# MANAGEMENT TRANSFORMED:

## Managing in a marathon crisis

November 2020

CMI Chartered Management Institute

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# INTRODUCTION

**This year, the way we go about our work has changed dramatically; irrevocably. Millions of people are working in new, often ill-designed environments, or may be working in a state of anxiety, worried about their personal wellbeing or that of their family. And hundreds of thousands of people have seen their work disappear or be reduced dramatically.**

Amid this upheaval, what has become evident is the difference that good management can make in times of crisis and change – whether it is to productivity, employee wellbeing or workplace design. All around the world, through this extraordinarily challenging period, the best managers have implemented changes, found workarounds, established new norms. They've bolstered spirits, adapted processes and acted "as 'the transmission belt' between the top of the organisation and the bottom".[1]

## OUR RESEARCH APPROACH

In August 2020 – in order to try to evidence this vital contribution and examine the skills and attributes that are most important.

**CMI polled nearly 2,300 senior leaders, managers and employees. We surveyed them about how they're coping individually in the crisis; how their own work and management responsibilities are changing; and the specific areas in which they and the UK management community need support.**

## 2,300

The research underpinning this study was conducted when management was on 'high alert', and managers' capabilities were under unprecedented pressure and scrutiny. That makes this snapshot particularly powerful.

### Workplace
People working completely or mostly in the workplace

### Hybrid
with a relatively even split between workplace and virtual working

### Virtual
People working completely or mostly virtually

Like all the best research, many of the findings surprised us. When we started the project, we assumed that location – if you work remotely, in the workplace, or in a hybrid way – would play a pivotal role in the overall success of an organisation or business. We also thought that rising or falling demand for an organisation's goods or services would make a difference.

## GOOD MANAGEMENT IS TRANSFORMATIONAL

It turns out we were wrong. Despite a mass shift to remote working, our research actually shows it's not where we work that determines our productivity and job satisfaction; it's how we're managed and led. And now, as signs of hope for an effective Covid vaccine emerge, as Zoom's share price slightly ebbs and airline stocks tentatively rise, we face the possibility of a return to something resembling life as we knew it.

**If we're to 'build back better' we need to make the most of what we've learned from managing through the early stages of the crisis; what has worked, what hasn't, what old practices do we want to return to and what new ways of working do we want to embrace and embed in the new working world?**

Many of us will never return to 5 days a week in the office, for example, so how can managers and leaders support a workforce who are working remotely or in a hybrid style, for the long term.

We appreciate that this research represents a particular moment in time and it is not clear how productivity will play out over the course of the marathon, in an economy under extreme pressure from the pandemic. We recognise also that many businesses are struggling to find time to breathe - and absorbing this report may seem like a distraction from fire fighting. But these findings indicate that **the future success of UK businesses will depend on how managers and leaders step up to the next set of challenges**.

Our recommendations are not 'nice to haves' - they are essential to the long-term effective functioning of an organisation.

As the situation continues to develop, for the very latest insights and support, check out our website.

# KEY FINDINGS

**1** We have seen a massive shift to remote working, but our research actually shows that **where you work does not impact on workplace happiness or productivity. Management is universally important** and employees' needs remain broadly the same.

**2** **Trust is critical to productivity** in the era of Covid: the location that staff work in has little impact as to whether managers perceive that productivity has increased.

**3** Covid-19 has put traits centring around **effective communication** as some of the qualities most **highly valued** in managers in the UK.

**4** **Workplace wellbeing is increasingly important** and there is an expectation for managers to meet the wellbeing needs of their workforce. Ensuring staff wellbeing should be a top priority for managers in 2021.

**5** Senior leaders believe they are increasingly placing employees at the heart of their organisations during the pandemic but employees don't always agree. **Leaders need to ensure that employees are part of their company journey and genuinely feel listened to**.

**6** **Organisations that have fostered a sense of belonging** and made efforts to bring people together during the crisis **say that their culture has benefited as a result**.

**7** Although staff from diverse ethnic groups were more likely to think that workplace culture had improved since March 2020 than UK employees as a whole **there are still EDI challenges**. Black employees prioritise workplace diversity much more than all UK employees. More worryingly, Black employees are more likely than any other ethnic group to feel their manager didn't trust them to undertake their job role.

**8** **Flexibility is key for women with children** looking to the future: these women are also more likely than their male peers to miss the quiet of the office. **Women with children have less contact with their managers**, than men with children.

**9** **Gen Z** have similar workplace concerns as other generations, but they are more likely to miss the change to the daily routine when home working. Understandably **their major priority now is around job security**.
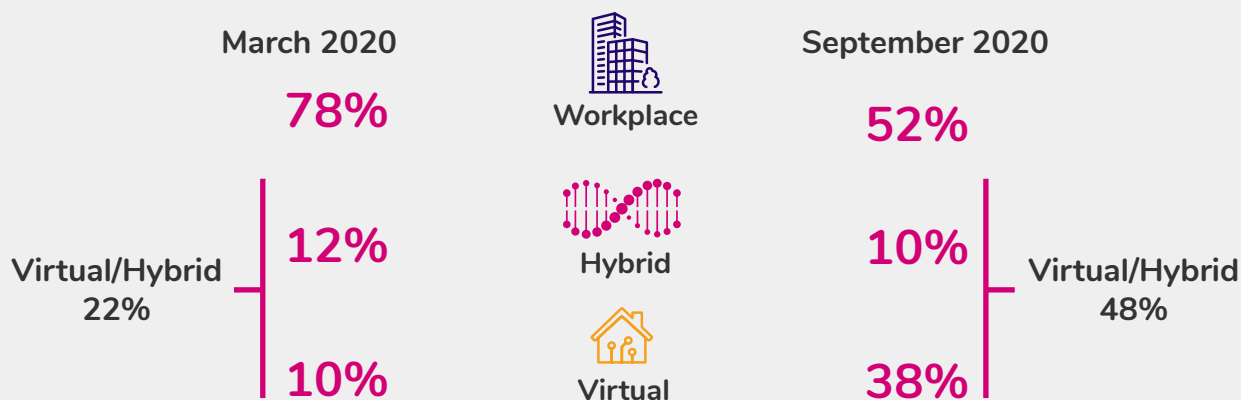
# 1

## PRODUCTIVITY ISN'T ABOUT WHERE YOU WORK; IT'S ABOUT HOW YOU'RE MANAGED

> "You don't go to the office to work but to meet people, share ideas, and you work from wherever you need to work from. I've shown staff I'm working from the garage (when my car was being serviced – of course!) to help normalise that remote working culture."
>
> Carl Ennis, CEO, Siemens

For nearly half the UK workforce, Covid-19 has led to a previously inconceivable large-scale move to remote working - 48% of UK employees now work remotely or in a hybrid way combining the office and remote work. 4 in 10 think their own organisation will continue to work remotely or in a hybrid way in 2021.

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**Figure 1: Movement of employees before Covid business lockdown (March 2020) and in September 2020**

|  | March 2020 | | September 2020 |
| --- | --- | --- | --- |
| **Workplace** | 78% | | 52% |
| **Hybrid** | 12% | Virtual/Hybrid 22% | 10% |
| **Virtual** | 10% | | 38% |

Virtual/Hybrid 48%

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However our research finds that it's not where you work that matters. We know that so far, in line with other research, work location during this pandemic has not had a negative impact on productivity, although further research will be required to monitor and understand the long term impact. Productivity is not about place - at least not the physical workplace - and concerns about where your staff work, driving up or reducing productivity, appear unfounded.
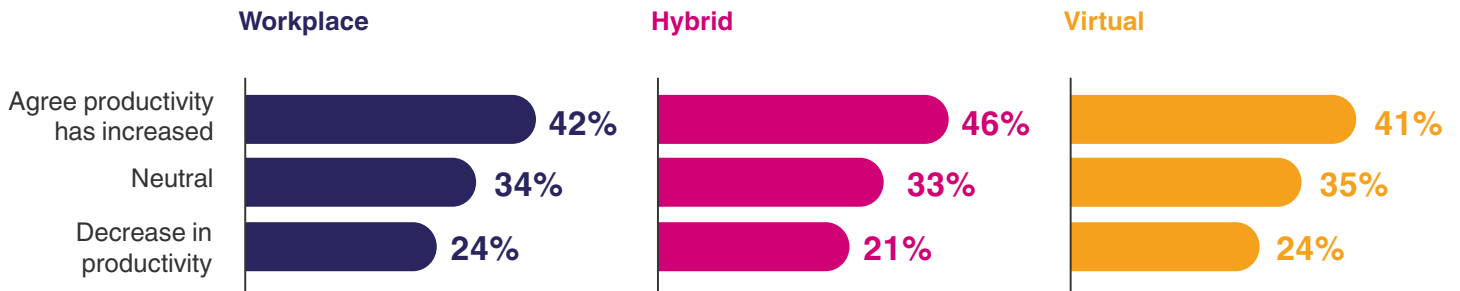
41% of managers said direct reports had increased their productivity - broadly the same across different workplace settings.

