

Managers' perceptions of their organisation: an application of correspondence analysis

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Abstract

The paper is based on a five year, UMIST-Institute of Management study into the changing nature of the Quality of Working Life and seeks to uncover differences in the incidence and impact of organizational change on the perceptions and experiences of managers. The research indicates that there are significant differences in the impact of organizational change on managers and that these vary by the respondent's position in the organizational hierarchy, by firm size and by sector (sector being here defined as public sector, private sector and "other"). The paper makes use of correspondence analysis as a means of graphically plotting responses as a means of identifying similarities and dissimilarities in perceptions and experiences of organizational change and its impact for sub-groups of managers.

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Managers' perceptions of their organisation: an application of correspondence analysis

1. Introduction

The research context

In the recent past there has been a massive growth in academic interest on organisational dynamics and their impact on the changing nature and experience of work. In the last decade, it is undeniable that there have been massive changes affecting both private and public sector organisations in the UK. These changes have been driven by economic factors - such as globalisation and an increasing emphasis on competitiveness - by political factors - such as market testing and compulsory competitive tendering and by managerialist factors and fads - such as delayering, outsourcing, out-placement, right-sizing, business process re-engineering and broad-banding. All these factors have had huge impacts on organisational structures, on career structures and on employees' experiences of working life. Our aim is to measure the impact of some of these change and to assess their consequences as basis for the design and development of more effective human resource management policy interventions.

In our previous research (Worrall and Cooper, 1997, 1998), we have drawn attention to some of these issues as they have the working lives of managers in a rather descriptive way based on a study of 1,361 UK managers drawn from the Institute of Management membership list. Our prior research has revealed, for example, a schism in managerial attitudes and experiences 'at the boardroom door' and that managers' experiences of organisational restructuring and change vary substantially by the size of business and by the type of organisation that managers work within (e.g. we have shown that PLCs, public sector companies, family run businesses exhibit different trends).

Our objective here, is to undertake a rather more analytical treatment of the subject by seeking to identify significant differences in the recent experience of managerial work and organisational change by respondents' level in the managerial hierarchy, by the size of organisation and by the type of organisation that respondents work within. The prime intention here is to derive a better understanding of the consequences of organisational structural change on UK managers' experiences of work and their attitudes to employment.

One of our intentions is to develop a means of augmenting the array of statistics used to report on how businesses and the economy are performing. In our view, the indicators used to measure business and economic performance - such as profits, price-earnings ratios, simple headcounts, producer prices, export growth - together with the massive array of performance indicators enshrined within initiatives like the Citizen's Charter in public sector organisations - are socially incomplete and treat organisations as uniform entities - we shall demonstrate later that they are not. These, usually finance-driven, indicators fail to take into consideration the human dimension and fail to expose the dynamic nature of the relationships between economic measures such as profitability and issues such as employee stress and physical and psychological well being (Lees, 1997). It is a commonplace for the share prices of companies to rise rapidly as large scale redundancies and delayerings are announced and many executives display macho pride in their ability to 'make assets sweat'. It is no great surprise that many people have opted to 'downshift' by exchanging high paid, high status jobs for lower paid jobs that allow them to exert more control over their own lives and to rebalance home and work-based commitments. In the conduct of our five year research programme we will explore these issues in depth.

We have designed our research to provide a picture of the human dimension of business life in order to provide a more socially complete view of the changes in organisational structures and working patterns that affect corporate and managerial Britain. The essence of our research is to explore how well human resources are being managed within organisations in the UK economy by searching for differences in the perceptions of key factors determining the quality of managers' working life. In particular we wish to develop a body of data that will allow us to comment, with justification, about whether the human resource base of UK business is being wasted, whether it is being worn out, how well it is being motivated and how well it is being managed as an asset through active and well informed investment.

The research design

The Institute of Management's membership database was used as a sampling frame for the exercise. A questionnaire was designed based on collective prior research (Worrall and Cooper, 1995; Liff, Worrall and Cooper, 1997; Cooper and Lewis, 1994; Charlesworth, 1996; Institute of Management, 1996a,b,c) and sent to 5,000 members of the Institute with the objective of giving a reasonable regional coverage across the UK. The exercise generated 1,361 valid responses representing a response rate of 27 per cent. The fieldwork for the study was conducted in April 1997.

In summary, the panel of respondents was 82 per cent male and 17 per cent female; 70 per cent were aged between 35 and 54; 85 per cent were in full-time employment; 51 per cent earned under £31,000; and 59 per cent classed themselves as being in middle or senior management positions. *It must be borne in mind that the responses of which our research is based reflect the views of the membership of the Institute of Management rather than those of a sample of managers drawn randomly from UK businesses.* Our panel of respondents over-represents managers at more senior levels, and, as we shall see later on, there are massive differences in attitudes, behaviours and experiences by the respondent's level in the organisational hierarchy.

Table 1: The structure of the sample

Management level	Number	Per cent
Chair	22	1.6
CE/MD	130	9.5
Director	168	12.3
Senior management	419	30.8
Middle management	383	28.1
Junior management	149	10.9
Other	55	4.0

Throughout the our initial report (Worrall and Cooper, 1997), three dimensions emerged on which there were major variations in responses. These were:

- the respondent's position in the management hierarchy;
- the size of business the respondent was working within (subsequently categorised here as 'small' (employing under 50); 'medium' (employing 51 to 500); large (employing 501 to 5000); and 'very large' (employing over 5000); and,
- the type of business the respondent was working within (for example, a family run business, the public sector or a PLC).

The analysis in this paper will explore these differences in some detail. Our objectives is to identify which variables derived from three clusters of questions show greatest variation by the three classifying variables listed above. The three clusters of questions are: the impact of restructuring on business performance and employees; respondents' satisfaction with aspects of their current job; and, respondents' views of their organisation as a place to work.

2. The extent of organisational change and its impact on employees

The extent of organisational change

Our main aims are first, to assess the extent of recent organisational change in UK businesses and to assess its implications on managers' experiences of work and, second, to search for patterns in attitudes to working life for sub-groups of our population of managers. Consequently, respondents were asked to state whether their organisation had carried out any restructuring in the last year and, then, what form this restructuring had taken. In 61% of cases, respondents reported that some form of restructuring had taken place. Subsequent analysis revealed that the incidence of restructuring varied considerably by both firm size and organisational type (see Tables 2 and 3). Restructuring was substantially more prevalent in PLCs and public sector organisations and firms employing over 500 people.

Table 2: The incidence of restructuring by organisational type

N=1361	Charity /NFP	Family owned	Partnership	Private Ltd Co	PLC	Public sector	All
% Change	44	38	38	58	71	73	61

Table 3: The incidence of restructuring by firm size (number of employees)

N=1361	<50	51-100	101-500	501-1000	1001-5000	5000+	All
% Change	37	55	62	73	74	75	61

An analysis of the nature of restructuring (among the 800 respondents located in firms where restructuring had taken place) showed that the main driver of change was the desire to reduce costs. In this multi-code question, 61% identified cost reduction as the main change driver. 52% of change management exercises resulting in redundancies and 38% resulting in delayering.

