"Coping with pressure and succeeding – lessons in dealing with tough times"

New information to help leaders and managers tackle economic and operational uncertainty and help their people do the same

Summary of key findings from the
Leadership Management Australasia (LMA)
Leadership, Employment and Direction (L.E.A.D.) Survey (November 2013)

Overview

Latest findings from LMA's Leadership, Employment and Direction (L.E.A.D) Survey reveal many leaders, managers and employees across a range of industries and organisation shapes and sizes are experiencing exceedingly **tough times** as their organisations face a **difficult outlook**. However, against this backdrop, organisational leaders and managers are prepared to apply a **variety of approaches** to deal with the circumstances they face, rather than resorting to retrenchment/redundancy as the first resort as might have previously been the preferred way forward.

It would seem our leaders and managers have learnt a great deal from weathering recent storms and are now older and wiser when it comes to dealing with economic adversity. Even so, the nature and extent of **pressures** being applied at all levels of organisations appear unrelenting. The pressures are getting to our leaders in particular as revealed in their level of **job seeking activity** which has increased significantly in this most recent period. Conversely employees and managers are keeping their heads down and their noses to the grindstone as their organisations and their leaders grapple with variability in conditions.

New information on the **gender equality** front suggests that the respect shown to women in the workplace is seemingly better when coming from men than from other women. In other words, women seem to be less respected by other women than men in the workplace highlighting a potential major drawback in looking to equalise workplace opportunities for both genders.

These issues are the most profound to emerge from this summary of the L.E.A.D. Survey and they present leaders and managers with an important opportunity to review their own attitudes and behaviours and assess their preparedness for the future they face.

> *"The results from this wave of the L.E.A.D. Survey remind leaders and managers alike that they need to understand and work WITH rather than AGAINST their people to enable their organisations to deal with tough times and current challenges confidently."*
>
> **Grant Sexton, Executive Chairman, LMA**

About the Leadership, Employment and Direction (L.E.A.D.) Survey

LMA's L.E.A.D. survey is a **year-round survey** of people working at all levels within organisations in Australia and New Zealand. It focuses on the issues, needs and expectations of employees, frontline managers and supervisors and business leaders and senior managers.

The survey has been conducted since 2000 and provides a sound basis for identifying different perspectives from several key organisational audiences. It is conducted in online survey waves throughout the year to maximise the opportunity for people to be involved. Adopting a consistent approach over the last decade, supplemented by strategic evolutions and changes, the survey delivers a **comprehensive data source** and **trend information** that few other surveys can match.

In addition to providing the **most up-to-date picture** of life in today's organisations via responses from the three key audiences (Non-Managerial Employees, Frontline Managers / Supervisors, Business Leaders / Senior Managers) it identifies commonalities, differences and major gaps as well as areas for stronger connection and collaboration.

Further, it provides the **ability to predict** where organisations may need to change, evolve or simply consolidate to provide the environment that employees want to be part of into the future.

The audience for the research is drawn from organisations of all **types** (public, private, quasi-government, franchises, not for profit), **sizes** (micro, small, medium, large), **locations** (metropolitan and regional) and **industries** (20+ sectors).

The diversity and mix of those involved is one of the features of the survey and their response provides the foundation for trend analysis, gap analysis and robust assessments of the current state of play in Australia and New Zealand.

In the latest L.E.A.D. Survey, reported in this summary, the total number of participants involved was **2,953**:

- Business Leaders / Senior Managers – 473
- Middle Managers / Supervisors – 1,025
- Non-managerial Employees – 1,455

Sample sizes of this scale provide robust data and present a very accurate picture of the current state of play in organisations overall and within key sub-groupings. The margin of sampling error at a total sample level is less than 3%.

