

# Getting the balance right for your organisation's future



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

June 2014

# Getting the **balance right** for your **organisation's future**

New information to help leaders and managers set-up their organisations for success through understanding, supporting and providing for their people.

Summary of key findings from the Leadership Management Australasia's (LMA) Leadership, Employment and Direction (L.E.A.D.) Survey (June 2014)

*"Today's leaders and managers need to deal with a vastly different economic and organisational landscape than their predecessors – work means different things to different generations and organisations that fail to set themselves up to cater for those differences will struggle to find and retain the talent that will enable them to make the most of the opportunities ahead."*

Grant Sexton, Executive Chairman, LMA

## OVERVIEW

New findings from LMA's latest Leadership, Employment and Direction (L.E.A.D) Survey reveal...

- A lack of reassurance by Business Leaders and Senior Managers about the future of their organisations and their employees' futures leading to greater uncertainty and anxiety in a difficult period for many organisations.
- Large numbers of unpaid hours being worked by Business Leaders/Senior Managers and Middle Managers/Supervisors creating work/life imbalance for around four in ten leaders and managers.
- Improvements in perceived job satisfaction for Non-managerial Employees but a decline for Middle Managers and Supervisors reflecting concerns with work/life balance.
- Big changes in the rankings of factors defining an employer of choice particularly in the eyes of Business Leaders and Senior Managers with family/life friendly workplace practices catapulting into the top 5 factors.

These issues are among 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 the way their organisations are currently operating and to set course for the future, bringing their people with them through effective communication.

# 1. REASSURANCE IN TOUGH TIMES – WHY IT'S SO IMPORTANT

Imagine turning up to work each day with fingers crossed that your organisation is still operating and that you still have a job. This situation faces around four in ten employees in workplaces in Australia and New Zealand.

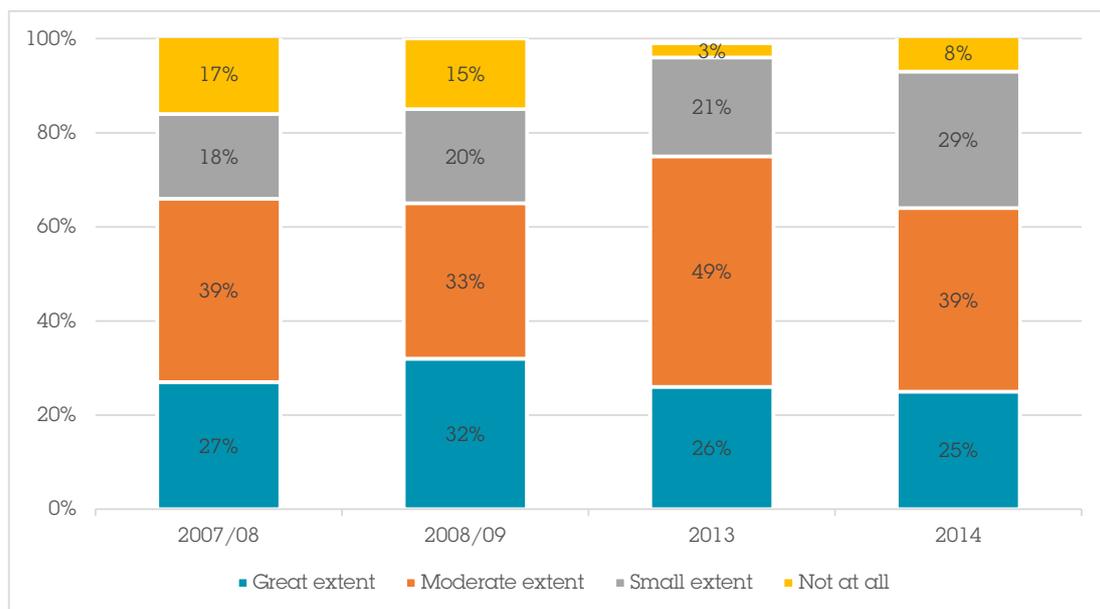
Astoundingly, **37% of employees have had little or no reassurance about the future of the organisation they work for** – in effect they live in hope that the organisation will continue to operate into the foreseeable future.

And a similarly disturbing proportion (36%) have had **little or no reassurance about their own personal future with their organisation** – they go about their work believing it to be what is expected of them but without clear confirmation about their future.