The impact of organisational change

A section of the questionnaire sought to examine the impact of organisational change on the 800 respondents who had been affected by change.

Table 4: The effects of organisational change on business performance

Aspect of performance	Agree %	No change %	Disagree %
Accountability has increased	63	27	10
decision making is faster	27	41	32
flexibility has increased	43	31	25
right mix of skills and experience is now lacking	45	24	31
Productivity has increased	43	34	23
Profitability has increased	44	36	20

The table above shows that evidence of winning of positive benefits from the significant amount of restructuring that has taken place in the last year was far from conclusive. There was a degree of consensus that accountability has increased but there was doubt about whether decision making had become faster and there was a clear concern that the right skills and experience were now lacking. While over 40 per cent of respondents thought that productivity and profitability had increased, over 56 per cent of respondents in each case were either not convinced or in disagreement. From the evidence above, the main outcome from the large amount of restructuring that has taken place would seem to be mainly a sense of sharpened accountability.

Respondents were asked for their views about the impact of restructuring on a number of more qualitative aspects of organisational life. Here, their opinions were more clear cut (see Table 5).

Table 5: The effects of recent organisational change on employees

Effect of restructuring on.....	Increased %	No change %	Decreased %
Loyalty	9	42	49
Morale	17	18	65
Motivation	25	25	50
Perceptions of job security	11	24	65

The obvious conclusion from this table is that the restructuring that has taken place in UK businesses over the last 12 months has had a substantial negative effect on employee loyalty, morale, motivation and perceptions of job security. The most significant impact has been on decreased employee morale and sense of job security though the impact on loyalty and motivation has also been substantial. It should be remembered that these responses are based on the total panel of respondents. As we shall see later, there were very significant differences in the pattern of responses for differing managerial sub-groupings.

These findings are particularly significant as respondents are clearly saying two things: first, that the 'business benefits' of restructuring e.g. improved profitability, speed of decision making etc. are not completely evident to them; and, second, that these process of restructuring has had a negative impact on employees' sense of loyalty, on morale, on motivation and (particularly) on sense of job security.

Our purpose in including this descriptive section has been to provide a context for subsequent analysis by showing the global extent of organisational restructuring and turbulence we have uncovered. In the sections that follow, we propose to search for patterns in how these changes and other perceptions about the quality of working life vary by the respondent's level in the organisational hierarchy, by size of organisation and by the type of organisation in which respondents were located.

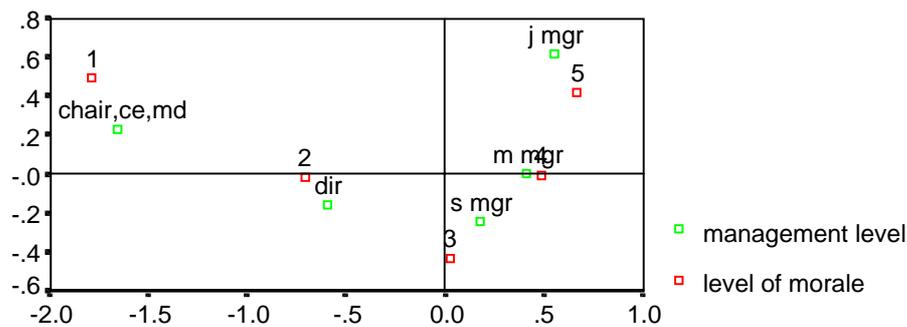
3. An application of correspondence analysis

The majority of data collection by our questionnaire was categorical in nature and the prime means of analysing this type of data is often through the medium of two-way or multi-dimensional contingency tables. The most commonly applied statistical techniques in the analysis of contingency tables (for example the chi square test of independence or loglinear modelling) often fail to exploit the analytical and graphical potential of the data. Consequently, we have used more sophisticated techniques (particularly correspondence analysis) to search for patterns in our data.

Correspondence analysis (Andersen, 1997; Weller and Romney, 1990, Greenacre, 1984) is a particularly useful technique in assisting the analyst to interpret data in that it allows us to analyse and display graphically not only the relationships and similarities between categories in the rows *or* columns of contingency tables but it also allows us to identify and display relationships and similarities between the rows *and* columns of a contingency table simultaneously (Remenyi and Money, 1994). This ability to examine rows and column simultaneously significantly increases our ability to interpret the results of the analysis through the medium of a graphical, perceptual map which shows how subjects co-locate with attributes in Euclidean space.

Our objective here was to use correspondence analysis (which is essentially a form of data reduction akin to factor analysis) to explore relationships between respondents' views about the impact of restructuring and on a range of attitudinal variables with their level in the organisation, the size of organisation and the type of organisation they were working within. Correspondence analysis is particularly useful in that it allows us to analyse "how near" subject groups and categories of a variable are to each other. In the questionnaire, simple numerical scales were used to signify on a scale of 1 to 5 how much respondents agreed or disagreed with certain statements. In Figure 1 below, it can be seen how the 1 to 5 attitudinal levels about the statement "Morale is good overall in my organisation" and five managerial levels load onto the two synthetic dimensions shown in the table. The graph also reveals and that the computed distance between the category labelled 1 (strongly agree) is substantially further from category 2 than category 4 is from category 5 (strongly disagree that morale is good overall in my organisation) despite the fact that a simple ordinal scale was used. The table also reveals that middle managers are located closer to senior managers than to junior managers with the group of chairmen, chief executives and managing directors essentially being an outlier at some substantial distance from senior managers and below. Figure 1 shows a very strong "correspondence" or co-location effect between each of the five levels of the morale variable and each of the five managerial levels.

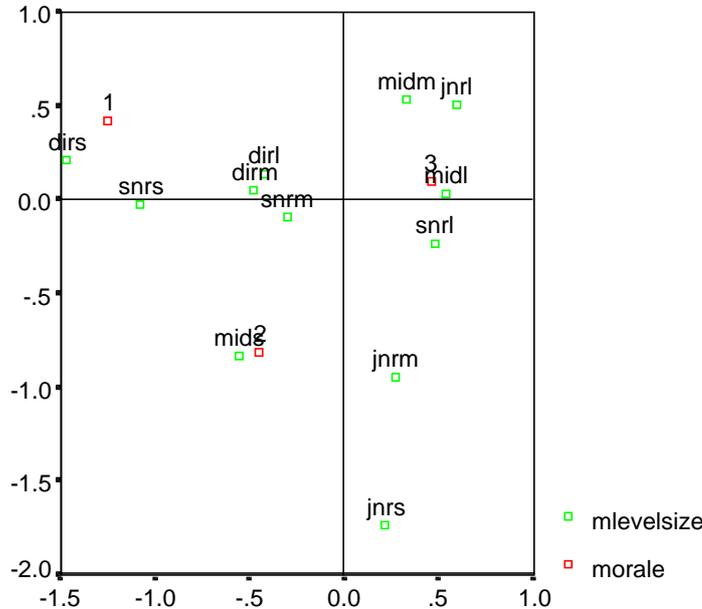
Figure 1: Correspondence plot of the perceived level of morale in organisations and managerial level



The main output of the correspondence analysis procedure is a graph which plots the relative positions of the row and column elements of the contingency table. For example, Figure 2 contains a joint plot of the level-size groups (see below for how this variable was computed) and the response classes derived from a contingency table which analyses the twelve categories in the level-size variable against the response categories for the variable which describes the respondents' views about the impact of restructuring on morale (increased, unchanged, decreased). Those level-size groups and response classes for the morale variable which have similar profiles are plotted close together. The joint plotting of the row and column dimensions of the contingency table allows us to identify if particular level-size categories tend to cluster around particular responses to the morale variable.