The profile of the audience in the latest survey is as follows:

Organisation type
- Government/quasi (11%), Public Company (32%), Private Company (44%), Franchise (3%), Not for Profit (7%), Other (3%)

Location
- Metropolitan Australia (63%), Regional Australia (27%), New Zealand (10%)

The profile of the respondents by level in the latest survey is as follows:

Gender
- Leaders – Male – 72% / Female – 28%
- Managers – Male – 65% / Female – 35%
- Non-managerial Employees – Male – 64% / Female – 36%

Age
- Leaders – U/35 years – 6%, 35-44 years – 32%, 45-54 years – 38%, 55+ years – 24%
- Managers – U/35 years – 18%, 35-44 years – 36%, 45-54 years – 29%, 55+ years – 16%
- Non-managerial Employees – U/35 years – 33%, 35-44 years – 32%, 45-54 years – 25%, 55+ years – 10%

The survey design and implementation is **overseen by an experienced, independent research practitioner** and the systems and process used to conduct the survey ensure **valid, reliable and representative samples.**

The audience is designed to replicate the structure and nature of organisations at an overall level to create an appropriate representation of the population of people working in organisations across Australia and New Zealand.

1. <u>Growth outlook in major downward spiral – what can be done to arrest the decline?</u>

Growing uncertainty in relation to economic, environmental and even political conditions is widespread in a number of countries, with the ripples of offshore events being firmly felt in Australia and New Zealand. This uncertainty appears to be impacting on the perceptions of organisational growth and experiences of leaders, managers and employees alike.

A sharp and sustained downward trend is evident over the past 18 months for all groups – fewer people at all levels believe that their organisations are growing. Despite a recent small kick upwards for employees, the outlook is quite bleak with around half or less believing their organisations are growing. A strong holding pattern is evident in the eyes of employees (up from 26% to 36% believing their organisation is just holding steady) whilst a slow but steady increase in the proportion believing their organisations are shrinking is coming through from managers and employees (9% to 13% and 3% to 7% respectively).

Organisation Growth Outlook

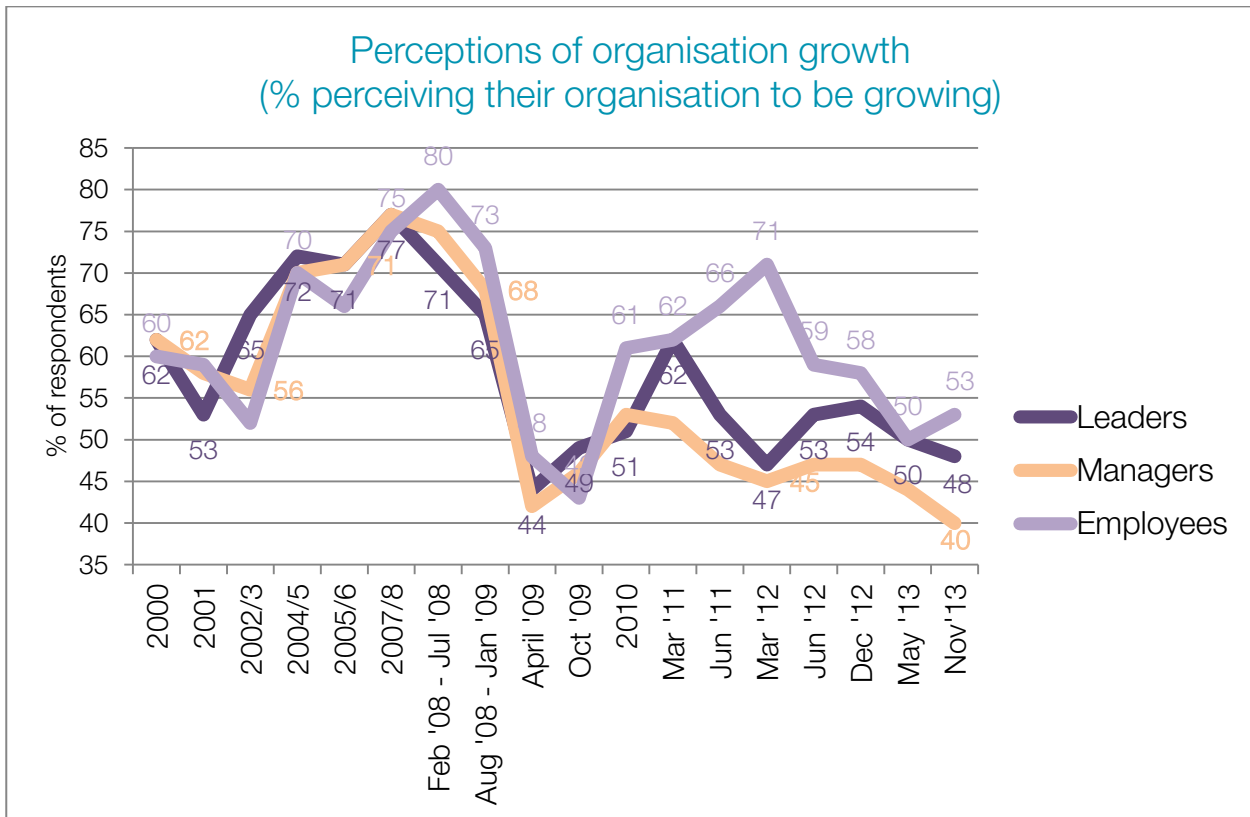***Figure 1:*** *Q. Would you say your organisation is…(Growing, Holding Steady, Shrinking, Just surviving)?*

