress Test*.

He is an award-winning psychologist and psychotherapist, having written over 100 academic papers and authored or edited 25 books including *Dealing with People Problems at Work* (1996) with Burton, *Conquer Your Stress* (2000) with Cooper, published by the CIPD, and *Creating a Balance: Managing Stress* (2003) with Cooper and Thomas.

Reflections on stress and well-being

Stephen Palmer

The Management of Health and Safety at Work Regulations 1999 require employers to assess the risks to their employees' physical and mental health. With this in mind, the Health and Safety Commission (HSC) undertook a public discussion exercise during 1999 and concluded that to reduce work-related stress in the United Kingdom would involve changing business culture – not an easy task as each business is unique.

... half a million employees are affected by work-related stress, anxiety or depression

But were they being unnecessarily concerned about work-related stress – was it just a passing fad? The answer is a resounding no! Their published research highlights that in Britain half a million employees are affected by work-related stress, anxiety or depression. In each individual case, on average 29.2 working days are lost, with a grand total of 13.4 million working days lost each year. In the Bristol survey (see Smith et al. 2000a; 2000b) some professions reported very high rates of stress, with teachers and nurses being the worst affected, followed by care workers. More surprisingly, managers and professional occupations reported high levels of stress too.

The Health and Safety Executive (HSE) subsequently developed standards of good management practice, which were endorsed in September 2004 by the HSC. The standards are based on a continuous improvement model and are aimed at promoting step-by-step improvements to organisational performance against the current top 20 per cent of the nation as reported by employees. A range of potential stressors or

hazards are assessed and hotspots are chosen as the focus for intervention. This framework can be applied flexibly by different organisations.

Figure 2 (page 16) highlights the relationship between the six core potential hazards incorporated in the management standards, and the symptoms of stress, negative outcomes and costs.

Culture was one of the original hazards identified by the HSE. But this was eventually subsumed into the other six main hazards so that the long-hours culture, for example, can now be considered under 'demands', and the bullying culture under 'relationships'.

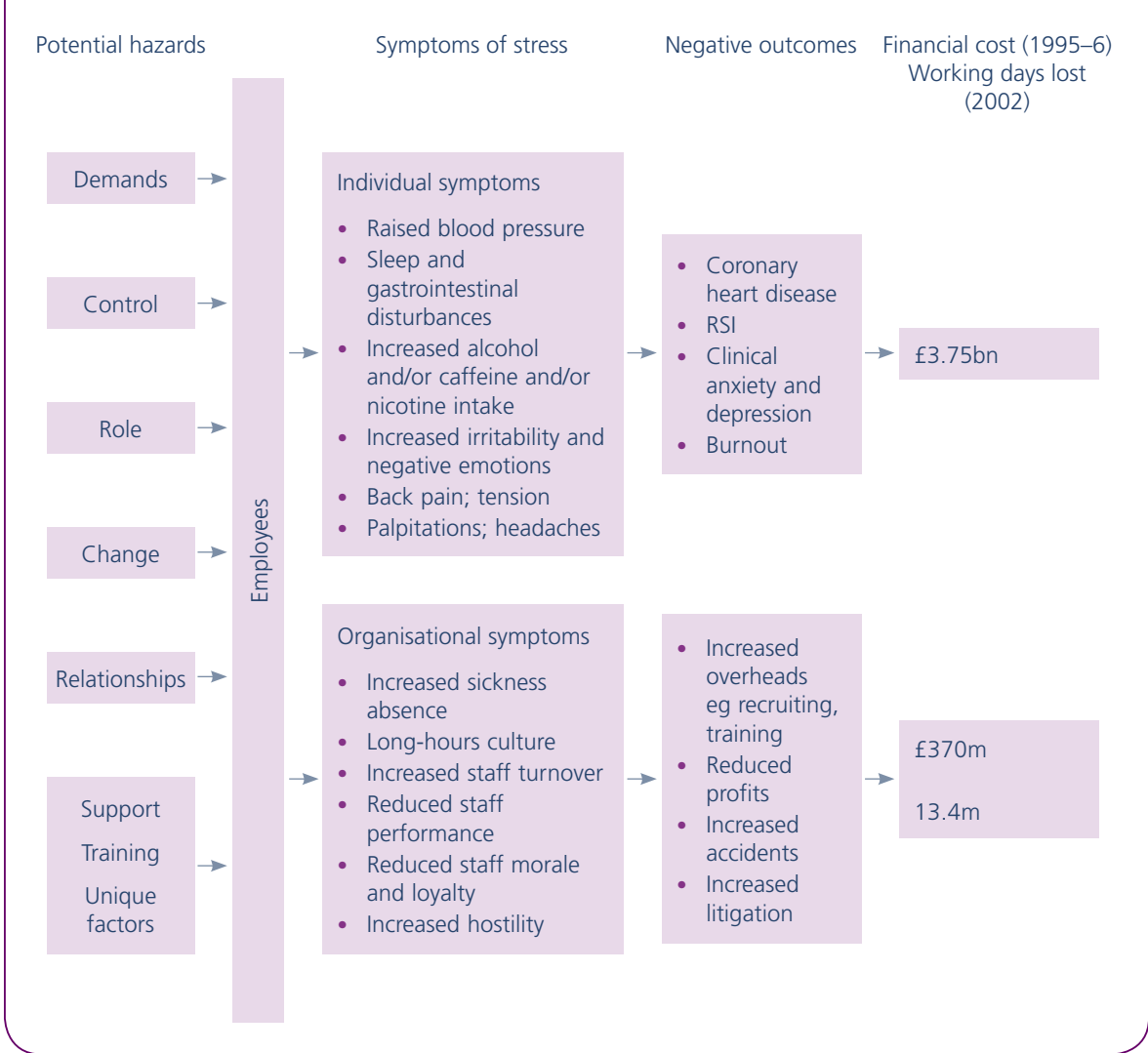
Reflections on the CIPD survey

The current survey explored the six dimensions associated with work-related stress that are reflected in the HSE management standards. Let's look at the results.