Figure 2 shows that the categories from the morale variable exhibits the normal "horseshoe" shaped profile (Weller and Romey, 1990) and that four level-size groups (middle managers and medium sized companies and junior, middle and senior managers in large companies) cluster closely around level 3 on the morale indicator (morale decreased by restructuring). Directors and senior managers in small companies are, however, more likely to cluster around level 1 on the morale indicator (morale increased by restructuring).

Figure 2: Correspondence analysis output: level-size and morale



The ability of correspondence analysis to identify similarities between the rows and columns of a contingency table is particularly useful as it allows us to collapse the number of rows and columns of the contingency table to more manageable proportions while minimising the loss of information. In our questionnaire, the variable "management level" comprised six categories ranging from chairman to junior manager; our measure of firm size comprised seven categories ranging from 1-20 to over 5,000 employees; and our organisational type variable comprised six categories (charity/not for profit, family owned business, partnership, private limited company, public limited company and public sector). As a result of our analysis, these three variables were reclassified with the newly computed variables being described in the table below.

Table 6: Composite variable definitions

Managerial level	Firm size	Organisational type
1. Chair, CE/MD and directors	1. <=100	1. Charity, family owned business, partnership, private limited company
2. Senior management	2. 101-1000	2. PLC
3. Middle management	3. >=1001	3. Public sector
4. Junior management		

In order to restrict ourselves to analysis in two dimensions, it was decided to concatenate the three variables into two new composite variables. The these variables were labelled "level-size" which comprised twelve sub-classes (i.e. it distinguished between each managerial level in small, medium and large firms) and "level-type" which again comprised twelve sub-classes (i.e. four levels of management in three types of organisation). In order to maintain direct comparability between the two analysis paths (i.e. analysis by level-size and level-type) any cases with missing values or incomplete data on any of the three variables in Table 6 was deleted. The analysis which is reported in the rest of the paper was conducted on 738 cases

with complete data where restructuring had taken place in the last year and on 1,181 cases with complete data for the remainder of the analysis presented in the following sections.

4. The impact of restructuring on managers' attitudes

The analysis above has revealed that, in aggregate, there was a view that the restructuring that had taken place over the year prior to the survey had not been perceived to have achieved its business objectives by our panel of managers. While accountability had been thought to have been brought into sharper focus, there was a feeling that organisations were now lacking the right mix of skills and that restructuring had had a substantially negative impact on loyalty, morale, motivation and perceived job security. In the table below chi square scores are shown having tested the independence hypothesis between our array of ten indicators which sought to identify perceptions about the business and employee impacts of restructuring and the two composite variables described above.

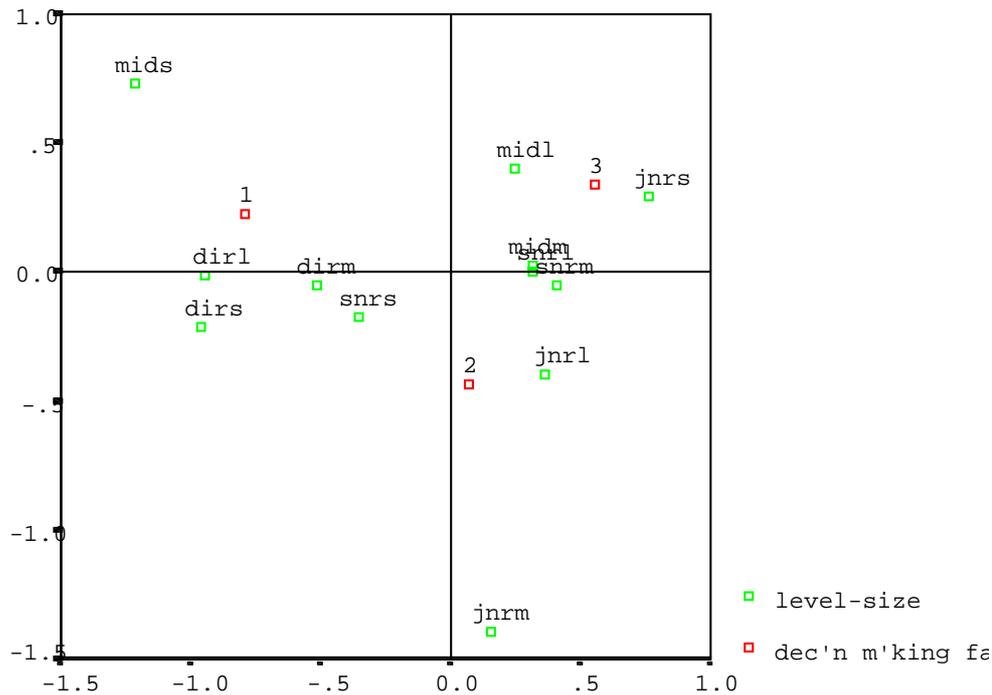
Table 7: The perceived business and employee impact of restructuring by management level, firm size and organisational type

Variable	Level-type	Level-size
2. Decision making is faster	61.4 (0.004)	68.5 (0.000)
4. Right mix of skills and experience is now lacking	57.5 (0.000)	57.0 (0.000)
5. Productivity has increased	54.4 (0.000)	62.0 (0.000)
3. Flexibility has increased	39.2 (0.013)	57.6 (0.000)
6. Profitability has increased	36.8 (0.025)	74.7 (0.000)
1. Accountability has increased	28.6 (0.156)	43.6 (0.004)
9. Motivation	141.7 (0.000)	133.3 (0.000)
8. Morale	133.5 (0.000)	160.6 (0.000)
7. Loyalty	127.7 (0.000)	140.4 (0.000)
10. Perceptions of job security	88.1 (0.000)	97.1 (0.000)

Note: Variables 1-10 in the table above all have 22 degrees of freedom as the "don't know" responses to variables 1-6 were excluded. All responses are significant at the 0.01 level.