Recent examples of organisations going into administration or receivership are clear signs that many leaders and managers are either not applying the prudent business practices that got many organisations through the last Global Financial Crisis, or they are reaching for the toolkit too late in the piece.

Even so, the extent to which organisations are undertaking critical business analysis and acting in ways that sustain the organisation is on the rise. Amongst Leaders, Managers and Employees alike, all major change areas have been undertaken to a greater extent recently. The main actions taken to deal with tough times have been:

- **Reviewed your budget** (62%, 53%, 38% for leaders, managers and employees respectively)
- **Reviewed staffing levels** (61%, 59%, 43% for leaders, managers and employees respectively)
- **Reduced costs** (56%,56%, 42% for leaders, managers and employees respectively)
- **Not replaced staff that have left** (44%, 53%, 42% for leaders, managers and employees respectively)

The proportions reporting layoffs as a key action taken in recent times compare very favourably with the above actions with only 25%, 33% and 25% of leaders, managers and employees respectively reporting layoffs as an action. Take heed of these wise words from LMA's Executive Chairman…

"The last GFC taught many leaders and managers who, to that point, had never experienced tough times, the importance of prudent business practices. Critical reviews, creative use of leave, adjustments to operating conditions and adopting a more collaborative approach across all levels of our organisations can stabilize and strengthen the future outlook and settle anxieties.

If you're not reviewing regularly and making the necessary adjustments, you may be setting your organisation up for a bleak future."

Grant Sexton, Executive Chairman, LMA

What should leaders and managers do in such uncertain times?

✓ **Share information about the future for the organisation** – By sharing the real situation facing the organisation, leaders and managers fulfil the expectations employees have of them to clearly communicate about where the organisation is heading. Without information to the contrary, employees will fear the worst and start to feel increasingly unsettled which has a detrimental impact on performance and productivity.

✓ **Provide regular updates and information** – identify appropriate measures and KPIs and make these the focal point for action and teamwork. It remains a fact that around 40% of employees have had little or no reassurance about the future of the organisation or their own future in the organisation and are operating with fingers crossed rather than with great confidence.

✓ **Provide as much certainty as can be given to employees** – reassure them they and their organisation have a future. If the future is genuinely unknown, offer as clear a picture of the reality of the future as can be provided. Employees respect honesty in communication and the power it gives them to make decisions about their future.

2. <u>Growing pressure – tempering expectations to reduce pressure</u>

The pressure is on and growing for leaders in particular with 63% feeling more pressure now than they did three years ago (up from 53% in 2011). Likewise, employees are feeling pressure rising with 58% feeling more pressure compared to three years ago (up from 51% in 2011).