Demands: The survey found that 37 per cent of participants believed that their workload was too heavy and 20 per cent considered that the job demands were unrealistic. This is no surprise if we consider that the average UK worker is working longer hours than the continental European Union equivalent, just to get the work done. After years of downsizing and re-engineering, our lean UK companies are probably too lean. In the Whitehall II study (Stansfeld et al. 2000), high demands were associated with poor mental health and poor health-functioning.

After years of downsizing and re-engineering, our lean UK companies are probably too lean

Figure 2 (adapted Palmer et al. 2004): Model of work stress



Personal control: In the survey 25 per cent of participants never or rarely planned their own work and 22 per cent never or rarely varied how they did their work. Forty-two per cent never or rarely chose the tasks they worked on, highlighting a lack of control. Twenty-one per cent never or rarely determined the pace at which they worked and 20 per cent never or rarely had as much freedom in their job as they needed.

What does all this mean? Twenty per cent and above of employees in this survey would probably report a lack of personal control in some form. Personal control is seen as an important construct in the field of stress prevention. If you perceive that you have control over your work environment, you

usually suffer from less stress and conversely less control can lead to more stress.

Support from supervisors and colleagues: Twenty-six per cent of respondents reported that they received little support from their supervisor, while another 11 per cent believed they received little support from their colleagues. You could ask if support really matters. In fact it does. In the Whitehall II study, a lack of support was associated with poor mental health, poor health-functioning and increased sickness absence. In a competitive business environment, organisations cannot afford unnecessary sickness absence. Yet how many proactively encourage their supervisors to support staff? Some supervisors may need training in this area and may need to learn coaching skills.

Relationships at work: Whereas only 2 per cent of respondents report not having a good relationship with colleagues at work, 13 per cent had experienced bullying and harassment at work in the past year. Not only can bullying behaviour trigger stress, anxiety and depression, in more serious cases it can trigger post-traumatic stress disorder too. Organisations should not tolerate this behaviour. Inaction will only leave them open to litigation.

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Role clarity: A surprisingly high number of respondents (96 per cent) were clear what their duties and responsibilities were at work. However, 45 per cent say that they have to do things in a particular way although they believe they should be done differently. This is less than satisfactory.

Change at work: Seventy-five per cent of respondents agreed that there is a lot of change going on in the workplace although only 17 per cent reported that they could not participate in and contribute to changes that affect work. So there is change, but 83 per cent participate and contribute to the changes that affect them. Considering that a lot of change was reported, at least the vast majority of participants believed they could be involved in the changes. This probably increases their perceived control in these situations.

Important factors in the research associated with a high-quality workplace and lower levels of reported stress were found to include:

- having a large number of human resource practices in place
- greater availability of flexible working practices
- working shorter rather than longer hours
- working in a smaller establishment
- not working in London and the south-east.

Are we stressed?

In the CIPD survey, 26 per cent of participants described their job as stressful most of the time and 64 per cent said they find work rarely or never relaxing. Even worse, in this study 21 per cent of the participants reported being very or extremely stressed at work. This is similar to the Bristol study which identified 20 per cent as being so. Both results are possibly a sad reflection on many British workplaces. There are individual factors too. For example, higher stress is reported among those in high-level occupations, among women rather than men, and among those who have management responsibilities for other staff.

In this study 21 per cent of the participants reported being very or extremely stressed at work

The good news is that high-quality workplaces are associated with lower stress. In fact, the psychological contract is strongly associated with lower stress. Factors associated with a high-quality workplace include having a large number of HR practices in place, greater availability of flexible working practices and working shorter rather than longer hours.

What may surprise HR professionals is that work-related stress is higher among those reporting the presence of more positive HR practices. It's an interesting paradox. Perhaps employees may have high demands placed on them in return for more benefits. Another study (Ramsey et al. 2001) found that HR practices were also associated with higher stress, but on the plus-side there was higher satisfaction and commitment.

The good news is that high-quality workplaces are associated with lower stress

What can HR professionals do to influence stress?

The HSC recognised that to reduce work-related stress in the United Kingdom would involve changing business culture. The HR professional is in a position to introduce or influence a range of possible interventions across the whole organisation by undertaking or organising work-related stress risk assessments and subsequently focusing on tackling the reported hazards.

Implications for practitioners

The survey found that 37 per cent of participants believed that their workload was too heavy and 20 per cent considered that the job demands were unrealistic. This could be your organisation.

Whether or not you believe that stress exists in your organisation, it is likely that 20 per cent of your employees may report very high or extremely high levels of stress. Unless you undertake a work-related stress risk assessment, you won't know the answer. Sticking your head in the sand will not make the potential problem disappear – act now!

There are no simple answers to stress prevention as each organisation needs a tailored approach. If you intend employing external consultants to help your organisation to tackle stress, then disregard simplistic standardised interventions such as off-the-shelf courses. Check that the consultant is properly qualified and experienced to undertake risk assessments and subsequent interventions.

The HSE management standards focus on stress prevention at an organisational level. Sending employees on stress management and time management programmes may help them to a certain extent, especially if they have particular skills deficits. However, the HSE actively encourages employers to target the main source of the problems: demands, control, support, relationships, role, and change.

Finally, if in doubt, visit the HSE website at www.hse.gov.uk and download the relevant HSE Indicator Tool for work-related stress, for example, the stress policy, running focus groups guide and other related documents.

Nic Marks has been a New Economics Foundation (NEF) associate since 2000 and leads the NEF's research on well-being as part of its broader programme of work on well-being. Nic was the co-author of the first edition of the UK Index of Sustainable Economics Welfare, which the NEF first published in 1994. He has been a close associate of Manfred Max Neef, the Chilean ecological economist, for over a decade and the well-being programme is in part seeking to operationalise some of Max Neef's ideas in the policy arena.

He has authored two reports on well-being for the NEF:

- The power and potential of well-being indicators: measuring the well-being of young people in Nottingham. April 2004. NEF.
- A well-being manifesto for a flourishing society. Co-authored with Hetan Shah. October 2004. NEF. Recently republished in *Journal for Promotion of Mental Health*. December 2004.