The table above reveals that the "business performance" variables (the variables numbered 1-6 in the table above) are less independent of the level-size and level-type variables than the employee effect variables. Of the business performance-related variables, "decision making is faster" analysed in conjunction with the level-size composite variable shows the greatest degree of independence as measured by the chi square statistic. A correspondence plot of the decision making is faster variable against level-size is shown below:

Figure 3: Correspondence plot of decision making is faster against level-size

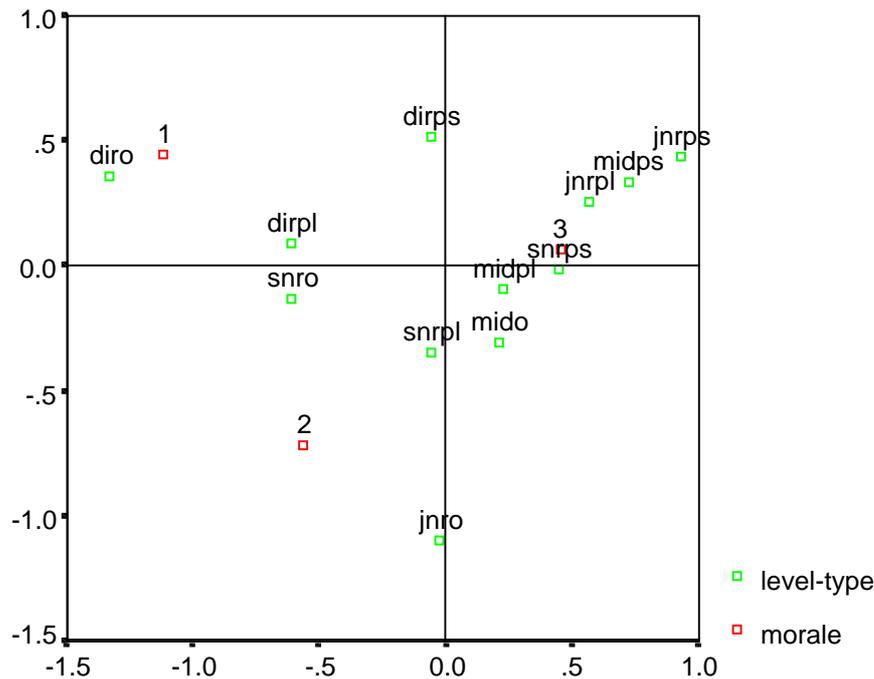


The table reveals that eleven of the twelve level-size groups tend to polarise into two clusters. The three directors and above groups (dirl, dirm, dirs) together with middle and senior managers in small companies (mids, snrs) tend to cluster around "agree that decision making is faster" (category 1) while six level-size groups (snrl, midl, snrm, midm, jnrl, jnrs) appear to be located between categories 2 (no change) and 3 (disagree). Junior managers in small organisations and middle managers in large organisations are located closest to the disagree level. The correspondence analysis has identified a strong polarisation of views on this variable indicating that directors and above across the spectrum of firm sizes have a significantly different view of the impact of restructuring on the speed of decision making than the majority of other level-size classes.

The employee impact measures (variables 7-10 in Table 7) generally show a stronger relationship with the level-size and level-type variables than the business performance measures. It should be noted that of the four employee impact variables, the perception of job security variable has a lower chi square score than the other three employee impact variables indicating that concern over perceived changes in job security is more invariant with level-size and level-type than the other variables. The morale with level-size cell in Table 7 has the highest chi-square score (160.6) indicating a strong inter-relationship between these two variables.

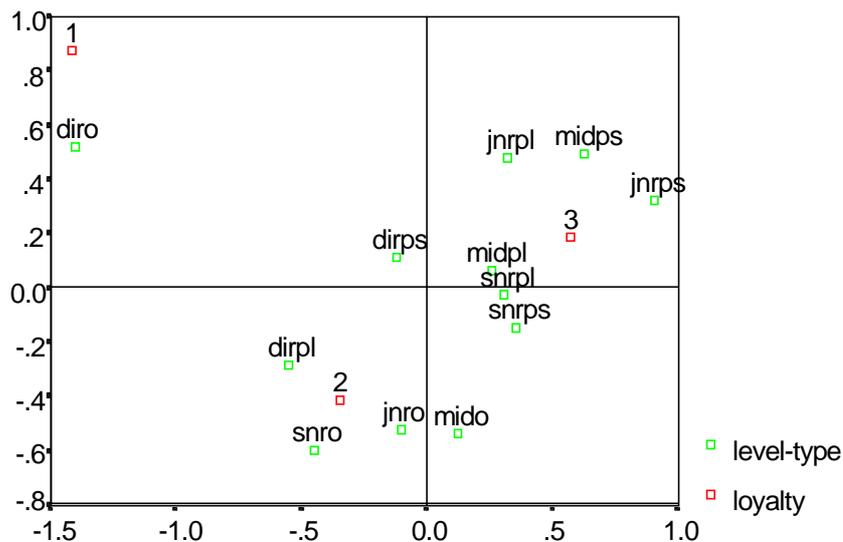
A correspondence analysis plot for morale with level size was shown as Figure 2 in which it was apparent that senior, middle and junior managers in large companies tended to be clustered around the "morale had decreased" response. Figure 4 below contains a correspondence plot for morale change against the level-type composite. What is particularly noticeable here is that seven of the level-type categories (snrpl, mido, midpl, snrps, jnrpl, midps and jnrps) fall along an almost straight line running from the "no change" category (2) through to the morale has decreased category (3). From this finding it would appear that respondents in public sector organisations and PLCs are most likely to consider the impact of restructuring on morale negatively than employees in other organisations.

Figure 4: Correspondence plot of morale against level-type



An examination of Table 7 also reveals that there was a relatively strong association between loyalty and the level-type composite variable. The resultant correspondence plot (Figure 5) reveals that there is a cluster of level-type categories around the restructuring had the effect of decreasing loyalty category (3). The cluster comprises groups below director and above level which are exclusively drawn from the public sector (snrps, midps, jnrps) and from PLCs (snrpl, midpl, jnrpl). From this, we are able to conclude that the impact of restructuring on reducing loyalty has had a substantially higher impact in public sector organisations and in PLCs indicating the impact of differing forms of governance on managers' experiences of restructuring.

Figure 5: Correspondence plot of loyalty and level-type



Summary: the impact of restructuring

The analysis has revealed a number of enlightening findings. First, while there is a generally significant association between the array of business performance measures and the two composite measures (level-size and level-type), there are much stronger associations between the two composite variables and the four measures which assess the impact of restructuring on employees' sense of loyalty, morale, motivation and (to a lower extent) job security (which is a more generally pervasive concern). The correspondence plots of these associations show clearly how different level-type and level-size groups tend to cluster around different categorical responses. For example, directors and above in large, medium and small organisations tend to think that restructuring has made decision making faster while junior, middle and senior managers in large organisations (amongst others) tend to be less convinced about the impact of restructuring on the speed of decision making. While directors and above in all sizes of organisation tend to think that restructuring has increased morale, senior, middle and junior managers in large organisations can be seen to cluster around the "restructuring decreased morale" category. The analysis also reveals that senior, middle and junior managers in the public sector and PLCs were far more likely to consider their morale and loyalty to have been decreased by restructuring than other sub-groups.

