

CIPD

Report
September 2025

Analysis of the public sector workforce

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Analysis of the public sector workforce

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Summary

Growth in productivity will be vital if the UK Government's ambitions for better public services are to be affordable. Public service productivity was badly affected by the COVID-19 pandemic, and it is still 4.2% below its pre-pandemic level.

The government's plans to improve productivity and efficiency in public services are, to date, mainly limited to proposals to boost the adoption of technology and reduce the size of the civil service.

However, in isolation, these plans are unlikely to achieve the government's objective. Efforts to improve technology adoption and public sector productivity more broadly will be heavily influenced by the motivation, skills and commitment of the workforce.

The government has taken steps to improve relative pay in the public sector, which may have contributed to some easing of recruitment and retention problems, although some of this could be due to macroeconomic conditions (weaker labour demand).

Improved pay may also have contributed to an improvement in employee morale in the public sector since a low point around 2023, but issues around workload and help in dealing with it remain significant, especially in the education and health sectors.

Looking ahead, while pay will of course continue to be an important factor in the morale and retention of the public sector workforce, it is unlikely to unlock productivity improvements on its own.

Analysis in this report suggests that improving leadership and people management can play an important role in improving the motivation of the public sector workforce, supporting efforts to increase productivity. Hence, improving the quality of leadership and people management should be a priority for policy-makers as well as boards and leadership teams across the public sector.

Importance of productivity growth

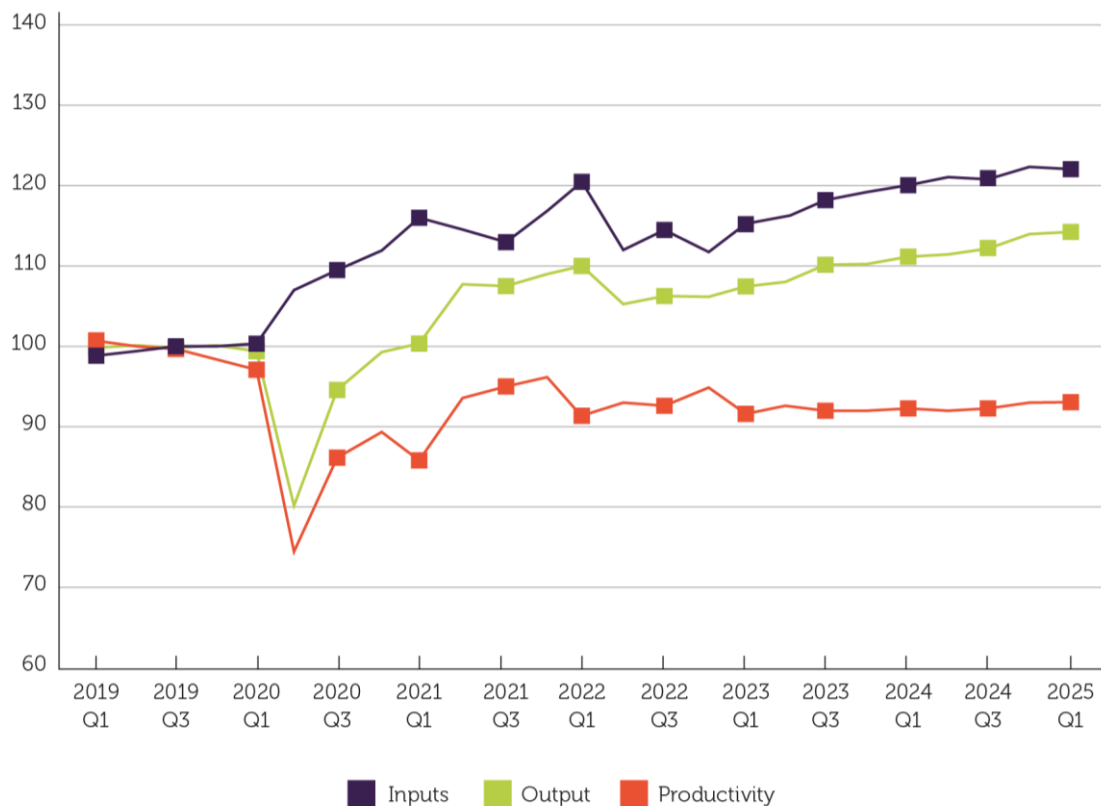
Growth in [public service productivity](#) will be vital if the government's ambitions for better public services are to be affordable.¹

According to the [Institute for Fiscal Studies](#) (IFS), “[i]mproving the productivity of public services is desirable, as it means that the government can deliver more or better services with the same resources, or deliver the same services with fewer resources. Finding a way to do more with the same amount of resources is particularly important given the current combination of poor public service performance and a challenging fiscal climate.”

There was a surge in inputs during the pandemic that led to a substantial fall in productivity (especially in health). There has been little improvement since 2022 (Figure 1). Productivity is still 4.2% lower than it was before the pandemic.

¹ The terms ‘public sector’ (organisations owned or controlled by the state) and ‘public services’ (services provided to the public and largely funded or controlled by the state) are almost interchangeable in that public services are usually (in the UK) delivered by the public sector. The main exception is social care, which is often financed by the state but is mainly delivered by the private sector.

Figure 1: Public services productivity since 2019
UK, 2019=100



Source: [Office for National Statistics](#).