He has a degree in management studies from Cambridge University, a Master's degree in operational research from Lancaster University and a postgraduate diploma in change agent skills and strategies from the Human Potential Research Group at the University of Surrey. He is also a qualified psychotherapist and member of the International Society for Quality of Life Studies.

Good jobs: well-being at work

Nic Marks

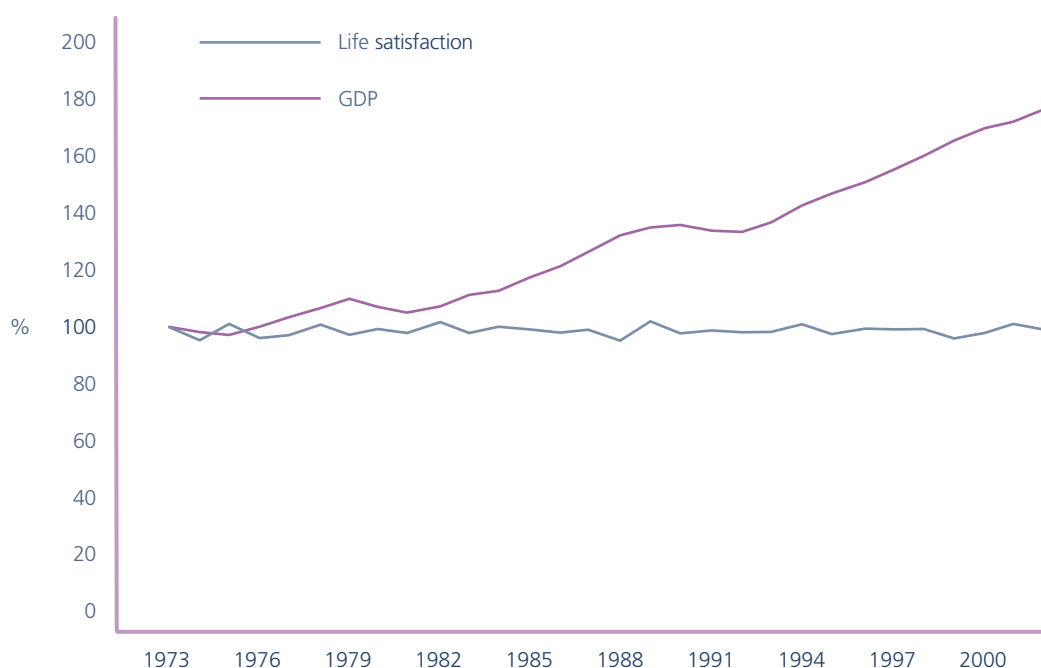
Work has tended to get a bad press when it comes to its impact on people's well-being, with many dismissing the realm of work as a necessary evil so that we can earn the income to enjoy our leisure time. But recent research into well-being by the NEF undermines this myth on at least two counts. Firstly, while people's income has nearly doubled in real terms over the last 30 years, our satisfaction with life has remained resolutely flat (see Figure 3) – so the extra income isn't paying off in terms of our happiness. Secondly, it is well known that the devastating effect of unemployment on people's well-being goes far beyond the loss of income – in other words, working itself is good for our well-being as it

brings us into the realm of social relationships and can give us a sense of identity and purpose in life (Layard 2005, p67).

... while people's income has nearly doubled in real terms over the last 30 years, our satisfaction with life has remained resolutely flat

Perhaps I should clarify what I mean by the somewhat nebulous term of 'well-being'. I tend to think of people's well-being as being 'their experience of their quality of life.' Our experiences include our feelings but go beyond them into our perceptions and reflections about our lives.

Figure 3: People's life satisfaction and GDP – UK 1973–2002



Some academics argue that people's well-being is best understood in terms of their overall happiness or satisfaction with life. But there is evidence that there is much more to life than satisfaction – people also want to be leading rich and fulfilling lives – developing their capabilities, expressing themselves and fulfilling their potential. Therefore, at the NEF, we use a two-dimensional model of personal well-being: people's satisfaction and their personal development (Shah and Marks 2004). This two-dimensional model actually has its roots in ancient Greek philosophy, with the Hedonists defining the 'good life' in terms of pleasure while Aristotle talked in terms of Eudaimonia – realising your potential.

One of the main thrusts of our well-being programme has been to argue that we need to 'measure what matters', based on the principle that what's measured gets managed, and as people's well-being matters it should be measured.¹ So it is exciting to be asked to comment, and get a chance to do a little secondary statistical analysis, on this excellent CIPD survey focusing on people's well-being at work. It is well established that the key factors that influence people's well-being at work are: autonomy at work, job variety, role clarity, physical security, support from supervisors, relationships with colleagues, status of their role, and sense of identity with the organisation (Warr 2002). The survey covers nearly all of these factors and also identifies good supervision, the quality of HR practices, the robustness of the psychological contract between employer and employee, as well as the factors that make up an overall high-quality organisation.

Quality of work

So how does the survey assess the quality of people's experience at work? Well, the researchers asked respondents a set of six questions that are directly concerned with their experience at work. They asked how often people found their job: boring, exciting, rewarding, frustrating, difficult and stressful.² By carrying out a statistical technique called a factor analysis, it is possible to reduce these six questions to two independent factors: excitement and interest at work, and stress and frustration with work. The first three questions load strongly onto the excitement factor and the last three onto the stressful factor.³ From a psychological perspective, finding a job exciting is most likely to occur when there is a good fit between the challenges of the job and the individual's skill level. In contrast, stress, anxiety and frustration arise when the challenges are too high, and boredom when they are too low (Csikszentmihalyi 1997).

Excitingly for me, these two factors map very well onto the NEF's two-dimensional model of well-being, as excitement and interest are related to the developmental aspect of well-being, and stress and frustration are negatively connected with the satisfaction aspect.