Over recent years, the limited progress made in leaders and senior managers communicating with their employees about the future of the organisation and the employees' future in the organisation has been eroded through uncertainty and apprehension – in the wider economy and in organisations generally.

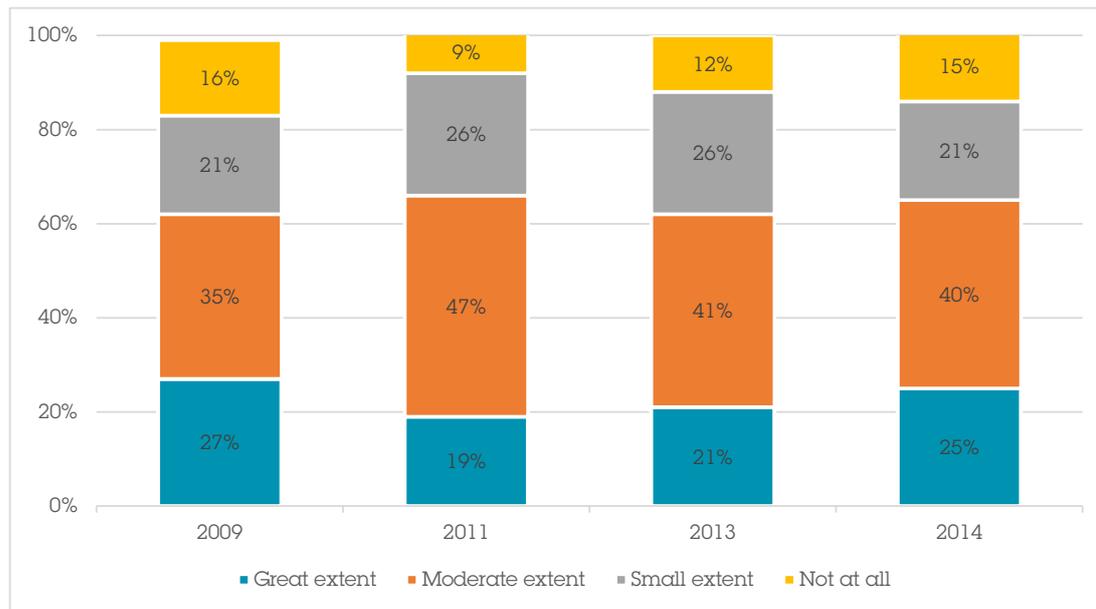
## Leaders / managers reassurance about the future of the organisation

Q. To what extent have your business leaders and senior managers communicated with you about the immediate future of the organisation?



## Leaders / managers reassurance about your future in the organisation

Q. To what extent has your employer reassured you about your future with your organisation?



Clearly there is a great deal of room for improvement in providing employees with information which will in turn provide greater confidence and contribute to organisational growth and stability.

Employers need to recognise the hard work of employees which, in many cases, is much greater than normal simply to ensure the employee stays off the radar and retains their job against a backdrop of economic difficulty, redundancies and closures.

## WHAT SHOULD LEADERS AND MANAGERS DO TO CREATE CERTAINTY IN SUCH UNCERTAIN TIMES?

### Reassurance

Provide as much reassurance as possible about the organisation's future and the individual's future. If delivering reassurance is difficult due to extreme uncertainty, at least look to provide something for employees to look forward to in terms of information and communication as the picture becomes clearer. Employees will value the honesty that comes with knowing as much as they can about their future – they are after all people first, employees second.

### Regular updates

Provide regular updates and information and offer alternatives that enable the workforce to decide their future. Consider new models of work, new approaches to familiar issues and invite thoughts and inputs from all to build a future that helps everyone survive and thrive.

### Support

Most importantly, provide the support and encouragement employees are seeking from management to enable them to commit to the organisation and engage with their work in order to help the organisation address tough times.

## 2. HARD WORK AND NO PLAY MAKES JACK AND JILL UNHAPPY

Across the workforce in Australia and New Zealand we're working hard, perhaps harder than ever before, to keep our organisations going in difficult times. But a huge chunk of that work is going unrecognised and unrewarded.

The traditional 38-hour week appears to be a distant memory with employees at all levels working substantial hours each week for no recompense.