Paradoxically, managers are feeling the highest level of increased pressure but the extent to which this is being felt hasn't changed over recent years. Managers appear to be the meat in the sandwich of expectations from above, below and externally (customers/clients).

Amount of Pressure on you – now compared to three years ago

Amount of pressure on you compared to three years ago	Employees (about self)	Managers (about self)	Leaders (about self)
	%	%	%
More pressure	58	71	63
The same pressure	30	23	29
Less pressure	11	6	9
Not sure	2	0	0

Figure 5: Q. Compared to three years ago, NOWADAYS are you (your staff) generally experiencing 'more pressure', 'the same pressure' or 'less pressure' at work?

The main sources of pressure on employees appear to be well understood by managers and leaders – the expectations placed on employees by them and by customers/clients. Manifested in changes to responsibilities and changes to organisational structures, employees can struggle to get the right balance between work and other aspects of their lives and start to feel pressure.

Ranking of Pressures on Employees

Top 5 Rankings of Pressures on Employees	Employees (about self)	Managers (about staff)	Leaders (about staff)
Changes to or added responsibilities	1	3	3
Balance between work & personal life	2	5	4
Higher performance expectations	3	1	1
Higher customer/client expectations	4	4	2
Changing organisational structures	5	2	5

Figure 3: Q. What would you say are the top five biggest sources of pressure for you (your staff) at the present time?

The pressures on leaders and managers paint a similar picture with heavy demand on time and heavy workload creating pressure and impacting on their ability to achieve work/life balance.

Ranking of Pressures on Leaders / Managers

Top 5 Rankings of Pressures on Leaders / Managers	Leaders (about self)	Managers (about self)	Employees (about Leaders)
Balance between personal & work life	=1	=2	=7
Continuously being in demand	=1	4	=6
Increase in their personal workload	3	1	=6
Ensuring effective communication within the organisation	4	6	=3
Quality of staff in the organisation	5	=2	=3
Increasing competition in the marketplace	6	=11	=1
Expectations of customers/clients	=7	5	=1

Figure 4: *Q. What would you say are the top five biggest sources of pressure for you (leaders and senior managers in your organisation) at the present time?*

The reaction to pressure for many is to start looking elsewhere for positions that take some of the pressure off or at least afford the individual better ways to manage or cope with pressure. Leaders and managers, as well as looking to better manage their own pressures to work effectively, need to be observant and identify when the pressure is having a detrimental impact on their people and support them in dealing with it.

So what should leaders and managers do?

✓ Tune-in to the nature and extent of pressures being felt by employees at all levels – acknowledge that the pressures you're feeling are also highly likely to be evident in the worlds of others. Explore avenues to reduce and minimise pressure by working collaboratively on strategies and approaches that meet the individual's needs.

✓ Coach managers and employees in how best to manage personal pressure – by working to identify different avenues to reduce pressure to a manageable level, you will develop a better connection with people and play a more effective supporting role as leader or manager.

✓ Be prepared to review and discuss pressure regularly to ensure it remains manageable and acceptable at all levels – make the goal of achieving the desired work/life balance a goal for every individual and be prepared to flex to meet the needs of all personnel.

"When leaders and managers understand their own pressures and the pressures facing their people, they can to empathise, create a workplace environment that better manages pressure and ensure it positively impacts on performance and productivity."

Grant Sexton, Executive Chairman, LMA

3. Gender equality – women not supporting women in the workplace

New information about how women are respected in the workplace sheds some light on why little or no progress is being made in achieving gender equality in the workplace. The glass ceiling sadly seems to be alive and well with perspectives from men and women differing widely as to how well or poorly equality is being achieved in the workplace.

Of note, around half the total respondents in each group (leaders, managers, employees) believe men respect women in the workplace to a great extent. Yet only a third of each group believes women respect other women in the workplace to the same great extent.