From a psychological perspective, finding a job exciting is most likely to occur when there is a good fit between the challenges of the job and the individual's skill level

In order to explore these two-dimensions further I have re-coded people's responses into two categories for each factor: high and low.⁴ I propose that we define a 'good job' to be a job which people experience as being exciting but not too stressful. As this definition involves people's perceptions it is important to emphasise that good jobs are a dynamic fit between the individual and the job.

Figure 4: Quality of jobs – categorised by people’s experience of their work (%)

		Excitement at work		
		Low	High	
Stressful work	High	12	18	30
	Low	31	39	70
		43	57	

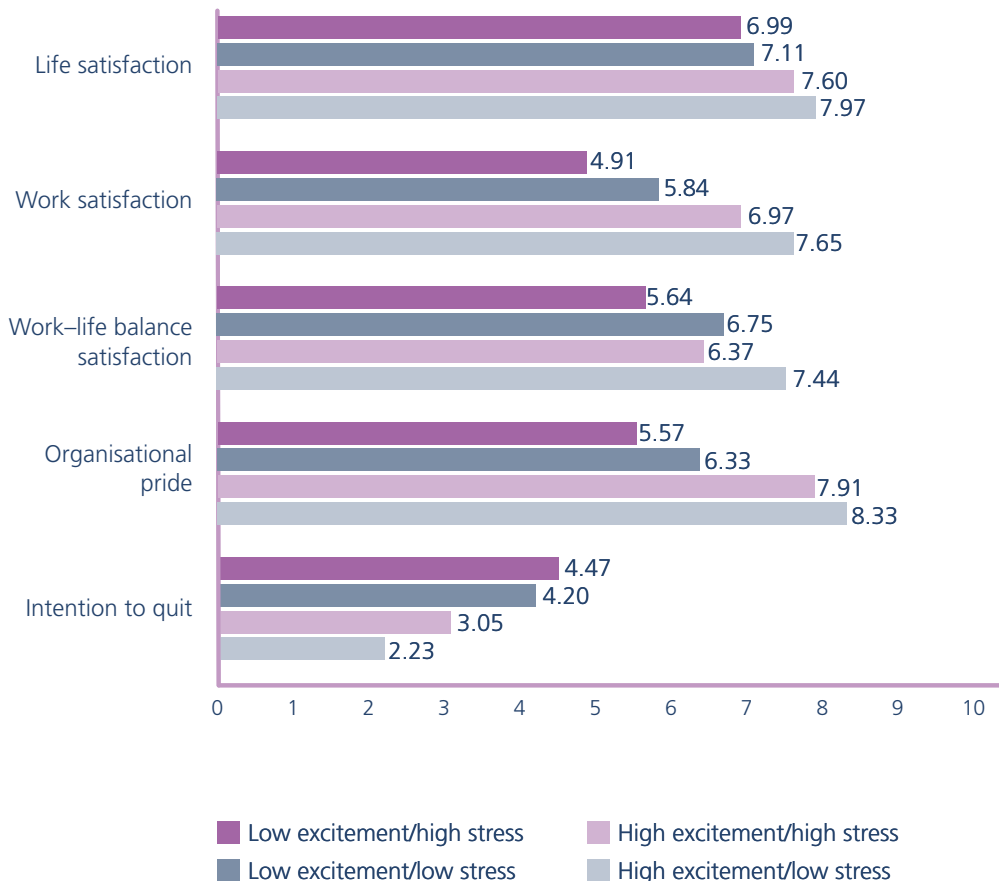
Who has the good jobs?

So what does the data actually tell us? Firstly, the good news is that 70 per cent of people don’t find their jobs too stressful and 57 per cent find them exciting. The desirable ‘good jobs’ are held by 39 per cent of people but, alas, a poor 12 per cent of the population are in undeniably terrible jobs – ones they find both unexciting and stressful. The remaining half are somewhere in between.

Who are ‘good jobs’ good for?

Good jobs are good for everyone, would seem to be the answer! Figure 5 shows the relationships between the quality of people’s experience at work and five key outcome variables that the survey assessed. The first three shown are people’s life satisfaction, their work satisfaction and their satisfaction with their work–life balance – these all concern outcomes for the individual themselves. The last two, organisational pride and

Figure 5: Quality of the work experience and some key outcome variables (%)



intention to quit (a low score is good here) more directly concern organisational outcomes. For all of these indicators the 'good jobs' category scores best.

It is important to be a little cautious about interpreting these results as some of the relationships are not necessarily causal. For instance, the small variation in people's overall life satisfaction probably works the other way round, a 'top-down effect' of happy people bringing their happiness to work.⁵

But the relationship between the quality of people's experience at work and their work satisfaction is stronger. Good jobs are clearly the most satisfying, next comes the exciting but stressful jobs, then unexciting stress-free jobs, and finally the terrible jobs – both boring and stressful. In other words it seems that creating exciting jobs is most important to creating job satisfaction, though reducing stress has an independent additional effect. Whereas when it comes to work–life balance it is first and foremost stress that is explaining the variation.

... it seems that creating exciting jobs is most important to creating job satisfaction, though reducing stress has an independent additional effect

It's clear that good jobs are not only good for employees but also for employers too. People with good jobs are more proud of their organisation and report having a lower intention to quit within the next 12 months. This study, which is based on a random telephone sample of people in employment, is not able to directly make the connection to other important organisational goals, such as productivity and profitability. But it has been shown that a team culture that finds a good balance between being supportive and challenging broadens the creative potential of the whole team, which in turn increases productivity, profitability and customer satisfaction (Losado and Heaphy 2004). In addition, positive health outcomes from high levels of well-being are likely to have knock-on effects on reduced absenteeism.⁶

So, all in all, it's in everyone's interest to create good jobs.

It is clear that good jobs are not only good for employees but also for employers too

What factors create good jobs?