Overall:

- Leaders and senior managers are working **51.6 hours** and being paid for **38.9 hours**
- Middle managers and supervisors are working **47.1 hours** and being paid for **38.8 hours**
- Non-managerial employees are working **44.4 hours** and being paid for **38.4 hours**

In difficult times, we consistently see employees at all levels feeling added pressure to keep their jobs in the face of growing

expectations and harsh economic realities. We've recently seen a number of major employers announce impending closures, large-scale downsizing, redundancies, stand-downs and lay-offs. We've heard about middle managers and supervisors in a number of industry sectors going 'back on the tools' as a means of keeping their job and keeping their organisations ticking over, in light of falling demand.

In organisations of all shapes and sizes there is pressure to maintain margins and profitability in the digital age and with growing import price pressures.

On the services front, the twin peaks of customer expectation and cost containment in service delivery present a profound challenge to leaders and managers looking to retain clients and develop lasting relationships with them. Expectations from customers/clients, from boards, investors and owners and from the higher levels in organisations (leaders and senior managers) are also growing over time and creating pressure in the minds of employees at all levels.

So the natural response is to put your 'head down and bottom up' and work hard to stay out of the firing line. For many this means working extra hours to ensure the work is done and there are no 'exception reports' or 'significant deviations' from expectation to raise the red flag and the spectre of job loss. Yet this has a demonstrable impact on work/life balance.



### SO WHY ARE EMPLOYEES AT ALL LEVELS GIVING UP SO MUCH OF THEIR OWN TIME?

Of the L.E.A.D. Survey respondents who feel they do not have work/life balance:

**84%**

**Non- managerial  
employees**

**89%**

**Middle Managers**

**93%**

**Business Leaders**

**believe they would achieve the right work/life  
balance if they worked fewer hours**

Clearly there are many people at all levels who are making big personal sacrifices for their organisation, including those leading organisations. The end result of working excessive hours and tipping the work/life balance too far in the work direction is employee burnout which leads to resentment, disengagement and ultimately departure.

More than 20 million sick days each year are taken by Australian workers suffering from stress-related illnesses, costing the Australian economy \$14.8 billion annually, according to research from Medicare 24/7 Health Advice Line (MHAL).

Additionally, presenteeism is costing more than \$25 billion annually. Presenteeism is the loss of productivity that occurs when an employee affected by stress or illness does not function to their full ability while on the job. On average, presenteeism causes six working days' worth of productivity to be lost every year per employee, according to MHAL research. The downside of this 'more work for no more pay' scenario is a significant dent to the work/life balance equation and possibly even growing resentment towards the employer.

Interestingly, when asked to identify which three areas (from a list of 15 activities plus other) would have the **biggest impact on productivity in the coming decade**, the most mentioned actions all related to equipping our people to enable them to work smarter not harder.

Leaders
1. Improved leadership skills
2. Greater focus on customer/client needs
3. Greater investment in technology to support operations
Managers
1. Greater investment in technology to support operations
2. Improved leadership skills
3. Better training and development for middle and frontline managers
Employees
1. (=) Greater investment in technology to support operations
1. (=) Greater focus on customer/client needs
3. Recruiting better quality personnel

### Top three biggest impacts on your organisation's productivity in the decade ahead

*Q. Which THREE of the following do you believe will have the biggest impact on your organisation's productivity over the coming decade?*

## WHAT SHOULD LEADERS AND MANAGERS DO?

So, what should our organisational leaders and managers be doing to address what, on the face of it, seems to be an unsustainable working paradigm for themselves and those they lead and manage?

### Recognise the warning signs

Recognise the situation for what it represents – a warning sign and a wake-up call that something needs to change in order for people at all levels to feel the balance is right between work and other aspects of their lives.

### Talk, listen and understand

Take a genuine interest in the work/life balance of yourself and your people – talk, listen, understand and identify avenues to arrest the 'overworking' syndrome that dominates currently.

### Upskill and train

Equip yourself and your employees – give them the tools, the skills and the focus to manage their ever increasing workload to greater effect, so that they can achieve more in less time.

### Assess the workload

Review the nature and extent of work being performed and be willing to act – assess whether too much is being asked of too few, including you.

### LEAN the organisation

Be prepared to streamline, to LEAN the organisation from a processes and systems viewpoint, to reduce the workload and enhance the value created across the organisation.