Staff who have moved to remote working, away from the office infrastructure and the watchful gaze of their manager, are **not** less productive.
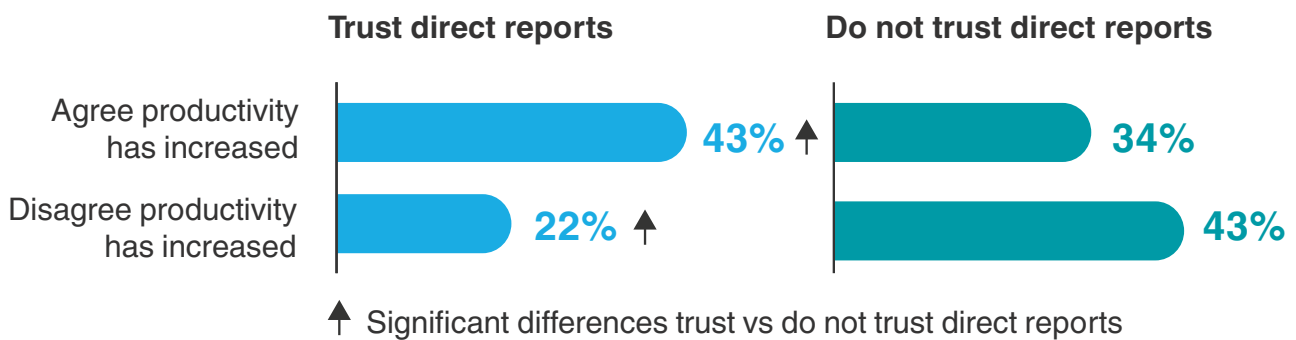
## Figure 2: Managers' assessment of employees' productivity by location

**Workplace**

| | |
|---|---|
| Agree productivity has increased | 42% |
| Neutral | 34% |
| Decrease in productivity | 24% |

**Hybrid**

| | |
|---|---|
| Agree productivity has increased | 46% |
| Neutral | 33% |
| Decrease in productivity | 21% |

**Virtual**

| | |
|---|---|
| Agree productivity has increased | 41% |
| Neutral | 35% |
| Decrease in productivity | 24% |

> " I have been incredibly proud of the things my team have achieved during the last seven months. Communicating with them clearly during this time has been important as changing priorities throughout the pandemic has resulted in frequent delegation of tasks and adaptation of core roles. Trusting them and their abilities has been key to releasing some of the control I've realised I had been accustomed to when we all sat together in an office, as opposed to only having a few touch points in any given day. "
>
> Gareth Davies, Membership Development and Recruitment Manager, Royal Society of Chemistry, Virtual manager

## Figure 3: Managerial trust and impact on productivity

**Trust direct reports**

| | |
|---|---|
| Agree productivity has increased | 43% ↑ |
| Disagree productivity has increased | 22% ↑ |

**Do not trust direct reports**

| | |
|---|---|
| Agree productivity has increased | 34% |
| Disagree productivity has increased | 43% |

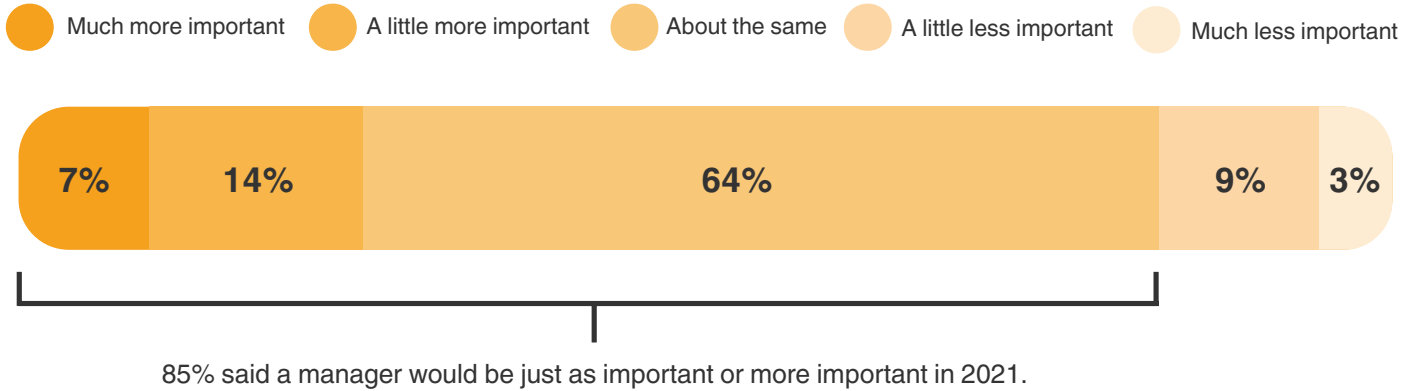↑ Significant differences trust vs do not trust direct reports

This suggests that the secret to improved productivity is trust. Where managers trust their direct reports, they find that productivity rises. Where managers say they don't trust their direct reports, they were more likely to say that staff are less productive. Positively, most of those we surveyed reported high trust levels between managers and direct reports.

Managers play a key role in building workplace trust and are therefore critical to ensuring the productivity of their team, wherever they are based. A manager's role is becoming ever more critical in this new world: 85% of those we surveyed say their managers will be more or as important in the future world of work.

**Figure 4: Assessment of importance of a manager's role in 2021**

● Much more important  ● A little more important  ● About the same  ● A little less important  ● Much less important

| 7% | 14% | 64% | 9% | 3% |

85% said a manager would be just as important or more important in 2021.

> **Good communication has been encouraged... trust in people has gone up as they have been left alone much more. Leading by setting an example remains vital.**
>
> Andy Giblin, General Manager,
> Pelagia UK Limited, Workplace manager

# KEY ACTIONS

## SENIOR LEADERS

- Set the tone for good working practices in your organisation. Don't look to presenteeism to measure productivity, look at value added. For example, can you utilise customer net promoter scores (NPS)[2] rather than hours worked to evaluate whether your employees are performing well and meeting expectations? In an increasingly location-agnostic world, managers need absolute clarity about what is meant by 'achieving results'.

- Provide regular and honest communication about the organisation's performance, and create forums for open and honest feedback. Foster an environment where it's okay to admit to mistakes.

- Monitor and review new working arrangements in terms of productivity, innovation and wellbeing to check they are working for your staff and organisation.

## MIDDLE MANAGERS

- Delegate activities to empower and motivate. Give individuals the opportunity to show their potential and give credit where it is due: recognise – and celebrate – team or individual achievements.

- Maintain personal connections through regular communication, such as informal one to one or team catch-ups. Think about personal preferences when it comes to communication – not everyone relishes team Zoom meetings!

- Demonstrate that you are reliable. If an individual raises a concern, take action to resolve matters swiftly. If you say you will do something, make sure you follow through with it.

## ASPIRING MANAGERS

- Understand the objectives of your organisation/division/team. These are unprecedented times, and managers and leaders are under unique pressures. Try to align your input with what the organisation needs right now.

- Increase your visibility in team catch-ups – saying 'yes' to opportunities, or offering your opinion when issues or tasks are discussed.

- Think across teams. Put yourself forward for cross-team projects and start to develop your professional networks beyond your core team to ensure you stay in the loop.

- Use your initiative: make your voice heard and bring ideas to the table where you see potential new ways to do tasks and projects.

[2] NPS measures customers likelihood to recommend a company, product or service to a friend or colleague

# 2 MASTER COMMUNICATION & PRIORITISE WELLBEING

The pandemic has taught us that many of us can work from anywhere, but it has brought challenges to the ways we interact.

CMI's new research reveals that effective communication skills are the most valued managerial trait for this crisis: 95% of those surveyed say that communicating clearly is the most important trait right now; 68% consider this to be very important.