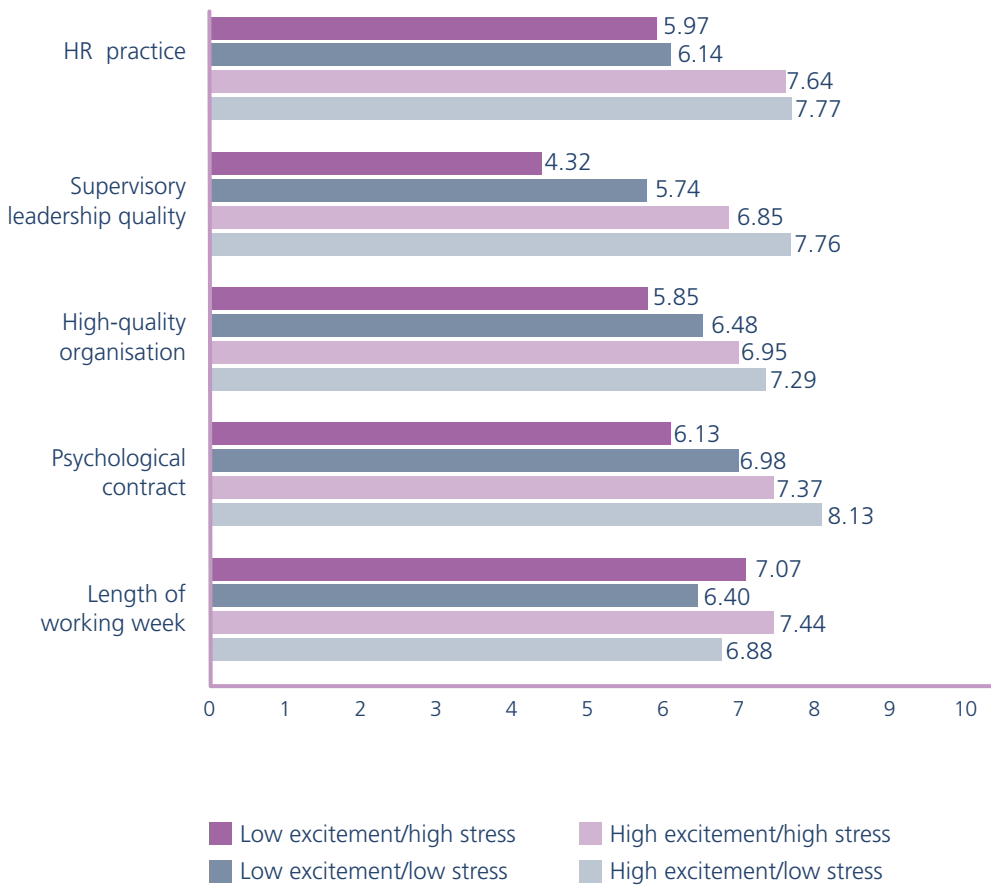
What factors create good jobs? This is, of course, the critical question for practitioners and organisations alike. The answer seems to be that what is considered to be best practice is indeed so. Figure 6 illustrates that high-quality organisations, good psychological contracts and supervision and not working hours that are too long are all positively related to good jobs.⁷

The only caveat is that HR practices, such as training, appraisals and involvement in decision-making processes, appear to make jobs more interesting and exciting but don't appear to alleviate stress. Indeed, one of the factors included in the CIPD definition of good HR practice, individual performance-related pay, might actually be troublesome from a well-being perspective. The issue is that people's well-being is also affected by their perceptions of status. So performance-related pay could possibly have collective negative effects as it would inevitably encourage income comparisons and perhaps spread envy (Layard 2005, p156)

It also seems that it might be possible to have too much of a good job! For example, full-time employees who have the 'good jobs' work an average of just under 40 hours a week, which is nearly three hours less a week than those in the exciting but stressful jobs.⁸ This doesn't mean that reducing the amount of time to do stressful jobs is going to turn them into good jobs, as this may increase the stressfulness of them! It is, instead, a question of 'reasonable demands', with organisations needing to systematically design jobs whose tasks are deliverable within a reasonable working week.

Another very striking result from the survey is that the quality of supervision seems to be the key impact variable on people's experience at work. Other research has also highlighted the importance of high-quality supervision and management by identifying common barriers to job satisfaction – bad supervision if you like. These barriers include: overload,

Figure 6: Quality of work experience and key input variables (%)



interruptions, uncertainty, conflicting expectations, low recognition and having to do ‘illegitimate’ tasks (Avolio 2005). The supervisor is on the front line when it comes to people’s experience at work, the tone they set naturally has a very significant impact on the people they are supervising. Striking a balance between getting the job done and supporting the needs of supervisees is always difficult, or, as a friend of mine succinctly put it, ‘the soft stuff is the hard stuff’. But it is a crucial factor in the promotion of ‘good jobs’.

Conclusions

This research really underpins the idea that organisations should take their employees’ well-being at work seriously. Good jobs are not only good for employees but are also in an organisation’s own self-interest.

Ensuring that best practice becomes common practice is the key and ‘measuring what matters’ would support this process. Systematically assessing well-being at work would encourage organisations to tackle the negative trends and build on the positive ones.

Implications for practitioners

HR professionals should help to create 'good jobs' in organisations. A 'good job' is a job that people experience as interesting and exciting but not too stressful.

Good jobs are good for people's own well-being, in terms of their work satisfaction, their work-life balance and possibly their overall life satisfaction.

Good jobs are also good for employers, increasing organisational pride, reducing the risk of employees quitting and are likely to be linked to increased productivity and profitability as well as a reduction in absenteeism.

Best practice does indeed seem to be best for good jobs.

'Best practice isn't always common practice' – only 38 per cent of the working population are in good jobs.

Reasonable demands – designing jobs that can be delivered within a reasonable working week would reduce stress and allow more people to enjoy good jobs.

'The soft stuff is the hard stuff' – the quality of supervision is crucial in the promotion of good jobs.

'Measuring what matters' will support organisations to build on internal best practice as well tackling negative trends.