5. Managers' satisfaction with aspects of their present job

A key concern in the survey was to assess managers' satisfaction with aspects of their present job. As the Institute of Management survey (Worrall and Cooper, 1997) is to be repeated annually, our objective was to develop a baseline from which change and the continuing impact of restructuring can be monitored. Here, our objective is to identify which of the initial variables contained in our survey tend to show most variation across the composite variables we have developed and then to search for patterns and variations in levels of job aspect satisfaction by managerial group, firm size and organisational type.

Table 8 gives the chi square scores from a testing of the independence hypothesis between each of the satisfaction with aspects of current job variables and the level-size and level-type composite variables used throughout our study. It is clear from Table 8 that satisfaction with career opportunities, recognition for performance and reward/remuneration emerge as having the strongest associations particularly with the level-type composite.

Table 8: Satisfaction levels with aspects of current job and association with the level-type and level-size composite variables

Aspects of current job	Level-type	Level-size
Career opportunities	172.3	165.9
Recognition for performance	141.5	123.7
Reward/remuneration	129.0	102.5
Upward communications	116.8	101.4
Job security	115.0	94.1
Downward communications	104.8	102.5

Note: all chi squares are significant at the 0.001 level.

In order to assess which managerial groups tend to be associated with different levels of the career opportunities, recognition for performance and reward/remuneration variables, a set of correspondence plots was produced (see Figures 6, 7 and 8). A common element of all three figures is the extent to which the directors and above managerial level for all three sizes of organisation tend to cluster around the "very satisfied" category (1). In each of the three cases, it is also noticeable that directors and above in small and medium sized organisations tend to locate closer to the very satisfied category than do directors and above in large organisations. It is also noticeable in each of Figures 6, 7 and 8 that middle and junior managers in small and medium sized firms tend to cluster close to the dissatisfied and very dissatisfied categories. For example, junior and middle managers in small and medium sized organisations cluster around very dissatisfied on the career opportunities variable and are located between dissatisfied and very dissatisfied on the remuneration and reward variable. Junior and middle managers in medium sized organisations also tend to be very dissatisfied on the recognition for performance variable.

The correspondence plot for satisfaction with career opportunities shows a very clear gradation between satisfaction and level in the organisation as the categories on the level-size variable tend to follow closely the line joining the five satisfaction level point plots. It is noticeable that senior, middle and junior managers in large organisations tend to be located much nearer to each other on both the career opportunities and recognition for performance variables than their counterparts in small and medium sized organisations indicating that their views tend to be more homogeneous than the views of managers in small and medium sized companies. Satisfaction with recognition for performance and career opportunities seems to be more of a problem among middle and junior managers in medium sized organisations than elsewhere.

Figure 6: Correspondence plot of level-size with satisfaction with career opportunities

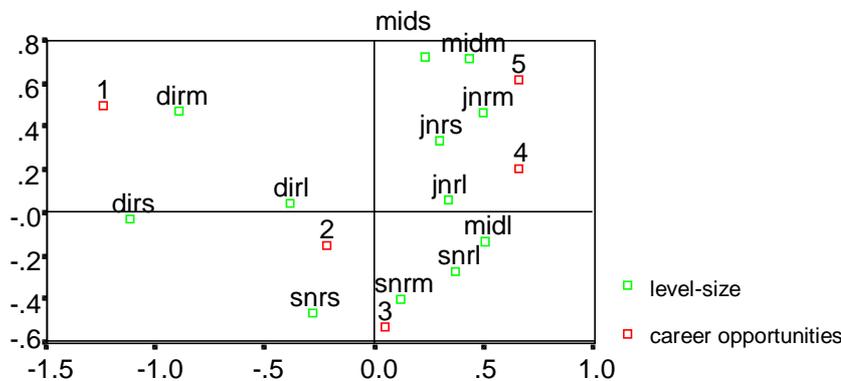


Figure 7: Correspondence plot of level-size with satisfaction with recognition for performance

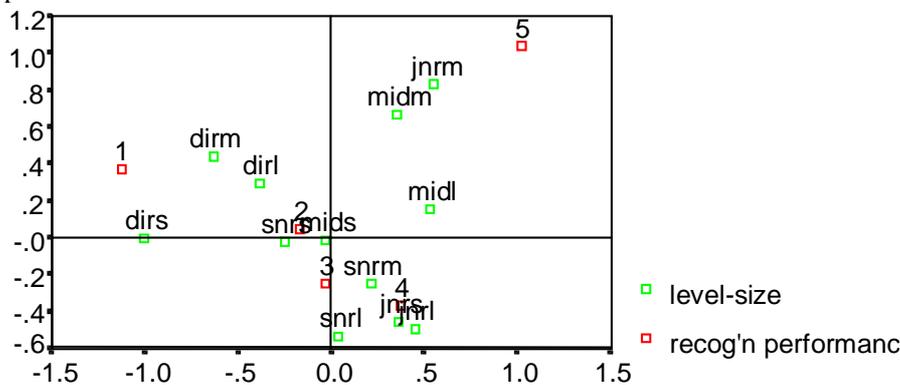
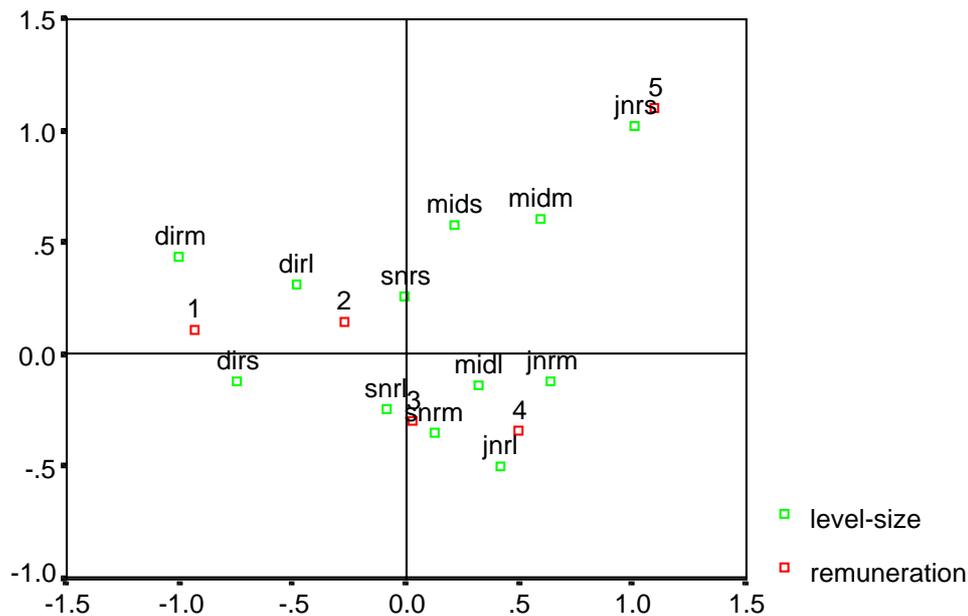


Figure 8: Correspondence plot of level-size with satisfaction with reward and remuneration



Summary of satisfaction with aspects of current job

While all the variables included in the questionnaire to assess managers' satisfaction with the aspects of their were not independent of the level-size and level-type variables, three variables emerged as having relatively strong associations with the composite variables. Satisfaction with career opportunities, recognition for performance and reward/remuneration were most strongly associated with the composite variables. In each of the three cases, it emerged that directors and above in small, medium and large firms were more likely to report themselves to be very satisfied or satisfied than other levels of management indicating a pronounced degree of polarisation on the three job element satisfaction measures. Junior and middle managers were generally more strongly associated with a dissatisfied or very dissatisfied response particularly if they were based in small or medium sized organisations. It was evident in all three cases that managers in large organisations tended to be more tightly grouped together (or co-located) than managers in small and medium sized organisations indicating a stronger homogeneity of opinion than managers in small and medium sized organisations.