### 3. JOB SATISFACTION – GETTING THE BALANCE RIGHT TO KEEP PEOPLE ‘ON SONG’

A mixed bag of results on the job satisfaction front tells an interesting story of what’s really going on in the workplace currently. At an overall level:

**62%**

**Non- managerial employees**  
(53% in 2012)

**49%**

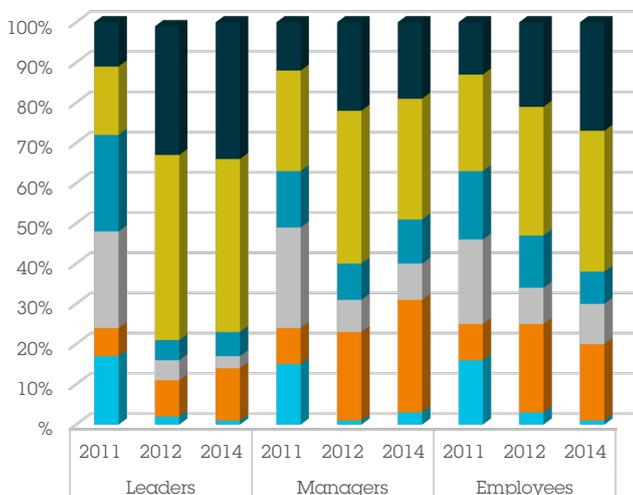
**Middle Managers**  
(60% in 2012)

**77%**

**Business Leaders**  
(78% in 2012)

**ARE SATISFIED WITH THEIR CURRENT JOB.**

These proportions **love their job or gain a great deal of personal satisfaction from their work**. With Leaders steady, Managers down and Employees up in satisfaction terms, it would seem the managers are the meat in the sandwich yet again. Interestingly, employees are deriving increasingly greater satisfaction, a sign that those who have a job are keen to enjoy it – and keep it.



- I love my current job and would not want to do any other job
- I gain a great deal of satisfaction from my work
- My job is ok but I would prefer something else if it was offered to me
- To me, work is just work. I look to other things in my life for fulfilment
- I wouldn't work if I didn't have to
- I hate my job but I have to earn a living

Job satisfaction has a lot to do with the workplace environment and conditions experienced by the individual – the resources, the roles and responsibilities, the management and leadership and the people they work with.

Getting the mix right is therefore critical and core responsibility lies with the leaders of the organisation.

**Creating the right environment for performance** is a fundamental feature of modern management and an aspect sadly lacking in many organisations.

*Q. Here are some attitude statements about work. For each statement, please click one answer to indicate how strongly you agree or disagree with the statement.*



“Regular one-on-one discussions with each team member about **their aspirations and goals, the work they do, what they enjoy and where they'd like to take their career** may be the difference between keeping them or fare-welling them as they go in search of an organisation that can satisfy their needs. Holding them and developing them will **save tens of thousands of dollars** and **enhance the organisation's productivity and sustainability.**”

**Grant Sexton, Executive Chairman, LMA**

Through the history of the L.E.A.D. Survey, around four in five people in organisations have indicated that they would like to develop and advance their career with their current organisation. Yet consistently only around two-thirds believe this is possible – suggesting their organisation does not value or support their on-going development in the interests of retaining them.

Reflecting the earlier results relating to reassurance, leaders and managers need to be creating the vision and the environment that attracts and retains people, especially in light of the cost of staff turnover and the dislocation it brings to the organisation. Latest results on the **offers Leaders and Managers are prepared to make to keep and attract people** highlight the importance of nurturing the talent once you have it.

Top offers to KEEP employees with current organisation	Leaders	Managers
Opportunities for training and development	61	54
Flexible work hours	56	54
Opportunities for career advancement	51	55
Salary increases	32	42

Top offers to ATTRACT employees to your organisation	Leaders	Managers
Opportunities for training and development	64	64
Opportunities for career advancement	58	60
Flexible work hours	55	52

## WHAT SHOULD LEADERS AND MANAGERS DO?

### Understand your team

Take the time to appreciate and understand each individual in the team – the more you can know about them, the more you can work to create the environment that attracts and retains the right people for the organisation – and the more likely they are to perform.

### Consider flexible working arrangements

Look for avenues to improve job satisfaction through flexible workplace practices. Demonstrate a willingness to adjust the work environment to suit individual needs and explore ways to celebrate the achievements of the team as they perform under these conditions.

