

The Quality of Working Life 2007: Managers' Health, Motivation and Productivity

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Executive Summary

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Foreword

What I hope this research draws us towards is an understanding that things are changing. Not in the traditional ebb and flow way of a steady state environment but on a pathway to a different future.

Just as we moved from an agricultural economy to an industrialised one, we are now moving from a system of management by command and control, to a more enlightened, and engaging system. Managers will need new skills to draw out the best performance from the most precious resource of a truly competitive business, its people.

The fight is to reenergise the resources you have through management behaviours that may prove difficult for many of us to initially cope with. We will have our own personal confidence tested, relying as we will, on people we no longer control. We will need to learn that there are times for consultation and times for 'just do it' but if these are seen as fair and appropriate they are accepted as part of the cut and thrust of business.

Our teams will want to know more about us and what we stand for and where we draw the line, we will have to earn their respect, and rightly so.

Will this new management regime work? Emphatically, yes it will. Indeed I struggle to see how else businesses will be able to tackle the complexities of the future in any other way.

This report begins to indicate that we need to start moving this way sooner rather than later. I hope you agree.

Des Benjamin, CCMI, Chief Executive, Simplyhealth

Introduction

This is the sixth in a series of Chartered Management Institute research reports looking at the quality of managers' working lives. The series initially began in 1997 and ran until 2001. Following a four-year break, the series re-started in 2005. There is now a considerable body of data that charts how organisations, managerial work, managers' health and wellbeing and managers' work-life balance have changed over the decade from 1997 to 2007.

As with many long term research programmes, many of the questions in the six surveys have remained the same in order to retain comparability but, as some old issues have faded away and new issues have emerged, we have sought to keep the questionnaire up to date and to maintain its relevance by ensuring that the issues we address resonate with the lived realities of managers in the UK.

The prime theme of this report is to explore how managers' sense of their own health and motivation levels affects their productivity and how this can ripple through to have an impact on overall organisational performance. A second theme of the report is to explore from the data we have collected in this and past surveys what it is that most affects managers' sense of their own motivation and health both positively and negatively.

Our objective is to develop insights about how organisations can use initiatives that focus on managers' wellbeing to improve levels of managerial motivation and productivity that will work through to improve organisational performance. If we can develop a better understanding of what holds back managers' motivation and productivity and we know what promotes it, then we should be better informed and positioned to develop more sensitive and effective human resource strategies and actions that will yield organisational results.

The broad aims of the Quality of Working Life project have always been to assess how forces such as globalisation, technological change, economic change and, in the public sector, the "modernisation agenda" were causing organisations to change and restructure and then to examine the impact of these changes on managers' experiences of work and their wellbeing and also to assess the effect these changes were having on managers' lives outside work. We will pursue these aims in the 2007 report but our intention this year is to focus more on the drivers and retardants of managers' motivation and productivity than in previous years.

Over the last decade, organisations have come under increasing pressure to improve their competitiveness and productivity and to improve their efficiency. One of key findings over the last decade has been the realisation that the clear majority of organisations are in a perpetual cycle of taking out costs. Consequently, there has been a continual drive by most organisations to use their assets – particularly their managerial assets - more intensively.

Cost reduction has always been the most potent driver of change causing organisations to restructure, downsize, delay, to make people redundant and to move parts of their operations offshore. In parallel to these cost reducing strategies and tactics, many organisations have sought to change their cultures, but the desired outcomes of such culture change programmes have not always been realised across all levels within the organisations.

The relationship between the rhetoric of much human resource management practice (for example “empowerment” and the “our employees are our greatest asset” proponents) and the reality of organisational life (as manifest by high levels of continuous organisational change, work intensification and increased job insecurity) is an interesting one that needs to be kept in mind as we progress through this research report. Improving managers’ sense of wellbeing, their sense of productivity and their sense of motivation in this climate is no easy task.

Key findings

A picture of managers' health

- The average manager reported having had 3.46 days absence from work due to ill-health, compared to 3.19 days in 2005. Directors had the lowest level of absence (2.94 days) compared to junior managers (4.26 days). Managers in the public sector sustained the highest absence rate.
- Forty-two per cent of managers reported that sickness rates in their organisation have increased over the last year.
- Thirty-eight per cent of managers reported being in 'good' health, 34 per cent in 'satisfactory' health and only 1.5 per cent rated themselves as being in 'poor' health. Seventeen per cent considered that their health was deteriorating and 6 per cent felt that it was improving.
- The most common physical illnesses reported were the common cold (55 per cent), headaches (46 per cent) and back pain (34 per cent), although in the majority of these cases sick leave was not taken. Sick leave was far more likely to be taken as a result of influenza, viral infections and stomach bug/sickness, although less than a quarter of managers had experienced these illnesses. Looking at psychological symptoms, in the last year 30 per cent had suffered from stress and 13 per cent experienced depression.
- There was a continuing prevalence of general symptoms of ill-health that affect wellbeing but do not necessarily result in time off work, such as constant tiredness (58 per cent); muscular tension (56 per cent) and sleep loss (55 per cent). There were also high levels of associated psychological symptoms such as 41 per cent of managers reporting becoming angry with others too easily; 37 per cent having difficulty with concentrating; and 33 per cent experiencing constant irritability.