6. An analysis of managers' perceptions of their organisation as a place to work

The questionnaire asked managers to give an indication of how strongly they agreed or disagreed with seventeen statements about their organisation as a place to work. In the baseline report (Worrall and Cooper, 1997), it emerged that there were significant differences in the responses given to some of these variables when analysed by managers' level in their organisation, the size of organisation and the type of organisation. Of prime importance, however, was the finding of such a strong relationship between managerial level and attitudes on a range of measures. For example, chairmen, chief executives and managing directors were significantly more likely to think that morale in the organisation was good, that their health and well-being were taken seriously by their organisation and the organisation had become a better place to work in the last twelve months than senior, middle and, particularly, junior managers. On an analysis of this set of questions, we were led to conclude that there was a clear hiatus in opinion and attitudes between director level (and above) and senior

management level (and below)' in many organisations (Worrall and Cooper, 1997). In this section, we propose to pursue this issues more intensively.

As a first step in the process of analysis, a chi square score was produced to test the association between each of the seventeen original variables and the two composite variables. The results of this analysis are shown in Table 9 where it will be noted that six of the original variables have been excluded due to their relatively low chi square scores. All of the associations are highly significant (at $p=0.0001$) and are presented in order of ranked chi square score.

Table 9: Criteria for the assessment of organisations as a place to work

Criteria	Level-type	Level-size
Morale is good overall in my organisation	275.5	273.8
I feel a sense of powerlessness in my current organisation	245.9	250.9
The organisation does not learn from its mistakes	179.2	180.6
My organisation has become a better place to work in the last 12 months	177.6	158.6
I often think about leaving my organisation	164.1	154.3
Priorities are changed so frequently by others I have trouble getting my work done	157.3	149.2
I look forward to going to work	118.5	127.9
Morale is good in my department/team	114.6	118.8
My organisation will provide me with a secure job for the foreseeable future	112.8	114.1
My health and well-being is taken seriously by my organisation	105.1	101.9
I have fun at work these days	89.9	98.7

Note: The tables contain chi square measures of association between each variable and both composite variables. All associations are significant at the 0.001 level (with 44 degrees of freedom).

These second phase of the analysis process was to perform correspondence analysis on the variables which had achieved the highest chi square scores in order to search for patterns in the responses to these variables. Figures 9, 10 and 11 below show correspondence plots for three measures (the sense of powerlessness, the changing priorities and the organisation is a better place to work variables) with the level-type composite variable.

The plot of the sense of powerlessness measure against level-type reveals that the expected horseshoe shape of the plot of powerlessness category scores has not occurred and, in particular, that there is a discontinuity in the curve between categories 3 (neither) and 2 (agree). What is readily apparent is that there is a considerable distance between categories 4 (disagree) and 5 (strongly disagree) and that those of director status and above tend to be located between categories 4 and 5. Interestingly, directors in 'other' organisations (i.e. charities, partnerships, private limited companies and family run businesses) are more likely to strongly disagree that they feel a sense of powerlessness than directors and above in public sector organisations and PLCs. While directors and above in 'other organisations' tend to strongly disagree with the statement about a sense of powerlessness, middle and junior managers in these organisations appear to have a strong sense of powerlessness which is only exceeded by junior managers in public sector organisations. The correspondence plot would indicate that there is a massive gap in the sense of powerlessness between directors and junior managers in "other" organisations. Given that a prime use of correspondence analysis is to construct "perceptual" distances between previously ordinal categories, it is insightful to notice that the correspondence analysis produced distances between categories 4 and 5 and categories 1 and 2 are substantially greater than those between categories 2, 3 and 4.

Figure 9: Correspondence plot of sense of powerlessness and level-type

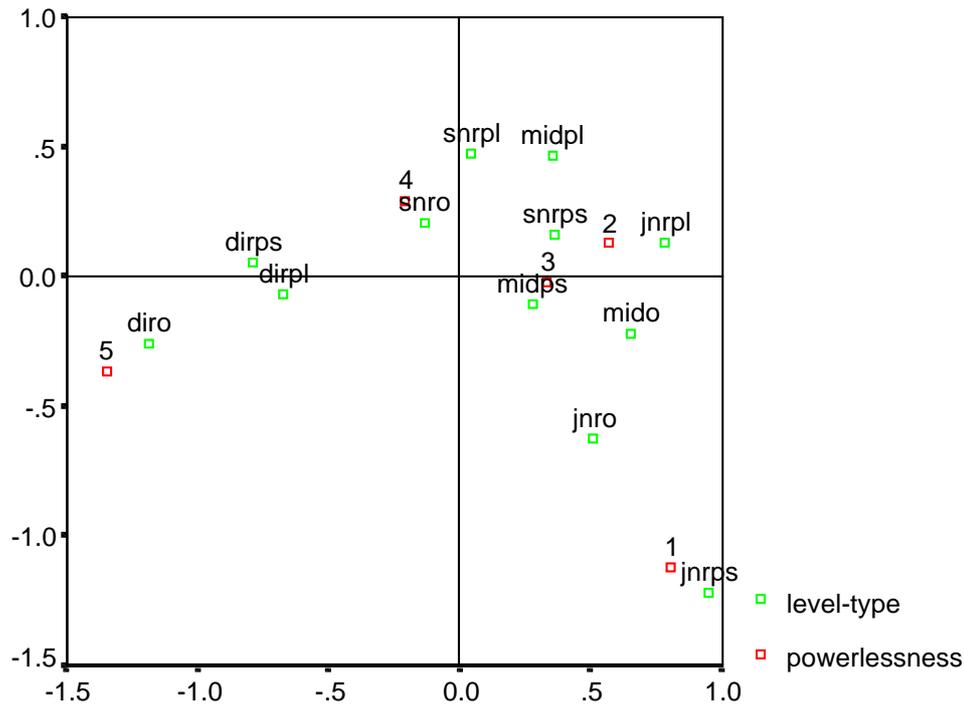
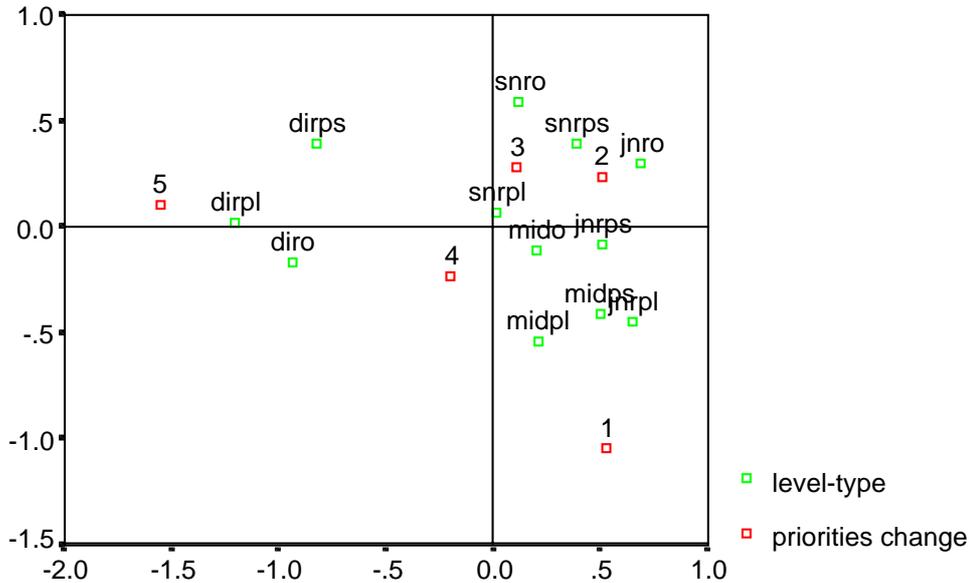