In the eyes of men, they believe they are showing respect to women to a great extent more than women recognise this in them. Whilst in the eyes of both women and men, the respect shown by women to other women is much less apparent.

	Leaders			Managers			Employees		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Men respecting women in the workplace	%	%	%	%	%	%	%	%	%
To a great extent	49	54	37	46	51	34	46	53	34
To a moderate extent	41	40	47	44	42	51	46	41	55
To a small extent	8	6	15	9	7	14	7	4	10
Not at all	1	1	1	1	1	1	1	1	1

	Leaders			Managers			Employees		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Women respecting other women in the workplace	%	%	%	%	%	%	%	%	%
To a great extent	34	34	35	34	34	35	34	34	35
To a moderate extent	53	52	54	52	50	55	54	53	55
To a small extent	12	12	10	12	14	8	10	11	8
Not at all	1	1	1	2	2	1	1	1	1

The consistency of responses across the groups and genders suggests that women are not necessarily doing themselves any favours in advancing their cause in working towards gender equality. The lower level of respect appearing to be shown by women towards other women is worthy of further exploration and discussion as this perception may be limiting the extent to which gender issues are taken seriously in the working world.

On all measures of equality, men continue to believe equality is being achieved to a much higher level than women do. In ease of reaching senior management, in opportunities in the workplace generally, training and development, pay and opportunities overall, men are significantly more likely to believe opportunity is equal already. Women on the other hand are firmly of the belief that with the exception of training and development opportunities, the working world is firmly skewed in favour of men.

	Leaders			Managers			Employees		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Ease of women reaching senior management positions	%	%	%	%	%	%	%	%	%
Easier	62	70	39	56	67	32	58	67	45
More difficult	2	2	3	5	4	9	4	3	6
Situation has not changed	30	22	51	31	21	53	25	18	38
Not sure	6	5	6	7	8	6	13	13	12

	Leaders			Managers			Employees		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Better opportunities in the workplace	%	%	%	%	%	%	%	%	%
Men	46	40	62	46	35	73	45	36	63
Women	4	5	1	4	6	0	3	5	1
Both have equal opportunities	48	54	34	47	58	21	47	55	32
Not sure	2	1	3	3	1	5	4	4	4

	Leaders			Managers			Employees		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Better training and development opportunities	%	%	%	%	%	%	%	%	%
Men	16	13	24	18	12	33	17	12	28
Women	6	7	3	5	7	2	4	5	2
Both have equal opportunities	75	78	66	73	79	59	73	78	63
Not sure	3	2	8	3	2	6	6	6	8

	Leaders			Managers			Employees		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Better paid	%	%	%	%	%	%	%	%	%
Men	54	48	71	54	43	79	54	44	72
Women	0	0	0	1	1	0	1	1	0
Both have equal opportunities	42	49	27	41	51	16	38	47	19
Not sure	3	3	3	5	5	5	8	8	8

	Leaders			Managers			Employees		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Equality of opportunity	%	%	%	%	%	%	%	%	%
Heavily skewed in favour of men	10	8	13	16	13	24	13	11	16
Slightly skewed in favour of men	24	25	24	28	26	34	20	20	22
Equal or near enough to equal	57	60	49	48	55	32	56	59	50
Slightly skewed in favour of women	4	3	7	4	4	5	4	4	4
Heavily skewed in favour of women	3	2	5	2	1	3	2	2	2
Not sure	2	2	3	2	1	3	5	5	6

What should leaders and managers do?

✓ Establish the true extent to which opportunities are afforded to both genders – knowing what the organisation is already doing for the genders and what additional opportunities are available to make some progress on this front will ensure the organisation is walking the talk not just talking about equality.

✓ Identify the gaps and weaknesses in gender equality in your workplace – identifying where the potential quick wins are may help to address or alleviate any current negative perceptions of how the genders are treated in the organisation.