Impact of health benefits and policies in the workplace

- The most prevalent forms of health support in organisations were flexible work options (61 per cent), progressive return to work after absence (58 per cent) and counselling (57 per cent). Where benefits were not offered, the most desired benefits were work/life balance programmes and health/fitness coaching.
- There is some evidence to show that where particular health benefits are offered, absence levels are lowered, these benefits included nutritional advice, health/fitness coaching, private healthcare insurance, health screenings and healthy eating facilities.
- Where absence management and stress management policies are in place, there is some evidence that absence is lower, but the differences are not marked, which suggests that some of these policies are not as effective as they could be.

Organisational attitude to managers' health

- One in three managers thought there was a culture of not taking time off for sickness in their organisation, and only 53 per cent felt managers treated employees sympathetically if they took sick leave.
- Where respondents felt their managers would treat them sympathetically average absence levels were relatively high (5.32); although when not treated sympathetically there was a higher average absence duration (8.75 days compared to an overall average of 3.46).

Motivation and productivity levels

- One in two managers does not feel positively motivated, which is a key concern given the relationship between motivation levels and productivity. Fifty-one per cent rated themselves positively motivated, 22 per cent were not motivated and 27 per cent had no strong feelings either way.
- Thirty-six per cent of managers felt that they were operating at or near their peak productivity, compared to 42 per cent in 2005; showing a decline in managers' sense of their own productivity.

Making the links between motivation and health to productivity

- The survey revealed a strong association between motivation and personal productivity levels. More than two thirds of those managers who reported that they were motivated at work also claimed high productivity levels (more than 90 per cent), and only 15 per cent who were motivated experienced low levels of productivity (less than 70 per cent).
- Sixty-seven per cent of managers who had suffered ill-health reported that it had reduced their productivity levels; 71 per cent thought that it had reduced their enjoyment of the job; only 3 per cent had reduced their contract hours; and in only 2 per cent of cases had additional cover been recruited.
- The survey demonstrated that ill-health or poor wellbeing is associated with lower levels of motivation. As an example, 37 per cent of those suffering from constant tiredness felt demotivated, compared to only 12 per cent who had not suffered.
- Managers who had experienced ill-health felt that it had reduced both their productivity and their enjoyment of the job.
- The survey also shows the impact of specific aspects of ill-health on productivity: for managers who suffered sleep loss, 45 per cent felt they were under 80 per cent productive, compared to 23 per cent who did not report suffering from sleep loss.

Managers' views on their organisation as a place to work

- Overall 63 per cent of managers reported job satisfaction. This was highest, at 83 per cent, for directors and lowest, at 53 per cent for junior managers.
- Directors were highly positive about their workplace, significantly more so than any other managers. They were especially positive about the way that their organisations were managed.
- Junior managers also gave low ratings on other organisational measures: only one in three junior managers reported trust and confidence in senior managers, felt well informed or felt that senior managers were managing the organisation well.
- The majority of managers, irrespective of level, felt trusted and supported by their line managers.
- Looking at how managers felt about their current organisation as a place to work, 68 per cent agreed that they “felt proud to work for their organisations” and this identification was highest for the voluntary sector and lowest in the public sector.

Organisational culture and values

- Three features emerged as very strong motivational drivers for managers, with over 80 per cent of managers rating them as important: delivering high quality services to customers/clients; helping other colleagues develop; and, having the respect of peers. These were rated highly across all managerial levels. A sense of team responsibility was also a powerful motivator, cited by 76 per cent of managers.
- A sense of achievement from one's job, enjoying one's job and a high degree of role autonomy were found to be the most influential drivers of both motivation and managers' sense of their own productivity.
- A manager's relationship with their line manager also had a powerful impact on job satisfaction and related measures. A high level of reciprocal trust was found to be central to this relationship and was strongly correlated with reported levels of motivation and productivity.

Management styles

- The prevailing management styles reported by managers were bureaucratic (40 per cent); reactive (37 per cent) and authoritarian (30 per cent) – all styles that appear to have a negative impact on motivation, health and productivity levels.
- The presence of an authoritarian management style appeared to significantly depress all aspects of job enjoyment. For example, job satisfaction in authoritarian organisations was depressed by 27 percentage points, from 71 to 44 per cent.
- Where innovative and accessible management styles prevailed, managers reported reductions in sickness and absence rates: 1.94 days in innovative organisations and 2.50 days in accessible organisation in contrast to the average of 3.46 days.
- Accessible and empowering managerial styles were most associated with growing businesses while bureaucratic, authoritarian and reactive managerial styles were most associated with declining businesses.