## Figure 5: Most important managerial traits in Sept 2020



Legend: Quite Important (orange), Very Important (pink)

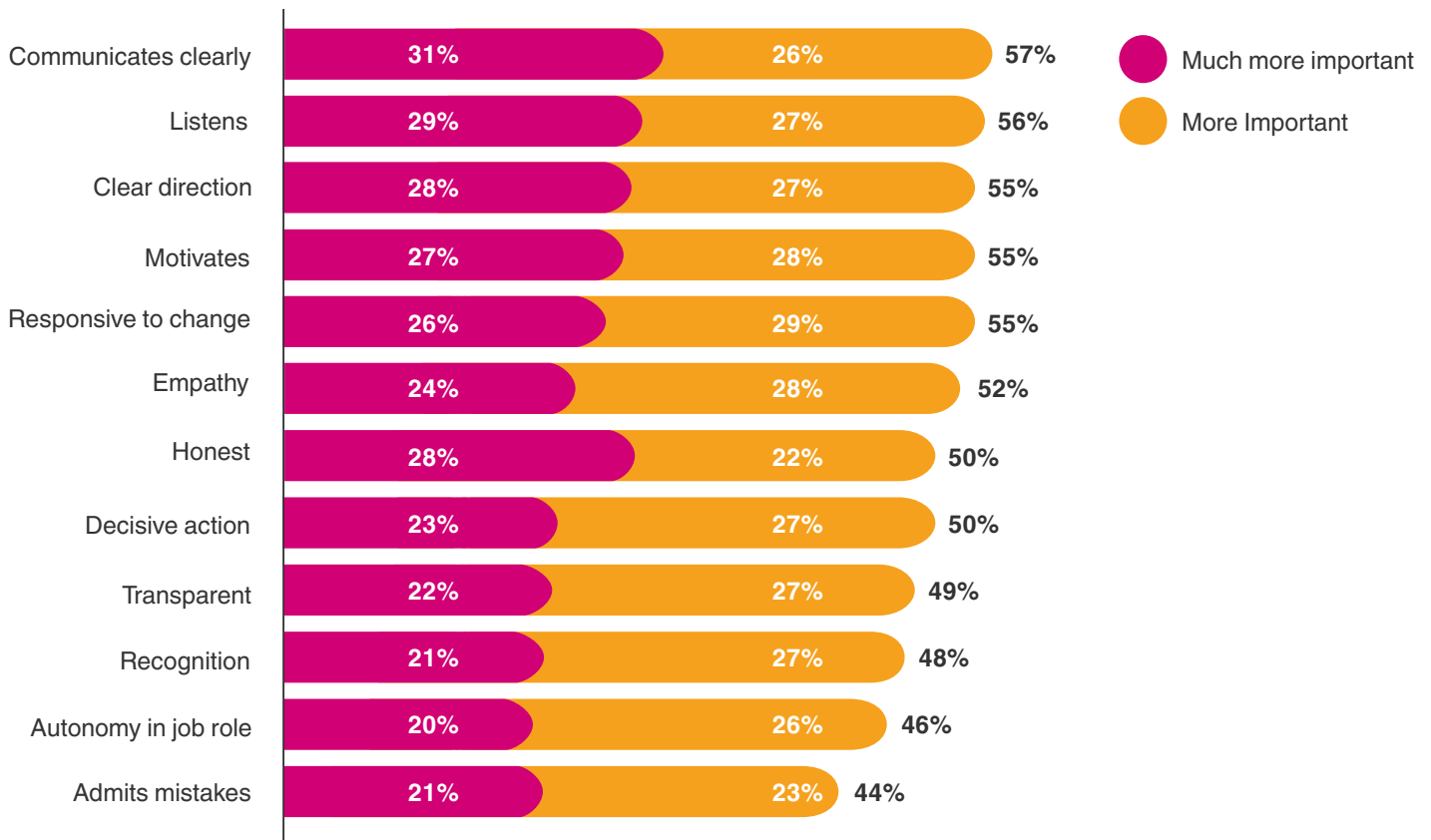| Trait | Very Important | Quite Important |
|---|---|---|
| Communicates clearly | 68% | 27% |
| Honest | 67% | 28% |
| Listens | 65% | 30% |
| Clear direction | 63% | 32% |
| Motivates | 56% | 38% |
| Admits mistakes | 53% | 41% |
| Decisive action | 53% | 41% |
| Responsive to change | 52% | 43% |
| Transparent | 51% | 43% |
| Empathy | 50% | 44% |
| Recognition | 49% | 43% |
| Autonomy in job role | 38% | 51% |
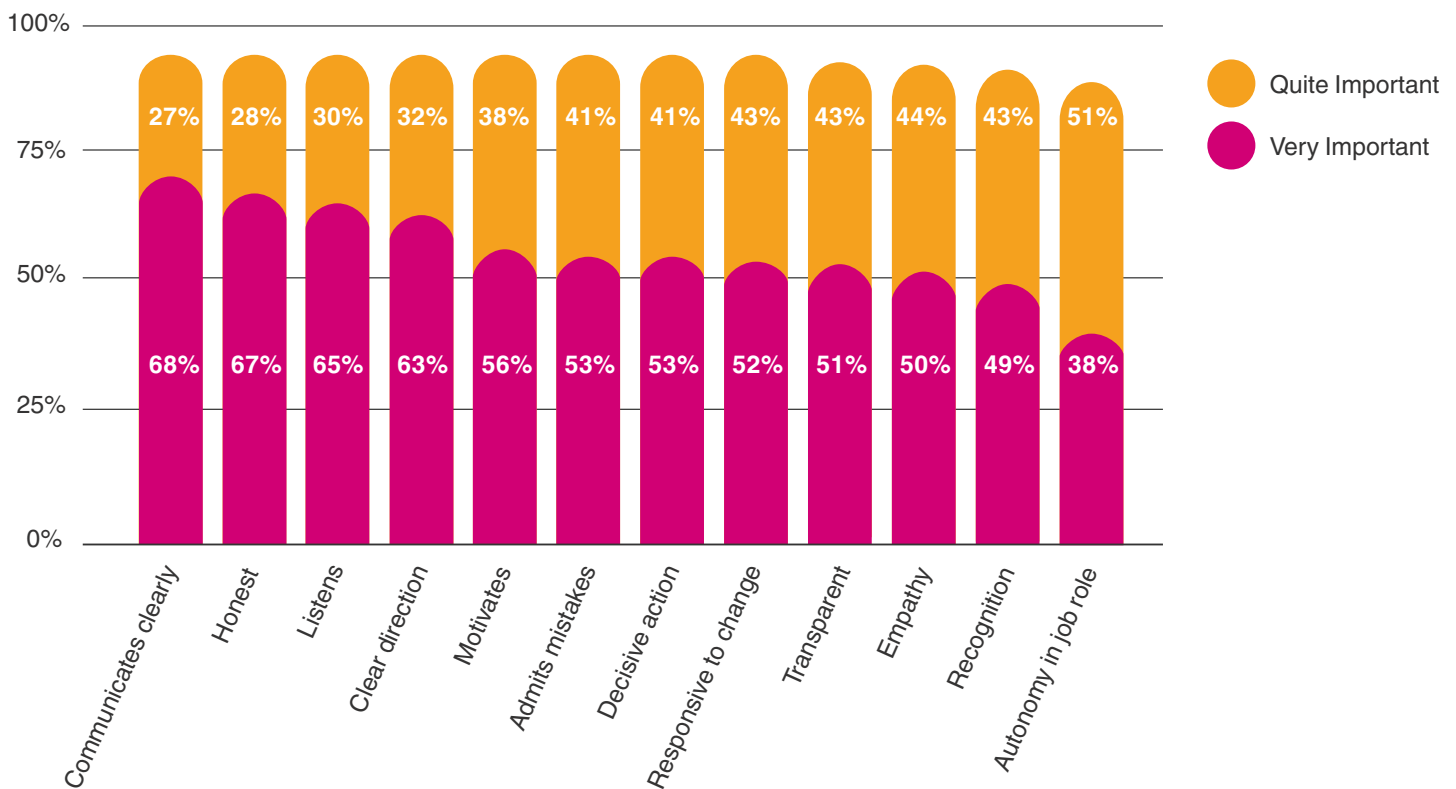
These traits only become more important as we look to 2021. Communication, listening, providing clear direction, and the ability to motivate staff are all seen to become even more central to creating a high-quality working environment.

Line managers and employees are also united in their views on the importance of workplace wellbeing, and in the expectation for managers to meet the wellbeing needs of their workforce: 72% of staff rated wellbeing as the top priority for 2021.