### Develop and grow your staff

Identify the pathways and stepping stones that will enable individuals to develop, grow and progress with the organisation rather than needing to leave and join another organisation in order to develop. Tuning in to their aspirations and exploring ways to keep them progressing will significantly reduce the cost of turnover and the disruption it causes.

## 4. EMPLOYER OF CHOICE – NEW CHALLENGES, NEW DIMENSIONS

New data suggests that the concept of Employer of Choice (EoC) is taking on new dimensions in the minds of many as employment markets tighten and economic concerns remain front of mind for most organisations and their leaders.

‘Employer of choice’ is a term often used to describe organisations that are the preferred or most desired to work for in an industry or sector. Through the L.E.A.D. Survey, Leadership Management Australia has looked at the concept on several occasions over the past five years to identify what organisations can and should do to present as an Employer of Choice in their industry or sector in order to attract and retain talent.

Latest results suggest that **Business Leaders and Senior Managers** have an expanding list of expectations when it comes to seeking an EoC. **Family/life friendly workplace practices** has rocketed

Employer of Choice Factors (LEADER VIEW)	2010 Rank	2012/13 Rank	2014 Rank
Invests in the learning and development of its people	=2	1	=1
Recognises and rewards staff well	=2	2	=1
Management is passionate and engaging to work with	4	3	3
Operates ethically and fairly at all times	1	=6	4
Has an excellent reputation in its industry	5	4	=5
Has family/life friendly workplace practices	6	10	=5
Actively seeks input and feedback from staff	12	9	=5

into the top five factors along with the organisation **actively seeking input and feedback** from its staff, presumably including its leaders and senior managers.

Employer of Choice Factors (MANAGER VIEW)	2010 Rank	2012/13 Rank	2014 Rank
Recognises and rewards staff well	1	2	1
Invests in the learning and development of its people	2	1	2
Management is passionate and engaging to work with	6	=3	3
Pays above average salaries and bonuses for excellent performance	8	=3	4
Has family/life friendly workplace practices	4	=7	5

**Middle Managers and Supervisors** are also placing increasing focus and attention on family/life friendly workplace practices suggesting

that in tough economic times, it is the rest of a person’s life outside of work that suffers most in the drive to sustain or survive.

Employer of Choice Factors (EMPLOYEE VIEW)	2010 Rank	2012/13 Rank	2014 Rank
Recognises and rewards staff well	1	1	1
Invests in the learning and development of its people	=4	3	2
Pays above average salaries and bonuses for excellent performance	7	2	3
Is a place where you can have fun and enjoy working	6	4	4
Management is passionate and engaging to work with	9	5	5

**From a Non-Managerial/Supervisory Employee** perspective, little has changed in recent times with one key difference in their list of EoC

factors showing up – **is a place where you can have fun and enjoy working**. In difficult times, being able to enjoy work and have fun is a coping strategy and enables the team to ‘soldier on’ even if things look somewhat bleak. **Recognition and reward, investment in learning and development of people and having passionate and engaging management** also play a prominent role in employees seeking organisation for which they would happily work and apply their discretionary effort.

Interestingly, when asked whether they feel they have the right balance **between work and other aspects of their lives:**

**65%**

**Non- managerial  
employees**

**60%**

**Middle Managers**

**59%**

**Business Leaders**

**felt they had the right work/life balance**

The connection between EofC and perceptions of the right work/life balance is clear – even in a tough/ patchy/soft employment market, people will only continue to work for organisations that are able to provide for their needs.

Employers of Choice routinely and consistently deliver on their people's needs and in return they enjoy a stable, productive, engaged and empowered workforce that is focussed on achievement for the organisation as much as for themselves – great payoffs for focusing on becoming an Employer of Choice.

## *WHAT SHOULD LEADERS AND MANAGERS DO?*

### **Understand what makes an Employer of Choice**

Take the time to understand what the new shopping list looks like when it comes to employees hunting for an employer of choice. Identify what is possible for the organisation to provide and what it is prepared to do to attract and retain top talent.

### **Identify your company's strengths**

Pinpoint the extent to which the organisation can trade on its offer and performance in the most important employer of choice areas. Identify strengths and make these a focus in the presentation of the organisation to prospective employees.