✓ Look for opportunities to demonstrate respect towards women from both men and other women – modelling the attitudes and behaviours expected of all employees at all levels and clearly identifying what is and is not acceptable in the treatment of women in the workplace will send a very clear signal to all and help to elevate the status and respect shown to women.

4. Job seeking – steady as she goes (or considers going)

At the employee level, job seeking activity has stabilised with just under half of all employees having considered looking for a new job elsewhere in the last six months, around one in four actively looking and one in seven applying for new jobs.

Clearly the economic and growth outlook for many organisations in many industries is contributing to employees bunkering down and not looking for greener pastures, preferring the certainty of the current pasture instead.
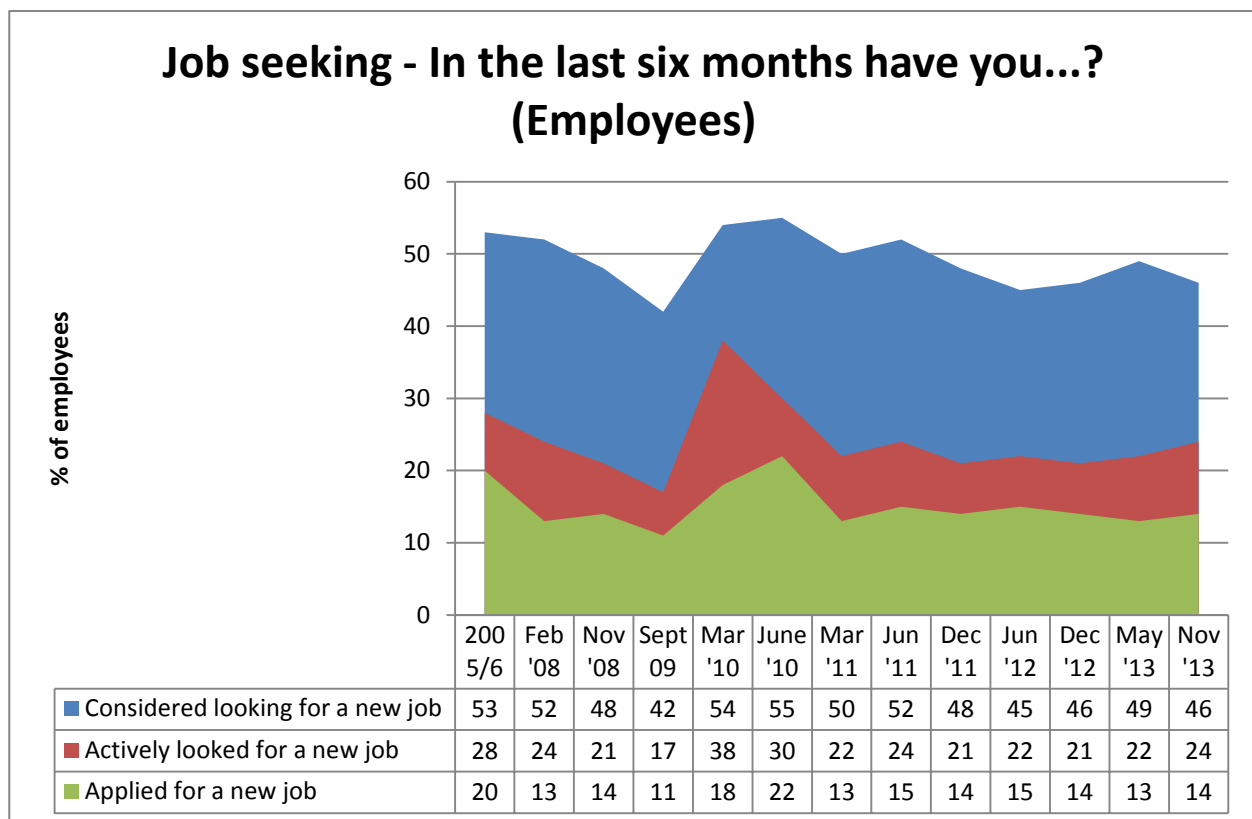
Job seeking - In the last six months have you...? (Employees)