## Figure 6: Managerial traits that will be more important in 2021

| Trait | Much more important | More Important | Total |
|---|---|---|---|
| Communicates clearly | 31% | 26% | 57% |
| Listens | 29% | 27% | 56% |
| Clear direction | 28% | 27% | 55% |
| Motivates | 27% | 28% | 55% |
| Responsive to change | 26% | 29% | 55% |
| Empathy | 24% | 28% | 52% |
| Honest | 28% | 22% | 50% |
| Decisive action | 23% | 27% | 50% |
| Transparent | 22% | 27% | 49% |
| Recognition | 21% | 27% | 48% |
| Autonomy in job role | 20% | 26% | 46% |
| Admits mistakes | 21% | 23% | 44% |

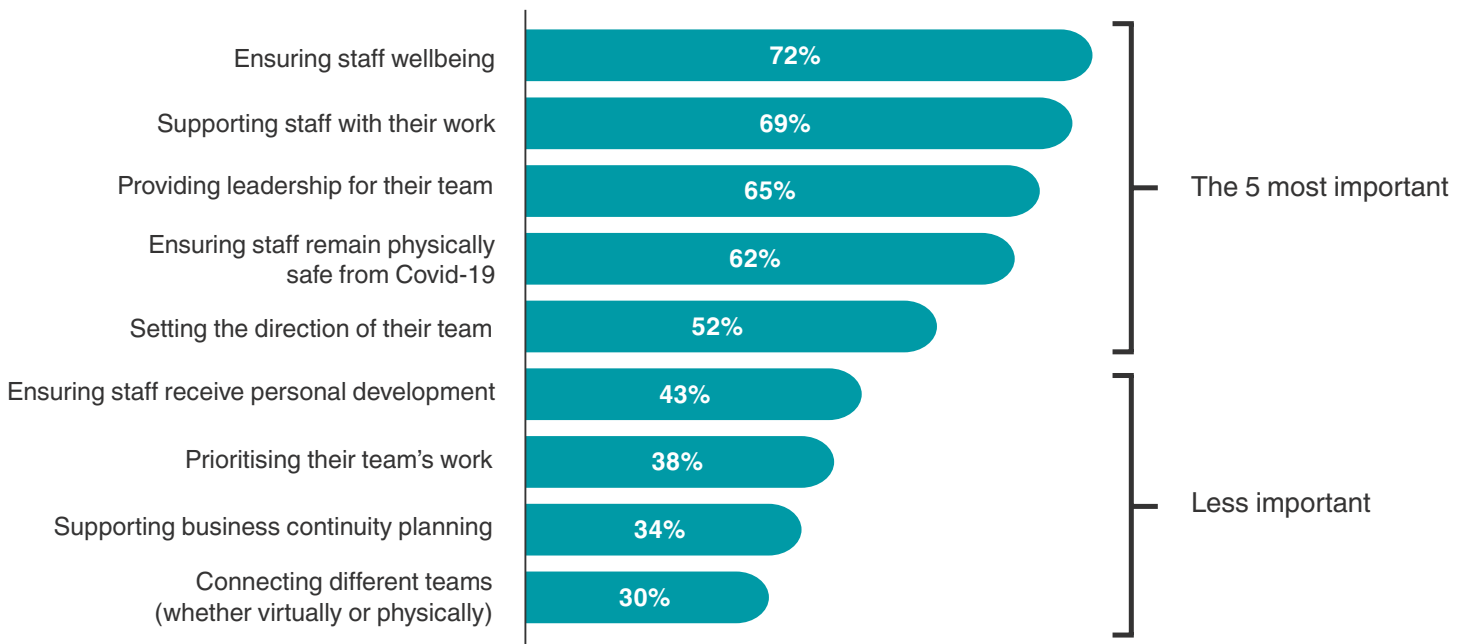Legend:
- Much more important
- More Important

> "Although anxiety has probably always been present within the team there has never been such an obvious "common" cause. Dealing with each team member's own issues, together with the workplace as a whole, has been at times challenging.
>
> Brian Wright, Hospital Director,
> Fitzpatrick Referrals Ltd, Workplace manager

## Figure 7: Most important roles for managers to play in 2021

| Role | Percentage | Category |
|------|-----------|----------|
| Ensuring staff wellbeing | 72% | The 5 most important |
| Supporting staff with their work | 69% | The 5 most important |
| Providing leadership for their team | 65% | The 5 most important |
| Ensuring staff remain physically safe from Covid-19 | 62% | The 5 most important |
| Setting the direction of their team | 52% | The 5 most important |
| Ensuring staff receive personal development | 43% | Less important |
| Prioritising their team's work | 38% | Less important |
| Supporting business continuity planning | 34% | Less important |
| Connecting different teams (whether virtually or physically) | 30% | Less important |

With nearly all (94%) of employees believing managerial empathy is important, and half of employees believing it will be more important in 2021, managers need to look at how they can do more to relate to their direct reports who are facing an unsettling time in the world of work.

> "I set aside dedicated time each day, where they knew they'd definitely be able to reach me and that I wouldn't be in meetings. This meant my team knew: 1) they mattered and 2) there was always going to be time each day where they could reach me for support. I also made sure they all had my personal email, mobile number and home phone number - it's the little things that show they matter.
>
> Martin Roberts, Chief Security Officer, GAM Investments, Virtual manager

# KEY ACTIONS

## SENIOR LEADERS

- Maintain your presence. Make yourself available to employees – to ask questions or provide feedback on how the organisation is doing and any changes taking place. Arrange half hour 'coffee & chat' meetings with different employees across the organisation as a senior leader. Ask them what makes them mad, sad and glad? Encourage all-company updates.

- Include employees in conversations about wellbeing. Take time to discuss their individual worries and concerns, demonstrate empathy and concern, and offer whatever help is feasible. Reinforce with your employees that it's ok – in fact, it's a good idea – to take time out. Remind them of the importance of stepping away from the desk to do physical activities. Model good behaviour to demonstrate that this is accepted and encouraged. Consider the odd company-wide mental health day.

- Focus on company purpose. Choose your purpose and framing, consulting stakeholders as part of that process. Then, embed it by shouting about your purpose publicly and using examples to evidence how the company is living its values.

## MIDDLE MANAGERS

- Conduct regular, engaging, and authentic communications with team members. These don't need to take long – quick check-ins can be very effective. Show understanding and empathy. Manage expectations and be transparent about what can be done and when.

- Tailor your approach to different team members to provide a feeling of autonomy and control. Mix up the way you communicate with your team - make a conscious effort not to rely too heavily on video calls or instant messaging platforms. Pick up the phone sometimes, or meet face-to-face (if that is possible) and check that your communication style and frequency meets the needs of your direct reports.

- Check in with your staff regularly on how they're feeling - outside of their day-to-day tasks/ to-do list - and make adjustments to support them if needed.

## ASPIRING MANAGERS

- Maintain regular contact with your manager. A good manager will be making an effort to check in with you, but don't just rely on them to do that; keep them updated with what you are working on.

- Don't be afraid to ask for support from team members and leaders as well as your peers, rather than waiting for it to be offered. It's ok to be specific about what helps you perform best in the workplace.

- Be realistic with your workload and expected deadlines when signing up to new projects or in team meetings. Seek clarity if needed to ensure expectations are clear.

- Keep your eye out for colleagues who may be struggling. You may spot things that your manager could miss. If it seems appropriate, make your manager aware.

# 3 CULTURE IS THE KEY TO EMPLOYEE ENGAGEMENT IN A CRISIS

> " The biggest shift was to switch on the camera and adapt to virtual collaboration. The natural pollination of ideas was not happening as easily. "
>
> Kurt Bauer, General Manager, SAP China, Hybrid Manager