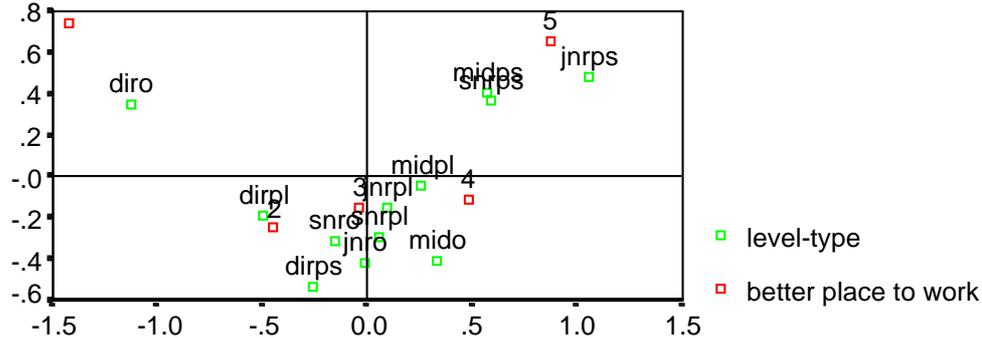
Figure 10: Correspondence plot of changed priorities and level-type



The correspondence plot for the variable "priorities are changed so frequently by others that I have trouble getting my work done" and level-type reveals that the expected horseshoe shape on the priorities variable does not exist and this is due to a distortion effect by the "strongly disagree" response. Again, as in Figure 9, directors and above in all three types of organisation tend to be located closest to this response (5) indicating a strong dissimilarity between the views of this sub-group of respondents and other respondents. This chart also shares another similarity with the plot of powerlessness and level-type in that responses 2,3 and 4 are clustered in close proximity to each other while both extreme values (1 and 5) are at some distance from other values. It would appear that middle managers in PLCs and private sector organisations together with junior managers in PLCs feel most negatively about others changing the priorities to which they have to respond.

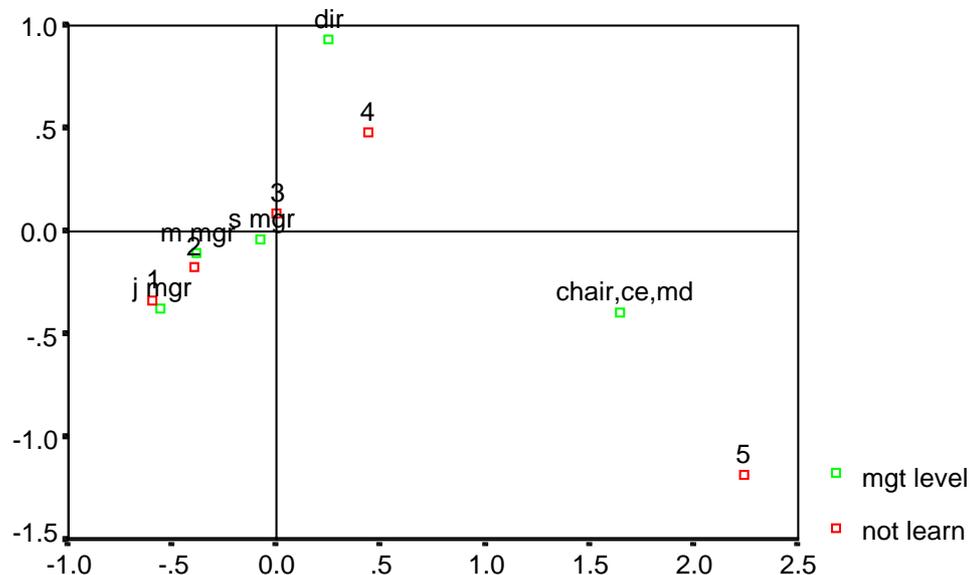
Respondents were asked for their opinion about whether their organisation had become a better place to work over the last year. The correspondence plot that emerged from this question is shown in Figure 11. Two main points emerge from this plot. First, directors and above in all three types of organisation, but particularly 'other' organisations and PLCs, are more likely to agree or strongly agree with the proposition that their organisation has become a better place to work. Second, there is a clear public sector clustering around the category "strongly disagree" which shows that the perceived deterioration in organisational life is much more strongly developed public sector organisations - for all managerial grades - than elsewhere.