	2005/6	Feb '08	Nov '08	Sept 09	Mar '10	June '10	Mar '11	Jun '11	Dec '11	Jun '12	Dec '12	May '13	Nov '13
■ Considered looking for a new job	53	52	48	42	54	55	50	52	48	45	46	49	46
■ Actively looked for a new job	28	24	21	17	38	30	22	24	21	22	21	22	24
■ Applied for a new job	20	13	14	11	18	22	13	15	14	15	14	13	14

Figure 2 - Q. In the LAST 6 MONTHS have you considered looking for, actively looked for, applied for a job in another organisation?

Interestingly though, job seeking behaviour amongst leaders and managers has changed quite noticeably in the last six months with leaders more active and managers less active than the previous period, reflecting the changes in pressure being felt identified earlier:

Leaders
- Considered– up from 48% to 51%
- Actively looked – up from 22% to 28%
- Applied – up from 19% to 21%

Managers
- Considered – down from 61% to 59%
- Actively looked – down from 34% to 30%
- Applied – down from 23% to 19%

What should leaders and managers do?

✓ Develop strong connections with all top talent in the organisation – be prepared to discuss their future with them and reassure as necessary. Develop a clear understanding about what motivates them and what will keep them performing within the organisation. Understanding motivation is at the heart of the relationship between leader/manager and employee.

✓ Explore what flexible options are available to better cater for the needs of your workforce, particularly those with young families or requiring a more human approach. By demonstrating a willingness to flex to meet employee needs, the organisation may head off consideration of alternatives outside the organisation and achieve greater engagement and commitment.

✓ Provide the feedback and direction needed at an individual level – employees at all levels have a need to know what their future holds so that they can plan and work to achieve or fulfil their potential. The creation and implementation of individual career and development plans for all employees will signal that they have a future with the organisation and that consideration has been given to their ongoing development.

Summary

The latest findings from LMA's L.E.A.D. Survey remind leaders and managers of the importance of connecting and collaborating with their people to weather the storms of uncertain times:

- Times are tough for many – outlooks on growth are slipping, there are lots of organisations holding steady and some are even shrinking – **what can you do to help your people successfully weather the storm?**

- Organisational change is rampant with new approaches and models that were tested during the last GFC being rolled out in many more organisations this time around – reviewing staff, reviewing costs and budgets, not replacing those who depart and so on – **are you adopting the right approaches to dealing with uncertainty or are there other ways in which you can 'ride the bumps with a grin'?**

- Increased pressure is evident and the sources of pressure are evolving through greater expectations and demands – from customers/clients, board/investors, and in general performance expectations. This is impacting on the balance people can achieve between work and other aspects of life – middle managers in particular are feeling the squeeze – **what skills and techniques can you offer to help your people deal with their own pressure and the pressure their people are feeling?**

- There appears to be no great movement or improvement on the gender equality front – **have we actually reached the limits of what can be done to create equality of opportunity? What more can be done to address the inequality that clearly exists in the workplace presently?**

New information about how women are respected in the workplace suggests that women respecting other women may be a bigger issue that men respecting women in the workplace – **are women doing themselves a disservice by not supporting other women in the workplace as well as they could as they seek to rise through the organisation? What can you do to assist with this situation?**

- Job seeking is more prevalent at the top end of organisations – as the heat in the kitchen grows, many would seem to be looking for more comfortable or even secure conditions in which to work. Managers and employees on the other hand have bunkered down and are keeping their heads down as the turbulence rages above – **is this search by leaders for greener and happier pastures a cop-out or a cry for help?**

Together, the latest L.E.A.D. Survey results present some major challenges to our organisational leaders and managers – challenges that, if conquered, will set the organisation up for success in an uncertain or difficult environment – are you up for the challenge?

Ref: LMA LEAD Wave 1 of 2 2013 Summary AG