The physical workplace is in a state of flux. But workplace culture and community are important to employees, with six in ten missing the social interaction or events with their colleagues when working remotely. Additionally nearly a quarter (23%) of employees who would be working remotely in 2021, had negative feelings (such as anxiety, loneliness) towards continuing to work in this way.
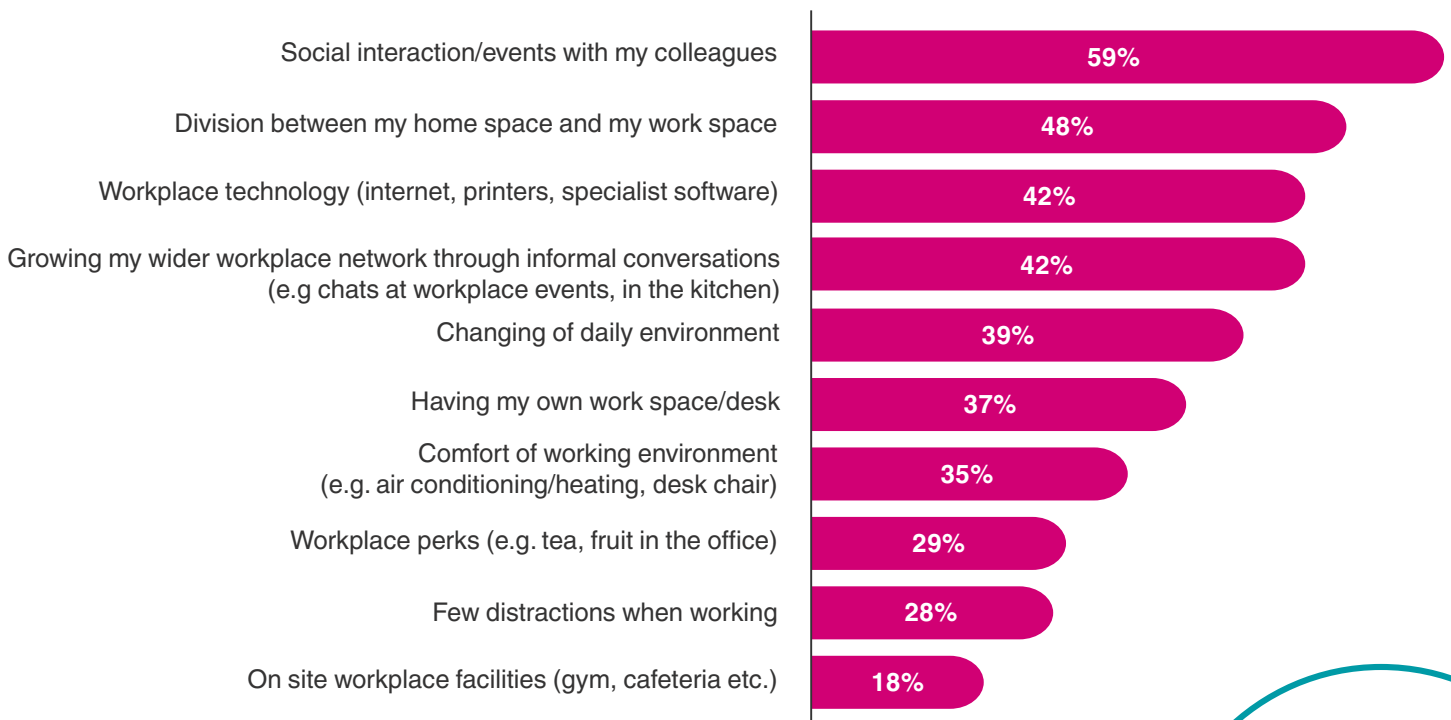
> " It is really hard to devise working practice expectations that accommodate everyone's individual needs. In many ways it is best to have expectations that can be tuned up or down rather than trying to implement one-size-fits-all approaches. "
>
> Richard Morgan, Assistant Head, The Perse School, Workplace manager

## Figure 8: What staff miss most about the workplace when working remotely

| | |
|---|---|
| Social interaction/events with my colleagues | 59% |
| Division between my home space and my work space | 48% |
| Workplace technology (internet, printers, specialist software) | 42% |
| Growing my wider workplace network through informal conversations (e.g chats at workplace events, in the kitchen) | 42% |
| Changing of daily environment | 39% |
| Having my own work space/desk | 37% |
| Comfort of working environment (e.g. air conditioning/heating, desk chair) | 35% |
| Workplace perks (e.g. tea, fruit in the office) | 29% |
| Few distractions when working | 28% |
| On site workplace facilities (gym, cafeteria etc.) | 18% |

> **Not everyone experiences things the way I do. That was true in the past but is more evident now. A bit of co-production goes a long way - we are all learning our way through and I don't need to have all the answers; my team have voices and ideas too.**
>
> Jo Green, Head of Data, Insight & Evidence,
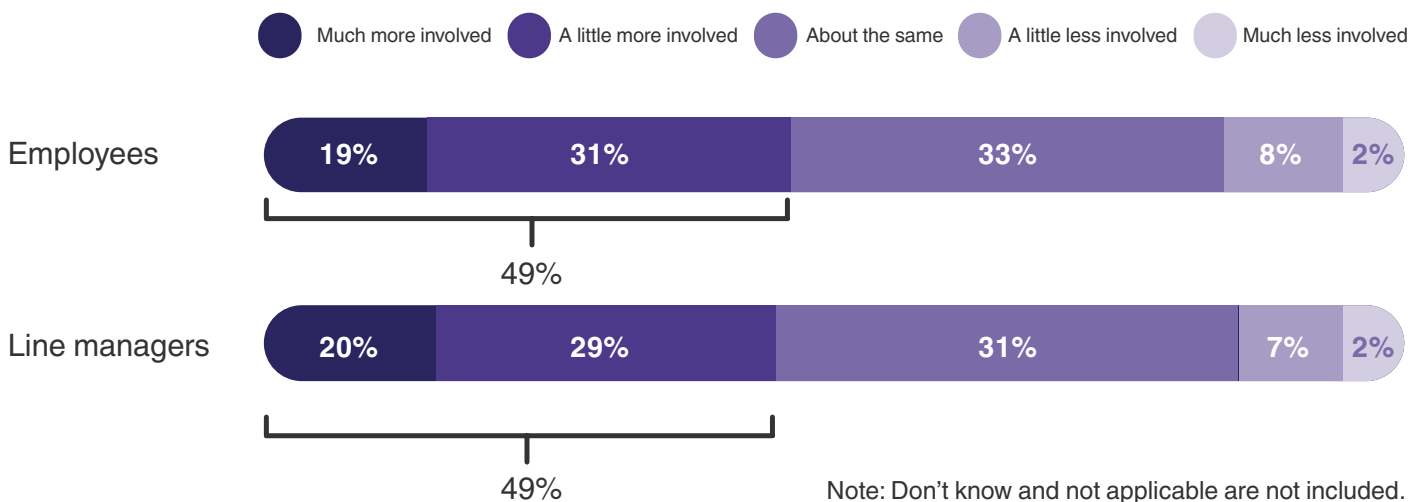> Spurgeons Children's Charity, Virtual manager

Crisis situations often lead to decisions being made more quickly and by small 'cliques' of people. While nearly half (49%) of senior leaders thought they were engaging employees more in decision-making since the pandemic, only a quarter of employees (27%) actually report that they are feeling more engaged with their organisation.

This is reflected in organisational practices reported to us. Only 30% of line managers and direct reports stated that formal updates were undertaken in their organisation by senior leaders. Formal updates were also more common in virtual workplaces than in physical ones (42% vs 25%).

**Figure 9: Senior leaders views on employee and line manager involvement in decision making during the pandemic**

● Much more involved ● A little more involved ● About the same ● A little less involved ● Much less involved

| | Much more involved | A little more involved | About the same | A little less involved | Much less involved |
|---|---|---|---|---|---|
| Employees | 19% | 31% | 33% | 8% | 2% |
| | | 49% | | | |
| Line managers | 20% | 29% | 31% | 7% | 2% |
| | | 49% | | | |

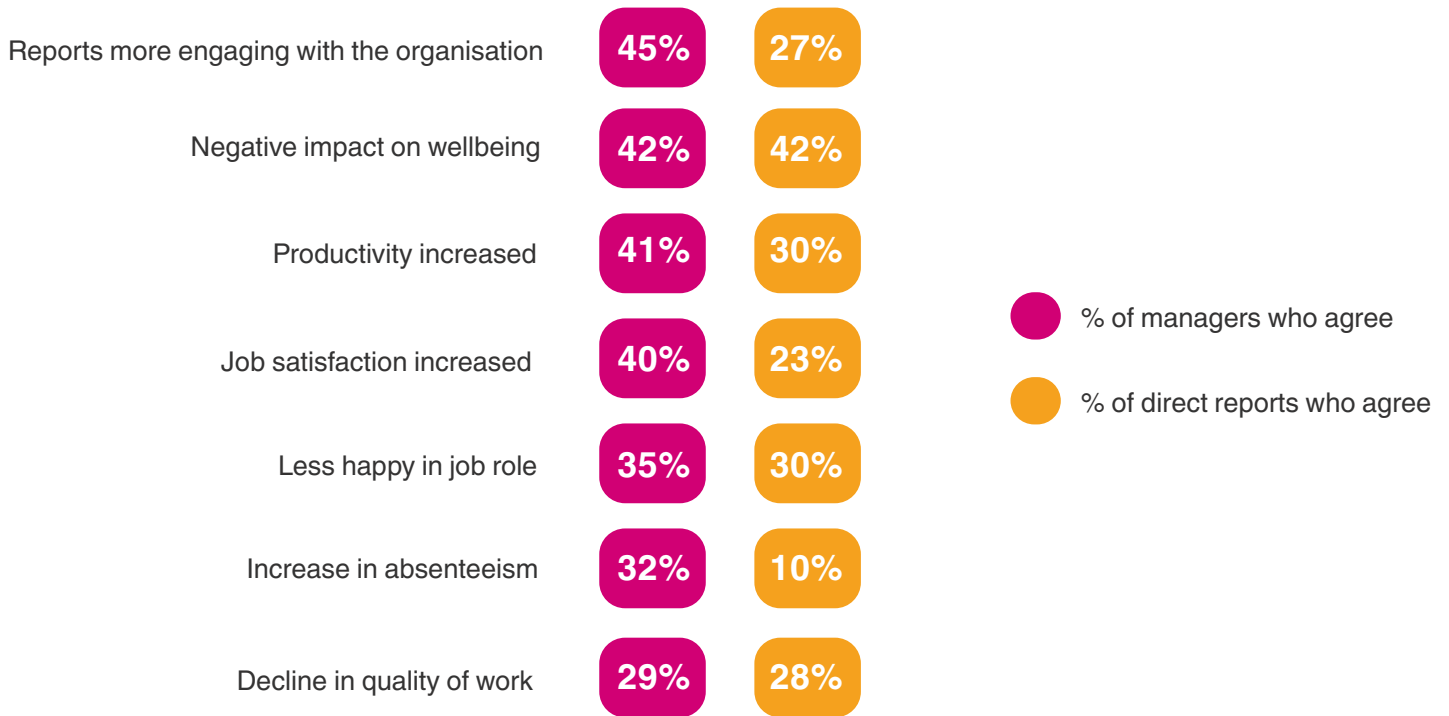Note: Don't know and not applicable are not included.