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- 1 There has been a recent major development in this area as the new UK Sustainable Development Strategy, launched in March 2005, includes a commitment to create 'a new indicator set, which is more outcome-focused, with commitments to look at new indicators such as those on well-being.' Available at www.sustainable-development.gov.uk
- 2 They also asked two further questions about how people found their job (ie relaxing and easy), but for the purposes of this analysis I have left these two out as it's not clear to me that they should be included within the realm of well-being at work. Regardless, they are highly related (inversely) to difficult, frustrating and stressful and so do not add much statistical power to the analysis.
- 3 The authors of the CIPD report, David Guest and Neil Conway, also highlighted these factors and I use their terms here. In an ideal world I would categorise experience at work in terms of positives only; interest–excitement–challenge and pleasantness–enjoyment–comfort.
- 4 There is undeniably a certain arbitrariness to this, but to make it as transparent as possible I have returned to the two three-item scales both for excitement (boring, exciting and rewarding) and stressfulness (stressful, difficult and frustrating). The possible responses were: '1 – rarely, 2 – sometimes, 3 – most of the time'. A score of 6, by way of 3 instances of 'sometimes' or otherwise, is the neutral point. So a job which is sometimes stressful, difficult and frustrating scores a 'low' stress (ie okay), but a job that is 'sometimes' exciting, rewarding and boring (which is reverse-coded in the three-item scale) scores a not-okay 'low' excitement.
- 5 The top-down effect of life satisfaction on job satisfaction is generally found to be stronger than the bottom-up effect (which also exists). Longitudinal studies have separated out the causes and effects (see chapter one of Warr 2002 for further details). This 'positivity bias' of happy people is likely to have a small effect on all 'subjective' indicators that seek to capture people's perceptions but, as a general rule, the more specific the context, the less the effect.
- 6 A survey by the EEF, the manufacturers' organisation, showed that depression was the major cause of long-term sickness – back problems were the second highest cause (see KHAN 2004).
- 7 These are statistically significant results.
- 8 This is for full-time workers only. In Figure 6 – a score of 7 is equivalent to 40 hours a week. The actual figures are (left to right): 40.8, 37.5, 42.7, and 39.9.

John Mockler, Chartered FCIPD, is a seasoned HR and organisational development professional with strong experience in the NHS and wider public sector. He is very used to dealing with the challenges within changing organisations and is particularly experienced in the development of top teams, dealing not only within local government but also the NHS, where he was executive director of HR and head of personnel to two London teaching hospitals, and most recently in Tate.

His experience includes implementing major equality initiatives while he was head of recruitment for the Greater London Council in the mid-1980s; the introduction of the innovative Penn State Learning Programme for 150 of the top managers, clinicians and other healthcare professionals at King's Healthcare; King's Healthcare's successful participation in the mid-1990s Leaders for Enterprise Programme; and, in partnership with the City University, the Trust's establishment of the Women in Senior Management Programme at King's.

As head of personnel and organisational development for Tate, he handled the HR and organisational development aspects of the extension of Tate Britain, the rebuilding and extension of Tate Liverpool and the launch of Tate Modern. A qualified senior executive coach, he is now an HR consultant in healthcare.

Giving them what they want: responsive career management

John Mockler

It is a truism, often cited by those concerned with management development, that if only more managers had the time to read and keep abreast of the latest academic research and thinking in their field, their jobs could become easier and their efforts more focused. But the reality for most managers is that their day-to-day responsibilities are so onerous that there is little time available for study and the best they can do is keep up to date by reading professional journals.

Every so often a piece of work emerges, whose the potential impact on the workplace and the reality of the world of work is such that it deserves wider circulation, beyond those with an academic interest in the topic and demands dissemination to the front line. David Guest's and Neil Conway's (2004) report for the CIPD, *Employee Well-being and the Psychological Contract*, is a good example, offering serious food for thought and flagging up the need for action to any HR professional concerned with talent management or career development.

The notion of a 'career' has changed radically in the past 25 years as organisations have developed flattened management structures, outsourced functions and trimmed training and development budgets. As Richard Donkin (Donkin et al 2002) put it, 'The old career suggested continuity and vocation. The new career, in some cases, is of limited duration.' Certainly, the evolution of the notion of a self-managed career lends support to that view, but to

The notion of a 'career' has changed radically in the past 25 years...

what extent that evolution was a positive decision on the part of individuals or a reaction to circumstances is unclear. Could it be that they were simply responding to what Wendy Hersh (Donkin et al 2002) had already identified, 'Much of what was said and written in the 1990s about careers in organisations concentrated on what organisations couldn't offer or couldn't do about careers.'

Now, as Guest and Conway (2004) give HR professionals an indication of how employees feel about careers, we can see that the reality is rather more complex than we might have thought. They identified three broad groupings: employees wanting the traditional career with all the implications of continuity and vocations that conveys; others seeking a more independent and self-managed career with minimal commitment to the employing organisation; and others not really interested in a career at all.

Now as Guest and Conway give HR professionals an indication of how employees feel about careers we can see that the reality is rather more complex than we might have thought.

In brief, the principal features of these three groupings are as follows:

The traditional career:

- relying on an employer to manage the career
- staying a long time with one employer
- career success perceived as very important
- committed to the employer.

The independent career:

- graduates
- more highly paid
- self-management of the career
- a short time in a lot of organisations
- less positive about current supervisor
- employable in a range of jobs
- committed to self and career.

The disengaged career:

- work is perceived as marginal to life
- working shorter hours
- career is not perceived as important
- living for the present
- working in a series of jobs at the same level.

We are now seeing in action what was predicted nearly eight years ago by Rajan and Van Eupen, 'New jobs will go to those with three attributes conducive to self-employment behaviours: higher education, networking skills and entrepreneurial flair. The losers will be those involved in routine back-office operations. They do not possess the skills that would permit redeployment within their own companies.'

The challenge these views present for the HR professional dealing with career development at a time when talent is harder to recruit and retain seem to me to be:

- How can we find out where our employees fit into this model?
- How can we accommodate their perceptions of a career in a way that balances their aspirations with the company's needs?
- Can we create a flexible career/talent management approach within the company that recognises the three basic models but, crucially, allows for individuals to move between them during their time as employees with the company?
- How can we measure our success at this?