Figure 11: Correspondence plot of organisation is a better place to work and level-type



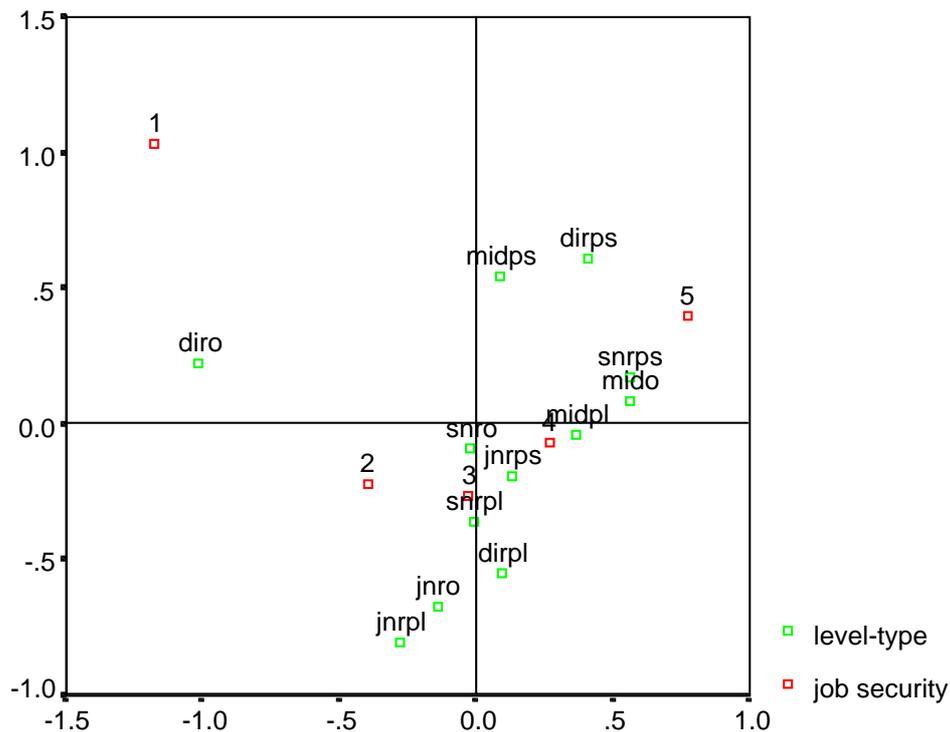
Throughout this section, and in our prior research (Worrall and Cooper, 1997), we have indicated that directors and above have radically different perceptions from other managerial levels on a host of variables. In order to cast further light on this hypothesised schism in managerial attitudes "at the boardroom door", we present below a correspondence plot using a five-fold categorisation of management levels and responses to the variable "my organisation does not learn from its mistakes". The plot reveals the extent to which the response "strongly disagree" (category 5) and the managerial level comprising chairmen, chief executives and managing directors are both outliers from the main group of response categories and respondent sub-groups. The responses of junior, middle and senior managers tend to cluster in close proximity to the strongly agree (1), agree (2) and neither (3) categories. This further piece of analysis confirms the relationship between management level and the perceived level of morale in organisations shown as Figure 1.

Figure 12: Correspondence plot of "organisation does not learn from its mistakes" and managerial level



A final piece of analysis sought to identify differences in the level of perceived job security by management level and organisational type. The resulting correspondence plot shows that there are distinctive patterns in perceptions about organisations providing respondents with secure jobs for the foreseeable future. Perhaps counter-intuitively, junior managers perceive themselves to be relatively secure particularly if they are located within 'other' organisations and PLCs. Generally, it would appear that it is middle managers in all organisational types together with directors and above and senior managers in public sector organisations who see themselves to have less secure futures. It is quite noticeable that the pattern of response on this variable is dissimilar from the findings derived from the analysis presented elsewhere in this section.

Figure 13: Correspondence plot of perceived job security and level-type



Summary

The analysis presented in this section has shown very clearly that perceptions about one's organisation as a place to work vary substantially by one's position in the organisational hierarchy and the type of organisation one is working within. The findings of our earlier research has been both confirmed and more fully developed by the application of correspondence analysis which has revealed the extent to which directors and above have radically different perceptions than their co-workers of the organisation as a place to work on several factors. The extent to which the views of directors and above differ from senior managers and below is considerable and to the reader it might appear these two broad groups of managers (directors and above compared to senior managers and below) appear to be working under radically different organisational conditions and have massively different attitudes to their organisation as a place to work. It would appear that the most senior level of management in many organisations is an "outlier" in more than just a statistical sense.

Our analysis of the organisational settings in which managers work has identified other useful insights into contemporary managerial life. First, managers in the public sector are far less likely to consider their organisation to be a better place to work than managers in other organisational types. Second, middle managers are far more likely to be concerned about priorities being frequently changed and appear to be the level of management with the highest sense of job insecurity. Third, managers at all levels in the public sector, except junior managers, consider themselves to be most at risk of low job security perhaps giving credence to some of the recent writings about the adoption of private sector managerial styles in the public sector and particularly the NHS (Ranson and Stewart, 1994; Ferlie, 1992).

7. Conclusions

The analysis of the data derived from our questionnaire of UK managers who are members of the Institute of Management has exposed a number of significant issues about the extent, impact and management of restructuring and organisational change, about managers' perceptions of their experience of working life, about approaches to corporate governance and about the radically different perceptions of working life of differing sub-groups of managers compounded by the type and size of organisation that they work within.

Our research has shown that about 60 per cent of respondents had been affected by an organisational change programme in the last year, that the majority of these change initiatives had been driven by cost reduction and performance improvement and had, in the majority of cases, resulted in redundancies and delayering. Where change had taken place, there is evidence that the objectives that had originally driven the change process had not always been perceived to have been achieved. The most significant "improvement" appears to be increased and sharpened accountability, but, in many cases respondents felt that restructuring and change had left their organisations lacking the right mix of skills and experiences and indicating, perhaps, a misalignment or lack of synergy between change management initiatives and organisational human resource strategies.

There was also compelling evidence that many change management programmes had had strongly negative effects on employee loyalty, motivation, morale and sense of job security indicating that change had not been effectively or sympathetically managed in those organisations where restructuring had taken place. While the effects of change management on employees were found to have been generally negative, there were significant differences between response profiles from differing types of organisation and sizes of organisation both in the incidence of change and in the strength of its perceived negative impact. Most important, our research has shown that perceptions of the impact of change vary substantially by, and systematically with, the managerial level of respondents - the negative impact of change on loyalty, morale, motivation and sense of job security being much more pronounced for junior and middle managers than for directors and above. The specifics of this have been clearly demonstrated by our use of correspondence analysis.

In our earlier research, using simpler and less rigorous analytical techniques, we reported strong evidence that a schism exists in UK management between directors and above and senior managers and below which is reflected both in the analysis of the impact of change on employees and in the analysis of criteria which sought to assess managers' views of their organisation as a place to work. These initial findings have been confirmed and further clarified by our present research which shows very clearly, on a range of indicators, the extent to which the views of directors and above are radically different from other levels of management.

Our programme of research has produced a mass of information about organisational life in contemporary Britain and has exposed a set of issues that might require us to rethink the practice of management. We have shown, for example, that the quest continually to drive down costs and to increase competitiveness is having a significant impact on organisational life and particularly so for junior and middle managers, for managers in large organisations and disproportionately in PLCs and public sector organisations. While we may be generating economic gains, there is evidence to suggest that this is only being achieved by imposing a massive social and psychological cost on the managerial work force of the UK.

The existence of schisms in the management hierarchy, ineffective communications, radically different views of prevailing management styles within the organisational hierarchy, the inept management of change, the failure of change programmes to achieve their objectives, the concentration of problems in PLCs, the public sector and very large organisations are all issues that the management community must confront based on a better understanding of the inter-relationships between these issues than we have at present. One of the key aims of our five year programme of research is to obtain a clearer insight into these issues and to analyse how they are changing over time as a basis for the development of more informed and effective policy.

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