The increase in line managers and employees involvement was more likely to occur in workplace based (60%) or fusion (58%) than organisations (47%).

It is not only senior managers who are overestimating the impact their communication is having during the pandemic: all managers believe they are communicating more than direct reports say that they are. Pre-pandemic, over two fifths (44%) of managers reported they communicated with their direct reports on a daily basis and this dropped to 38% in September 2020, whereas just over a third (36%) of direct reports said they experienced daily communication from their line manager pre-pandemic, reducing to 29% in September 2020.

We also found a disconnect between how managers **perceived** staff felt since the pandemic and how direct reports were **actually** feeling across a series of statements. For example, managers were more likely than direct reports to agree that absenteeism has increased, while also thinking that staff engagement and job satisfaction have increased.

**Figure 10: Difference between manager and employee perceptions on key workforce issues since the pandemic hit**

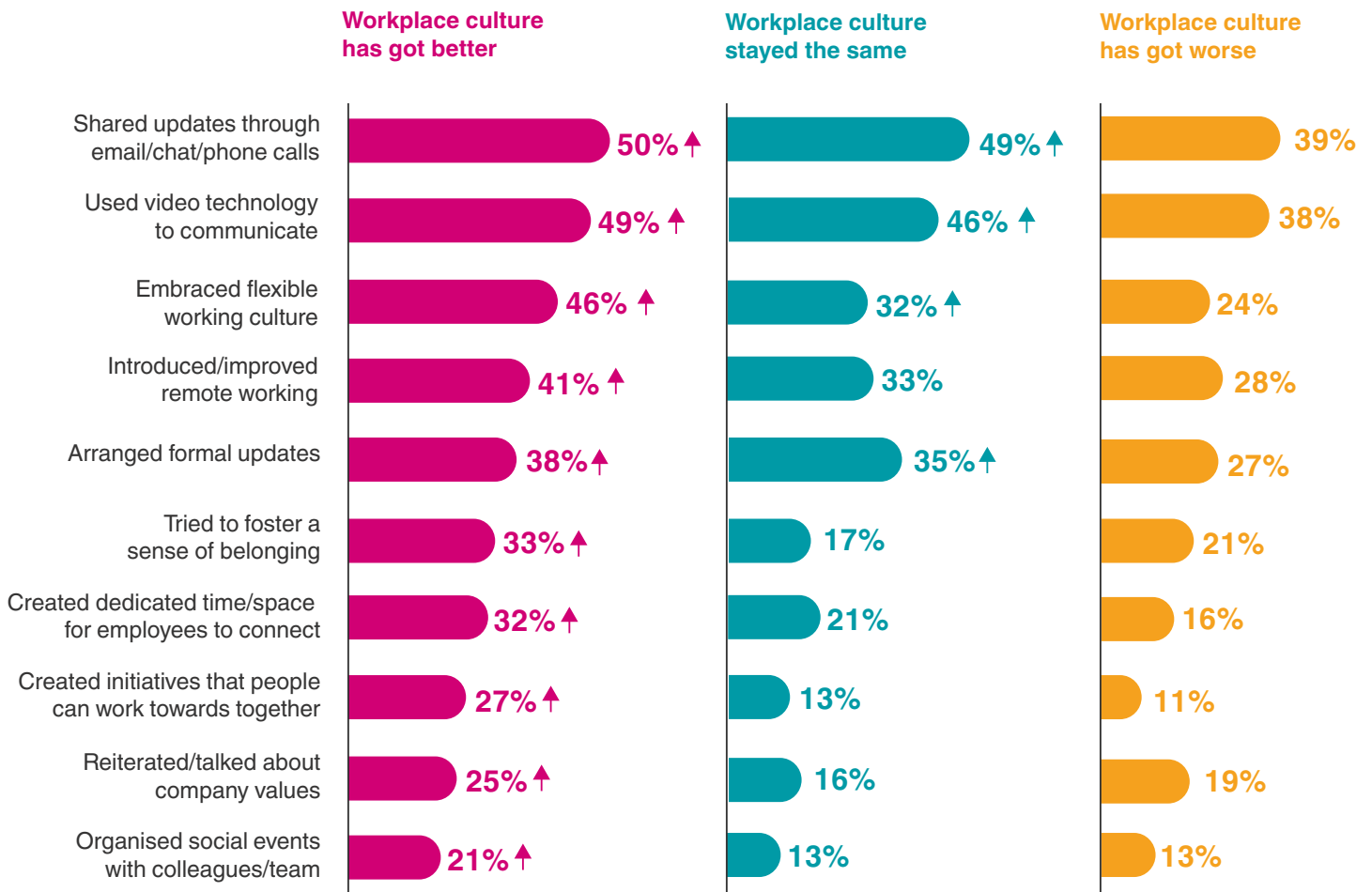| Statement | % of managers who agree | % of direct reports who agree |
|---|---|---|
| Reports more engaging with the organisation | 45% | 27% |
| Negative impact on wellbeing | 42% | 42% |
| Productivity increased | 41% | 30% |
| Job satisfaction increased | 40% | 23% |
| Less happy in job role | 35% | 30% |
| Increase in absenteeism | 32% | 10% |
| Decline in quality of work | 29% | 28% |

**Culture is based on how people interact. It's a journey, something that is constantly evolving. You have to work at it to make it good; it's not something you can just switch on or off.** And 84% said that the overall culture of the organisation had improved or remained the same throughout the pandemic.

Our research showed that communication and flexible working help to sustain culture, but it is a shared sense of belonging, social ties, and organisational values that help create it. This matters: organisations that have fostered a sense of belonging and made efforts to bring people together during the crisis say that their culture has benefited as a result.

**Workplace culture has got better**

**Workplace culture stayed the same**

**Workplace culture has got worse**

| Approach | Better | Same | Worse |
|---|---|---|---|
| Shared updates through email/chat/phone calls | 50% ↑ | 49% ↑ | 39% |
| Used video technology to communicate | 49% ↑ | 46% ↑ | 38% |
| Embraced flexible working culture | 46% ↑ | 32% ↑ | 24% |
| Introduced/improved remote working | 41% ↑ | 33% | 28% |
| Arranged formal updates | 38% ↑ | 35% ↑ | 27% |
| Tried to foster a sense of belonging | 33% ↑ | 17% | 21% |
| Created dedicated time/space for employees to connect | 32% ↑ | 21% | 16% |
| Created initiatives that people can work towards together | 27% ↑ | 13% | 11% |
| Reiterated/talked about company values | 25% ↑ | 16% | 19% |
| Organised social events with colleagues/team | 21% ↑ | 13% | 13% |

↑ Significant differences vs. stayed the same/got worse

↑ Significant differences vs. got worse

> It was important to keep everybody connected and feeling part of the wider team and company. The challenge was that whilst we had the technology including MS teams, subtle aspects of communication proved difficult to replicate remotely. We found that a mixture of video, calls and written communication was needed. As the lockdown continued we employed motivational ideas such as quiz nights.
>
> Hugo Deane, Managing Director, Love Brands Limited, Hybrid manager

# KEY ACTIONS

## SENIOR LEADERS

- Be transparent and empower employees: share successes and failures, create an environment where employees can feedback on company initiatives and their own focus and work, and air concerns or make suggestions. Even a very basic anonymous staff survey can deliver important insight to improve company processes and procedures. Take feedback on board and approach change as an iterative process.