Meeting the challenge

It is perfectly possible to see a path within which a person moves between all three models in various phases of their career. First, joining as a bright young graduate confident and assured of employability in a range of roles and companies; then, perhaps as a

result of financial or family obligations, moving into a position where security of income in return for loyalty and organisational commitment becomes paramount; and finally, as younger people get promoted and retirement approaches and the world outside work assumes greater importance, there is a detachment from the organisation and lack of interest in a career.

It could be argued that this is an over-simplistic approach that fails to take account, for example, of people returning to the workforce after a break for family or other reasons and looking to kick-start a stalled career. In addition, the growing number of older workers, combined with the Government's drive to increase retirement ages in the public sector and the general understanding that everyone will have to work longer to secure a decent pension in retirement, mean that all employers will have to focus on effective career management and sustain a climate within which all three main models of employee expectation can be accommodated.

... the outdated notion of a career where young people start at the bottom and retire at the peak is collapsing

Recent research (*Personnel Management* 2005) undertaken by the Employers' Forum on Age shows how important it is to adopt this holistic approach. This suggested that the outdated notion of a career where young people start at the bottom and retire at the peak is collapsing. Sam Mercer, Director of the Forum states, 'The perceived wisdom is that you start out great and get worse but work isn't so great at the start, and it gets better.' However, it is clear from the research that, with 27 per cent of people feeling that they are stuck in a rut, increasing to 48 per cent for people in their 60s, there is little choice for them other than to stay where they are. What an indictment of all the investment and effort devoted to career management in the last ten years – nearly 50 per cent of probably the most experienced part of the workforce feeling trapped and unfulfilled.

So how should we deal with this? The first step is to create the capacity to track what is actually happening within the workforce. This is not a job solely for HR. Indeed, a great deal of research in recent years has highlighted the key role played by line managers in

career development. It follows that they must be at the forefront in creating a corporate culture that can accommodate shifting career expectations. But how many managers are assessed and rewarded on their ability to nurture and develop and, given the cost of employing people nowadays, why not? Clearly, training will be required but is it not more sensible to start talent management as far down the line as possible?

Effective use of existing performance management systems should provide sufficient information to assess individuals' career perceptions and expectations. But how often is this information collated and taken beyond the creation of a training and development programme into a more proactive talent management programme that aligns these expectations with the company's business plans and projections?

Is it in fact realistic to have such a plan if you are engaged in a service industry with rapid staff turnover? Possibly not, but doing nothing means bearing the risk that when you do need talent you may have to pay for it at market prices and gain someone who will require additional training and development over and above

that needed for an internally developed manager. A great deal of Tesco's success in dominating the retail sector in recent years must have its roots in the substantial investment in training and the proactive career management programmes it has been running over the past ten years.

The principal conclusion for HR from the current survey is that perceptions of a career as being an onward and upward process, in which one starts off at a low level with things steadily getting better, can no longer be sustained. Instead, we must establish a much more flexible model that allows for movement between the three general models as employees' personal circumstances and work situations change. Above all, we must create and sustain organisational cultures that can accommodate shifts in work-life balance without depriving ourselves of the opportunity to develop latent talent within the workforce.

It won't be easy, but at a time when change is a constant driven by the imperative to respond to fierce competition, it's no more than a professional response to the rapidly evolving nature of the psychological contract.

Implications for managers

- Employers should focus on effective career management and sustain a climate within which all three main models of employee expectation can be accommodated.
- Managers should be assessed and rewarded on their ability to nurture and develop staff.
- Effective use of existing performance management systems can provide information to assess individuals' career perceptions and expectations.
- Perceptions of a career as being an onward and upward process, in which one starts off at a low level with things steadily getting better, can no longer be sustained.

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Mike spent most of his earlier career in the Employment Department Group. He was at different times Private Secretary to Barbara Castle MP and Michael Foot MP as Secretaries of State for Employment, and spent two years on secondment to the Australian Department of Labor in Melbourne. In the mid-1980s he worked as a member of the Enterprise Unit headed by Lord Young. From 1987 to 1991, he was a member of the Executive Board of the Employment Service, subsequently becoming deputy director of the Office of Manpower Economics servicing the Pay Review Bodies.

Mike has a first-class Master's degree in law from Cambridge University and a Master's degree in employment relations and law from Kingston University. He has contributed to a number of books on employment issues and writes occasional articles for the national press and specialist journals.

Employee attitudes in the public sector

Mike Emmott

The enthusiasm and commitment of people working in the public sector are critical to the Government's ability to meet its target of modernising public services. Recent commitments to restructuring public services, building on the Gershon and Lyons reports, underline the scale of change proposed. But there has often seemed to be only a limited perception of the nature of the management issues involved. The public service culture in the UK has tended to focus on target-setting and budgetary control rather than on the quality of people management. Without a significant shift in focus, the Government's reform ambitions seem unlikely to be realised. The stakes could hardly be higher.

Fairness, trust and delivery on the deal are critical to a positive psychological contract but it is on precisely these dimensions that those surveys have shown a consistent gap in performance between private and public sectors

How does the survey help?

What do we know about the underlying state of morale in the public sector? Public service employers have made more use in recent years of employee attitude surveys in order to find out what their employees are thinking and feeling, but surveys confined to a single employer don't necessarily help us to see the issues in perspective. The strength of the employee attitude surveys undertaken by the CIPD is that they provide a national benchmark, making it possible to compare the findings for individual organisations against the wider picture. They also make it possible to look separately at public and private sector employees' perceptions on key dimensions of the psychological contract.

What is the problem?

The findings of the survey undertaken in 2004 are the latest in a series of surveys that go back to 1996 assessing the state of the psychological contract between employers and employees. Earlier surveys suggested big problems in the public sector in terms of negative employee attitudes. Fairness, trust and delivery on the deal are critical to a positive psychological contract but it is on precisely these dimensions that those surveys have shown a consistent gap in performance between private and public sectors.