### **Showcase your company's strengths**

Don't be afraid to showcase other employer of choice factors than just individual or personally-focused factors – in a tight contest for talent where all else may be equal, the more altruistic elements may just make the difference between getting and losing the talent.

## SUMMARY

The latest findings from LMA's L.E.A.D. Survey remind modern leaders and managers of:

- **The critical impact that sharing the outlook for the organisation and the individual's future** with employees at all levels of the organisation can and does have. When employees know what the future looks like for the organisation and themselves, engagement and productivity levels rise. If reassurance cannot be provided, at the most basic level, look to provide a solid commitment to communicate and inform employees about their future once more detail is known.
- **Getting the balance right between and other aspects of life** is essential to create an environment in which people want to perform and want to stay to develop themselves and their careers. When the balance is right, individuals perform, teams perform and the organisation performs to fulfil potential. Taking an interest in your people and their lives is the first step in providing a high performance environment. Helping them to get the balance right and feel good about the hours they work is an important follow-up step.
- **The growing importance of job satisfaction** as a means of attracting and retaining talented personnel. The findings indicate that employees want to work where they can develop, advance, have fun and enjoy their work AND work with managers and leaders who are passionate and engaging. Whilst overall levels of satisfaction are improving for employees, they are declining for middle managers/supervisors suggesting this group is not enjoying the pressure that comes from above and below. Work to skill and support middle managers as they tackle their challenges and be prepared to help them to enjoy their roles to enhance job satisfaction in this key group.
- **What defines an employer of choice** and the profound impact of the EoC 'shopping list' used by prospective employees to determine where they will work. A prominent 'look after #1" mentality creates a number of challenges for leaders and managers seeking to attract and retain talent at all levels. Despite growing unemployment and the appearance of a growing talent pool, the reality is that finding and retaining quality personnel remains one of the most demanding tasks for modern managers and leaders.

Creating a committed, focus and engaged workforce in uncertain or difficult conditions has become the battle-cry for today's leaders and managers. Getting the environment right, understanding the individual and providing the conditions under which they will work productively and consistently will enable organisation not just to survive but to flourish.

A genuine and honest approach to outlining the organisation's future and a sincere commitment to making that outline a reality will provide employees at all levels of organisations with a solid foundation on which they can make decisions about their own future and work passionately towards achieving it.

## 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, supervisors and business leaders and senior managers.

The survey has been conducted since 2000, originally as an annual survey, and provides a sound basis for identifying different perspectives from several key organisational audiences. It is now being conducted year round and entirely online 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 2,556:

**213**  
Business  
Leaders / Senior  
Managers

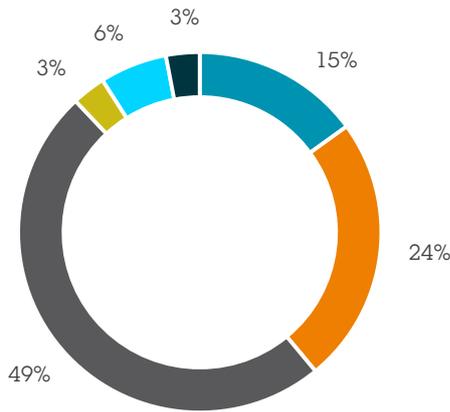
**475**  
Middle  
Managers /  
Supervisors

**1,868**  
Non-managerial  
Employees

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 4%.

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

### Organisation type



- Government/quasi
- Public Company
- Private Company
- Franchise
- Not for Profit
- Other

### Age

#### Leaders

6% 25% 45% 24%

Under 35 years old 35 - 44 years old 45 54 years old 55+ years old

#### Managers

19% 32% 34% 15%

Under 35 years old 35 - 44 years old 45 54 years old 55+ years old

#### Non-managerial Employees

32% 33% 26% 9%

Under 35 years old 35 - 44 years old 45 54 years old 55+ years old

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

### Location

65% 26% 9%

Metropolitan Australia Regional Australia New Zealand

### Gender

#### Leaders

69% 31%

#### Managers

72% 28%

#### Non-managerial Employees

65% 35%

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.

For further information, please call  
Australia 03 9822 1301  
New Zealand 0800 333 270

[info@lma.biz](mailto:info@lma.biz)

[www.lma.biz](http://www.lma.biz)

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

June 2014