- Focus on recognition and role model good behaviour - regularly celebrate small wins and encourage all staff to build a culture of reciprocity. Being able to see inspirational, responsive, ethical, and values-based leadership helps to encourage the same behaviour company-wide.

- Champion flexibility. Flexible working can support a good work-life balance and boost employee engagement (p.4). This is not just about flexing working hours or location - though both are important. It's also about being open to the idea of employees switching roles and responsibilities in line with their values, personal interests, and skills, to promote a working environment where every individual's talents are recognised and valued.

## MIDDLE MANAGERS

- Get to know individuals in your team - what motivates them? What do they need from their organisation? What are their goals? What suggestions do they have to enhance their environment?

- Create opportunities to meet and discuss outside of formal work channels, create shared downtime not linked to work to be creative and focus on workplace relationships not just working practices.

- Make time for your team's personal development - this can help to promote autonomy and boost motivation. Establish development purpose or direction, identify development needs and learning opportunities, formulate an action plan and record the outcomes. Make sure you evaluate and review to ensure development needs are met and valued.

## ASPIRING MANAGERS

- Your views on the culture of your workplace are important, so voice them! Find the forum in which this communication is most impactful. If it doesn't exist, find like-minded colleagues and create the group that feeds back to the middle/senior leadership team on what's working and what's missing.

- Provide solutions and ideas. Find examples of what's being tried out elsewhere and show how you think they would add value to your own organisation. If you work remotely, be creative and innovative about how you can replicate the best of workplace culture, virtually.

# 4 COMMITTED TO INCLUSIVITY

> **We are at a time when there's a tremendous desire for change. We have seen the real challenges and the unequal impact on people during the Pandemic. There's a huge amount of focus now on getting things right around inclusivity in the workplace. The corporate world needs to respond and we have got to support them in this.**
>
> Rob Baker, CEO at Potentia Talent Consulting Limited, Hybrid manager

## NOW IS NOT THE TIME TO DE-PRIORITISE EQUALITY, DIVERSITY AND INCLUSION IN THE WORKPLACE

Our research shows that staff from diverse ethnic groups were more likely to think that workplace culture and workplace inclusivity had improved since Covid-19 than UK employees as a whole.

48% thought that workplace culture had got better, compared to 34% of all UK employees;

46% thought inclusivity had got better, compared to 29% of all UK employees.

These findings suggest overarching improvements around culture and diversity since March 2020.

> **One of the best innovations… has been greater promotion of equality, diversity and inclusion (EDI) stemming from both George Floyd and the ethnic minority risk evidence base that has emerged from the pandemic.**
>
> Sue Chapman, Business Improvement Manager, Hertfordshire County Council, Virtual manager

## Figure 12: Changes to inclusivity since the pandemic across all ethnic groups

● Much better ● Somewhat better ● About the same ● Somewhat worse ● Much worse

**White**
| 7% | 19% | 58% | 7% | 3% |

26% said better

**Asian/ Asian British**
| 12% | 31% | 42% | 9% | 3% |

42% said better

**Black/African/ Caribbean/ Black British**
| 13% | 39% | 33% | 11% | 2% |

51% said better

**Mixed/Multiple ethnic groups**
| 18% | 30% | 38% | 8% | 2% |

49% said better
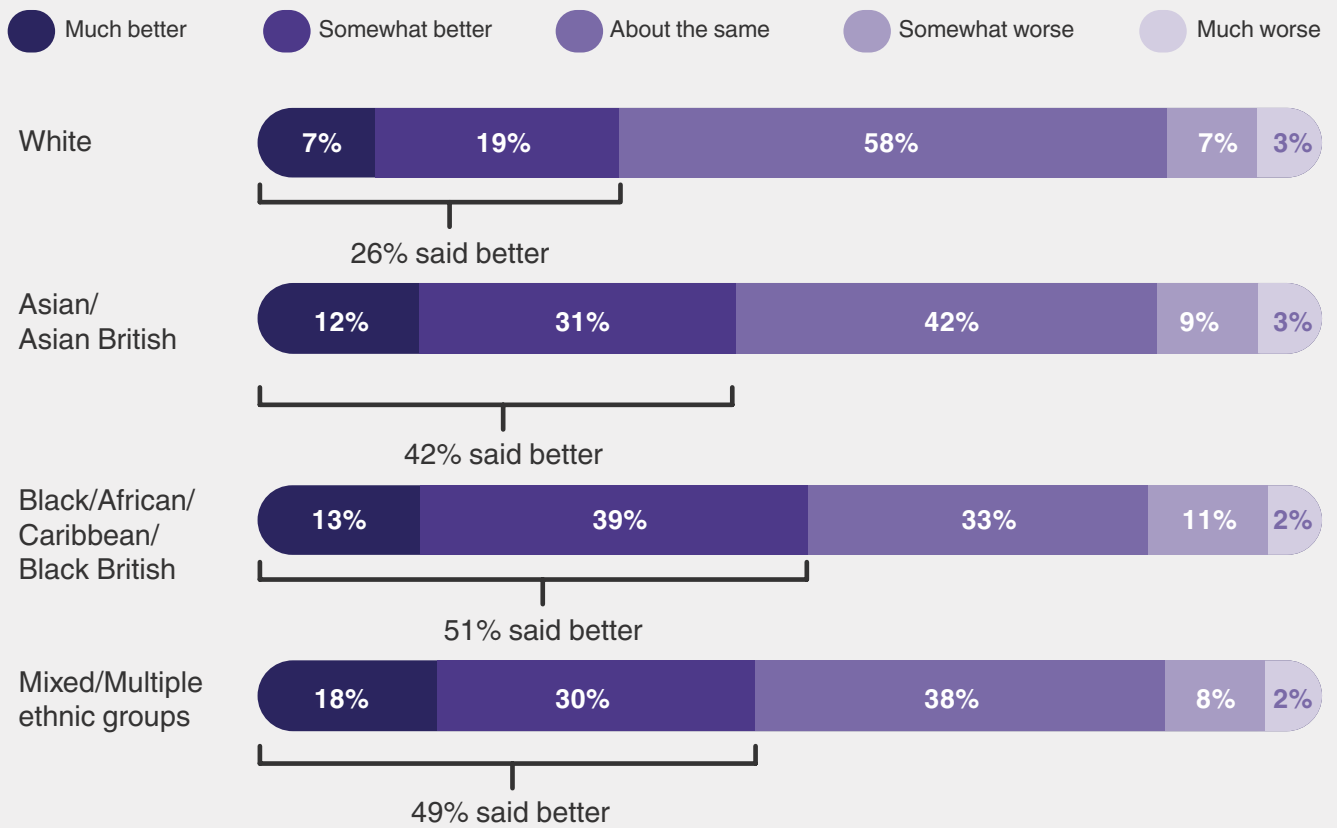
Sub groups reflect ONS ethnic group classifications

However some factors around equality, diversity and inclusion (EDI) still require sustained focus from organisations. Despite evidence that workplace diversity brings serious business benefits, the **priority** placed on having a diverse workforce differs across the ethnic groups surveyed. Our findings show that it is a much higher priority for Black employees in comparison to all UK employees as a whole.

Only 10% of all UK employees as a whole ranked the diversity of their organisation's workforce as a critical workplace priority before the pandemic, compared with 39% of Black employees; this dropped to 7% and 35% respectively as we emerged from the first lockdown.

## TRUST LEVELS VARY BY ETHNIC BACKGROUND

More worrying still, Black employees are more likely than any other ethnic group to feel their manager didn't trust them to undertake their job role. Generally, non-managers across ethnic groups reported that they thought their managers trusted them to do their job. However, a quarter (25%) of Black employees thought their manager did not currently trust them, or did not know if their manager trusted them.

Employees from diverse ethnic groups clearly feel there have been improvements in diversity and inclusion. But with a long way to go, managers need to reinforce that this is still very much on their agenda.

# DON'T ASSUME WORKING MOTHERS WANT TO BE LEFT TO GET ON WITH IT

Lockdown in the UK resulted in millions of parents suddenly having to look after their children - including home-schooling them - while working at the same time. We know from ONS data that women continue to shoulder more childcare responsibilities. Concerns have been raised about the impact that this and the pandemic more widely may have on gender balance, progression, and equal pay in the workplace - especially at senior levels.