Managers' working hours

- Eighty-nine per cent of managers regularly work over their contracted hours: this has marginally declined from 91 per cent in both 2000 and 2005.
- The average manager works around 1.3 hours per day over contract, which equates to roughly 40 working days per year. Many managers appear to accept longer hours as part of the job.
- Fifty-four per cent of managers felt that they had to work over hours because of the volume of work or because it was necessary to do so in order to meet deadlines. Thirty-three per cent worked long hours by choice.
- However, there appears to have been a gradual decline in the percentage of managers working two hours or more per day over their contracted hours. This has declined from 45 per cent in 2000, to 41 per cent in 2005, to 38 per cent in 2007.
- Although longer hours may be tolerated, managers still have high levels of concern about the adverse effects of working long hours has on their time for exercising (68 per cent); participation in leisure activities (68 per cent); relationship with their children (63 per cent); relationship with their spouse/partner (59 per cent); and their health (54 per cent).
- Paradoxically, long working hours also affects the availability of time for professional development.

Extent and impact of organisational change

- Sixty-five per cent of managers had experienced a major organisational change or restructuring over the last year, with cost reduction and culture change programmes being the main forms of change experienced. The experience of these forms of change was highest in the public sector.
- People working in declining organisations were more likely to experience the most negative forms of change; change remained a factor for growing companies, but its effects were more benign.
- The perceived effect of change has been to sharpen accountability, to increase working hours and to cause organisations to lose key skills and experiences.
- In terms of organisational climate, the effects of change were largely negative. As a result of organisational change, 71 per cent of managers felt that morale had declined, 64 per cent felt their job security had declined, 60 per cent felt less motivated, 57 per cent felt less loyal to their organisation and 50 per cent reported a decline in their well-being.
- Directors have significantly more positive views than other managers on the perceived impact of change and were more likely to think that productivity/output had increased than any other level of manager (59 per cent for directors, compared to 45 per cent of senior managers, 27 per cent of middle managers, and 19 per cent for junior managers) but were less likely than all other types of manager to think that absence or sickness had increased. This gap in perceptions remains a concern.

Conclusions

Overall 72 per cent of managers describe their health as good or satisfactory, the average manager still takes considerably less time off than the average employee and only 1.5 per cent rated their health as poor. However, there appears to be an emerging trend that absence and sickness rates are on the increase and there is a high degree of unreported ill-health that does not necessarily translate into days off but appears to be affecting motivation levels. This may be taking its toll in terms of managers' commitment levels, as we are also beginning to see a decrease in working hours, especially among junior managers who report the lowest levels of motivation and job satisfaction.

There is evidence that many managers continue to go to work even when suffering from ill-health. In terms of psychological wellbeing, many managers experience debilitating symptoms such as tiredness, insomnia and muscular aches and pains. Many also report experiencing negative feelings and moods, such as anger, irritability and difficulty concentrating.

Ill-health, as might be expected, affects morale significantly, depressing levels of job satisfaction, motivation and personal productivity. Although this survey only covered managers, these negative moods and emotions are likely to have a considerable knock-on impact on their colleagues and teams.

It is disappointing that bureaucratic, reactive and authoritarian styles prevail in the UK, when entrepreneurial, accessible and empowering styles are associated with far higher levels of motivation, health and productivity.

It is concerning that directors' views of the quality of working life contrast very sharply with the views of other managers, and particularly with those of junior managers. This potentially indicates that senior management is out of touch with the reality of the working life of their workforce. The creation of a boardroom culture that is dissonant with the culture of the rest of the organisation is having a disturbing impact in terms of managing organisational change. The impact of too many change programmes appears to be a substantial drain on the motivation levels of UK managers and will have a harmful long term impact on organisations' productivity.

Recommendations

For individual managers

Personal management skills: time management, prioritising and greater self-awareness are skills that managers should develop continuously so as to avoid overload and minimise risks to their health and motivation levels in the workplace.

Given the continued high incidence of ill-health and symptoms reported by managers, it is clear that managers need a better understanding of the consequences of letting relatively minor symptoms impact on their performance at work. Managers need to take more personal responsibility for improving their health and may need to consider appropriate health and fitness activities.

Directors need to reconnect with frontline managers. Although they may be aware of general employee attitudes through employee satisfaction surveys, they appear to be less aware that managers who are often responsible for delivering change may feel very differently from them. Directors and senior managers need to gain a better understanding of how and why their managers may feel very differently from themselves.

For organisations

Too many organisations are implementing change based on narrow definitions of costs and benefits that fail to reflect the effect that badly managed change can have on the social and cultural environments of organisations. More sophisticated reporting of employee health and motivation levels, could provide a much better framework for strategic decision-making.

In an era of cost reduction, employers need to be more aware of the positive effect of investing in health initiatives in the workplace. Health issues should be driven by the understanding that improved health and wellbeing can generate significant employee productivity benefits resulting from higher levels of motivation, over and above crude indicators such as reduced costs from cutting absence levels.

Organisations need to ensure that their directors and managers are all effectively trained in the planning and implementation of change.

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