In terms of fair pay, for example, public sector workers underscore their private sector counterparts by a substantial margin. And levels of trust in the organisation have also lagged significantly, with trust in senior management appearing to be a particular casualty of life in the public sector. Levels of job satisfaction have fluctuated, being sometimes higher in the public sector and sometimes lower, though it is interesting to note that in both 2001 and 2002, when we sampled a particularly large number of public sector workers, their job satisfaction was found to be lower.

Against this background, the 2004 survey marks something of a turn-around in attitudes in the public sector

Is the relationship improving?

Against this background, the 2004 survey marks something of a turn-around in attitudes in the public sector. Looking across the sector as a whole, employee attitudes are now more positive than those in the private sector on a range of dimensions including,

remarkably, trust. Public sector workers are substantially more likely to trust their line manager than private sector workers. And public sector workers are now slightly more satisfied than those in the private sector.

These improved rankings in public sector attitudes can't be taken entirely at face value. In many instances, they don't reflect any dramatic improvement in attitudes in the public sector over time so much as a significant deterioration in attitudes in the private sector. So, for example, trust in the public sector has gone down since 2001, but not as steeply as in the private sector. Perceptions of fair pay have also declined slightly in the public sector since 2002 but not as heavily as in the private sector. Levels of organisational commitment, on the other hand, have gone up in both sectors over the same period, with the public sector currently out in front. It should be noted that the survey was undertaken in mid-2004, before the Government had announced its response to the Gershon review.

One encouraging finding is that motivation has increased in the public sector over the seven years that it has been monitored, but the increase was more marked between 2002 and 2004 than in all the previous years combined. It is hard to know what accounts for this improvement, which reflects a similar shift in commitment, whereas in the private sector – although commitment has improved – motivation has gone down. But it seems likely that the increased political focus on public sector delivery, combined with increased funding in health and education – not forgetting pay, which has reversed many years in which public sector increases have lagged behind the private sector – have had a positive influence on the attitudes of public sector workers.

One encouraging finding is that motivation has increased in the public sector over the seven years that it has been monitored, but the increase was more marked between 2002 and 2004 than in all the previous years combined

Is Whitehall different?

A fascinating component in the general increase in motivation in the public sector has been a much higher

level of motivation reported by workers in central government. In previous surveys, these workers have shown distinctly lower levels of motivation than those working elsewhere in the public sector. Despite benefiting from a range of positive people management practices, central government employees have generally displayed the most negative attitudes compared with other major sectors. The recent improvement in motivation is therefore encouraging. At the same time, the current survey shows that people working in central government are less likely to be found in 'high-quality workplaces', which suggests that line managers in this sector still have a lot of work to do.

More good news

The survey contains other positive findings about the characteristics of public sector work that might not perhaps have been predicted. For example, both local government and the NHS score high on loyalty to customers and clients. This is a significant finding since, across the economy as a whole, employees report higher levels of loyalty to customers and clients than to their organisation, their immediate supervisor or even their fellow employees. So this suggests that an important element in the traditional public sector 'ethos' is alive and well. Managers can tap into reserves of employee motivation and commitment by focusing on, for example, patient care or customer service, rather than on the political framework within which these activities take place.

Another positive finding is that both NHS and local government score high in response to the question of whether their job is exciting. At the same time the survey shows a large rise in the proportion of public sector workers saying that the organisation has kept its promises to provide interesting work. Reported levels of autonomy have also been consistently higher in the public than the private sector. This suggests there is significant scope for public sector managers to build on the inherent interest and appeal of many public sector jobs.

Another positive finding is that both NHS and local government score high in response to the question of whether their job is exciting

Finally, on the good news front, although stress levels across much of the public sector remain higher than elsewhere, they have in fact fallen since 2002. Fewer public sector workers report an intention to leave their jobs in the current survey, despite having a stronger belief in their ability to find a job in the external labour market.

The continuing challenge

Despite these areas of improvement, public sector employers continue to face particular problems compared with those in the private sector. For example, public sector organisations are typically larger than those in the private sector and the problems of managing large organisations are well recognised. At the same time, the public sector has inherited centralised employee relations systems, which can make it more difficult for managers to respond to local circumstances. The political framework within which managers in the public sector have to do their job can inhibit timely and open communication with employees.

Despite these areas of improvement, public sector employees continue to face particular problems compared with those in the private sector

Ministers understandably tend to be more preoccupied with the interests of voters and constituents than those of people employed in departments and agencies and this may have a significant effect on trust, particularly in central government and the NHS.

Employees in central government are less likely to work in high-quality workplaces, where work is well managed

The Civil Service has long prided itself on being a 'good employer'. It has been in the vanguard of good practice on issues such as diversity and flexible working. But the weak link in the chain is often the way in which such practices are implemented by line managers. Employees in central government are less likely to work in high-quality workplaces, where work is well managed. There is a clear negative relationship between the adoption of effective management practices and the amount of stress experienced by employees, and a positive impact on performance. The CIPD report, *Delivering Public Services: Engaging and energising people*, provides useful case studies underlining the powerful impact it can have on employee engagement when managers get it right.

Implications for practitioners

- CIPD research has shown that public sector managers are capable of showing effective leadership in developing and empowering their people.
- The finding that public sector workers show higher levels of loyalty to customers and clients suggests that focusing on the business or service to be delivered can be a powerful factor in teambuilding and increasing employee motivation.
- The higher reported levels of autonomy and excitement in public sector jobs can support recruitment and retention.
- The public sector needs to redevelop or rediscover a distinctive public service ethos.
- The basics of good people management are the same in both public and private sectors. Managers should aim to address the specific factors that are inhibiting them from providing a high-quality workplace.

We explore leading-edge people management and development issues through our research. Our aim is to share knowledge, increase learning and understanding, and help our members make informed decisions about improving practice in their organisations.

We produce many resources on managing and developing people including guides, books, practical tools, surveys and research reports. We also organise a number of conferences, events and training courses. Please visit www.cipd.co.uk to find out more.

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