Although flexible working is now universally important, it is particularly important for women with children. Of those working virtually, 69% of women with children wanted to work at least one day from home when the pandemic ends, compared to 56% of men with children.

> **The adoption of home working means there is a broader understanding that the working day is not so rigidly defined. What I mean by this is that it is now 'normal' for employees to stop during the day, when family demands ensue, and then return to work afterwards - often working into the evening when children have retired. The culture has changed with a wider acceptance of this and thus a greater tolerance between employees.**
>
> Andrew Pridmore, Development Team Leader, Maintel, Virtual manager

**Figure 13: Working from home at least one day a week post Covid-19**

Women with children
**69%**

Men with children
**56%**

However, organisations and managers are not communicating as well with their employees who are mothers. These women are **more likely** to be in communication less than once a week with their manager than UK employees (29% compared to 23%) and they also report their daily communication dip across the pandemic.
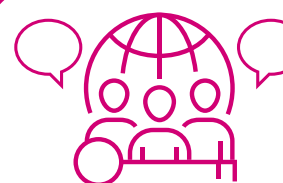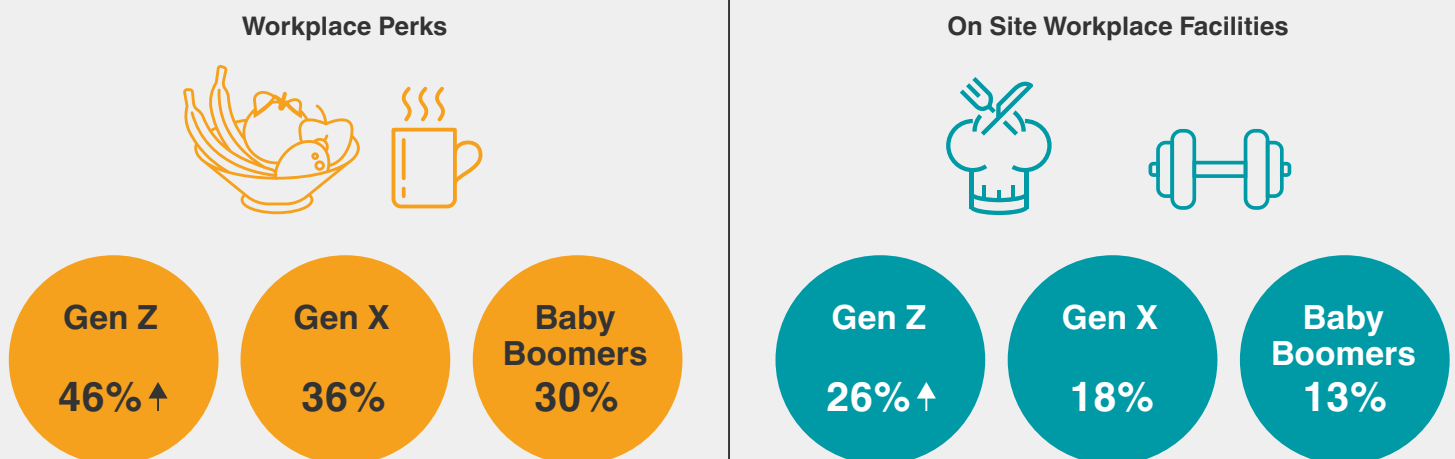
# WHAT DRIVES THE NEXT GENERATION?

Generation (Gen) Z, along with Millennials, are often considered to be more concerned with values and ethics than other generations. However, our findings have revealed that the prevalent narrative around purpose has been overtaken in the current crisis by real concerns around job security and support.

We did find that workplace perks and on-site facilities are an important part of the daily workplace environment for Gen Z - much more so than for Baby Boomers and Gen X. But our research also found that just over a fifth of Gen Z respondents ranked purpose as one of their top five workplace priorities, and job security was the top priority for 55%. For Gen Z, 'working for a business with responsible values and ethics' was no more likely to make their top five workplace priorities than for any other generation.

> **Job security is a big issue for me and my generation. Generation Z have seen older people losing their jobs in the Covid crisis - this only enhances our need for a more secure role moving forward.**
>
> Alice Elworthy, 2nd Year Business Management Student,
> Swansea University.

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**Figure 14: Factors important in a workplace  - Gen Z compared with Gen X and Baby Boomers**

**Workplace Perks**

| Gen Z | Gen X | Baby Boomers |
|-------|-------|--------------|
| 46% ↑ | 36% | 30% |

**On Site Workplace Facilities**

| Gen Z | Gen X | Baby Boomers |
|-------|-------|--------------|
| 26% ↑ | 18% | 13% |

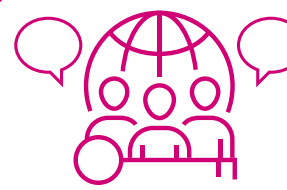↑ Significant differences vs. Gen X and Baby Boomers

While Covid-19-related economic uncertainties may have had some influence on those responses, they are echoed by findings from a CMI survey conducted pre-pandemic (Feb 2020.) This survey asked 18 year olds about factors that were important when making a decision about their career.

- 44% ranked job security as most important
- 22% selected working for a business with responsible
- 19% selected working for an organisation with a social purpose.

Having access to a physical workplace is also important for Gen Z. More than any other generation, they miss the opportunity to grow their network through informal office conversations (51%), but they are also keen to change their working environment where possible (43%).

**Figure 15: Workplace factors that are important for Gen Z**

| Workplace factor | Gen Z | UK Employees |
|---|---|---|
| Job Security | 55% | 61% |
| Safety at work | 46% | 42% |
| Workplace wellbeing | 40% | 40% |
| Feeling supported by manager | 34% | 39% |
| Feeling supported by team | 34% | 35% |
| Manager keeping informed | 33% | 35% |
| Reward and recognition from employer | 27% | 33% |
| Flexibility about where you work | 26% | 28% |
| Flexibility about needs outside of work | 26% | 24% |
| Training/opportunities to progress | 24% | 23% |
| Remuneration and bonus | 22% | 23% |
| Work for business with values and ethics | 22% | 21% |
| Strong social culture/workplace community | 19% | 19% |
| Control over working hours | 18% | 19% |
| Making a difference to society | 16% | 17% |
| Autonomy in job role | 16% | 16% |
| Diversity of workforce in organisation | 16% | 10% |
| Non-financial benefits | 11% | 7% |

The 5 most important workplace factors (Job Security, Safety at work, Workplace wellbeing, Feeling supported by manager, Feeling supported by team)

# KEY ACTIONS

## SENIOR LEADERS

- Allocate time for communication about diversity and inclusion, including why it is a necessary commitment. Set the tone for the rest of the organisation and make sure that this example is implemented by all leaders throughout the organisation; amplify this belief through every communication channel available.
- Give line managers the support, knowledge, and skills needed to facilitate positive discussions at all levels about equality, diversity, and inclusion.
- Set up reverse mentoring programmes. Involve people with different perspectives and from different backgrounds. Make it clear that the objective is for all leaders to become more inclusive.

## MIDDLE MANAGERS

- Champion diversity and be an ally for those that need it. As our CMI Race guidance outlines, this means championing the causes of people that are discriminated against or treated unfairly, as well as challenging your own behaviour and that of others.
- Make sure that meetings, team-building exercises, events, social occasions, and other work activities are scheduled with the needs of individual team members in mind. Allow the same amount of 'check in' time for all individuals.
- Re-examine recruitment and promotion processes to make sure they are free from unconscious bias and that shortlists are balanced.

## ASPIRING MANAGERS

- Consider what's working and not working in your part of the organisation. What messaging from senior management isn't resonating or being implemented on the ground - how could this be fixed?
- Communicate your ideas. Join internal groups that enable you to advocate for the diverse needs of your colleagues to middle and senior managers. If they don't exist or don't work, pro-actively create them or improve them.
- Join a reverse mentoring scheme to help amplify the needs of other junior colleagues to the senior team.

# ACKNOWLEDGEMENTS

We commissioned ICM to undertake a nationally representative poll of over 2,282 UK employees in August and September 2020 - including senior leaders, managers, and non-managers.

We also collected the lived experiences of 224 CMI Managers Voice panel members in October 2020, which provide quotes throughout this report.

If you require further information, please contact the CMI research team:

research@managers.org.uk

## Chartered Management Institute (CMI)

The Chartered Management Institute (CMI) works with business and education to inspire people to unleash their potential and become skilled, confident and successful managers and leaders.

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