According to the [Institute for Government](#), there are two major people-related headwinds that could set back productivity growth:

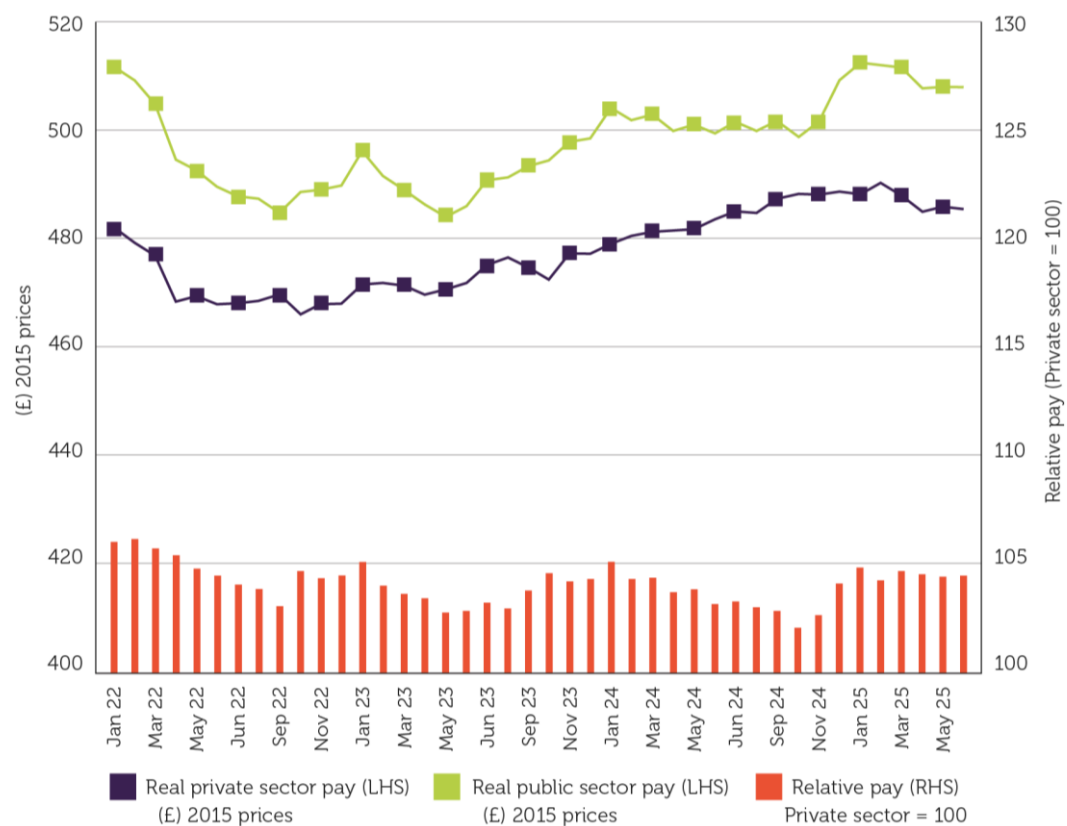
- **Recruitment and retention.** If problems hiring people, and/or keeping them, lead to the average experience of the workforce falling.
- **Morale and wellbeing.** Problems of this nature have both direct effects on output, for example more industrial action and/or more absenteeism mean less is produced, and indirect effects, for example less discretionary effort, less employee-driven innovation.

In addition, the effectiveness of **people management** in the public sector affects productivity. We look at each of these in turn.

Recruitment and retention

The new government signalled its intent to address pay issues and solve long-running industrial disputes by implementing (and funding) 2024's Pay Review Body recommendations in full, leading to real terms increases in public sector pay in late 2024 (Figure 2).

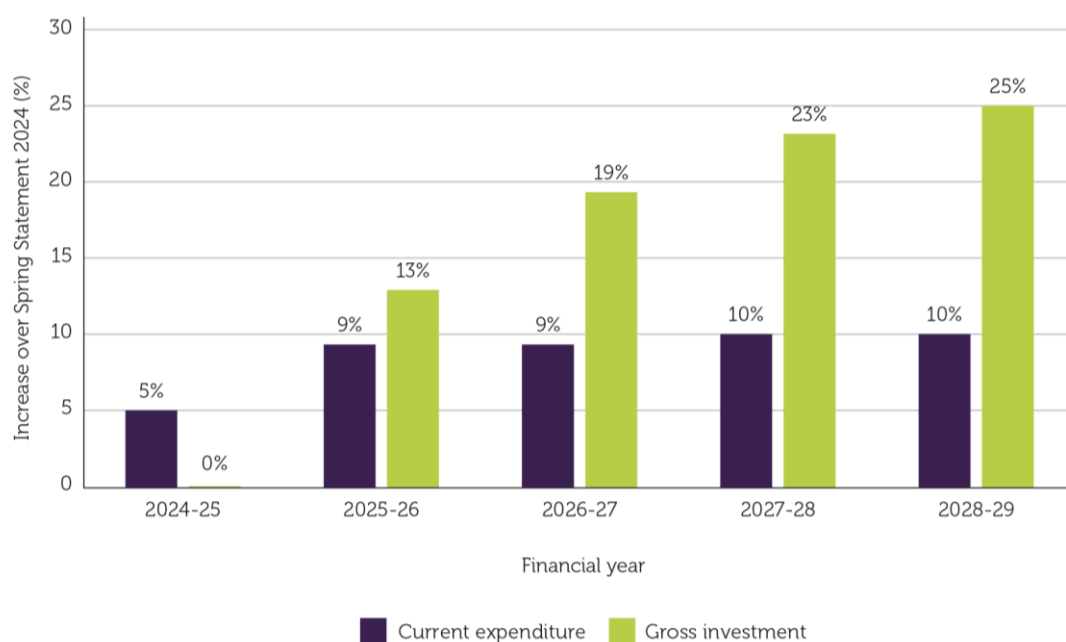
Figure 2: Public and private sector pay since 2022
UK, regular pay per week (excluding bonuses)



Source: [Office for National Statistics](#).

The Autumn Budget 2024 saw significant increases in the funding of public services, compared with the plans of the previous government (Figure 3).

Figure 3: Increases in public expenditure announced in Autumn Budget 2024



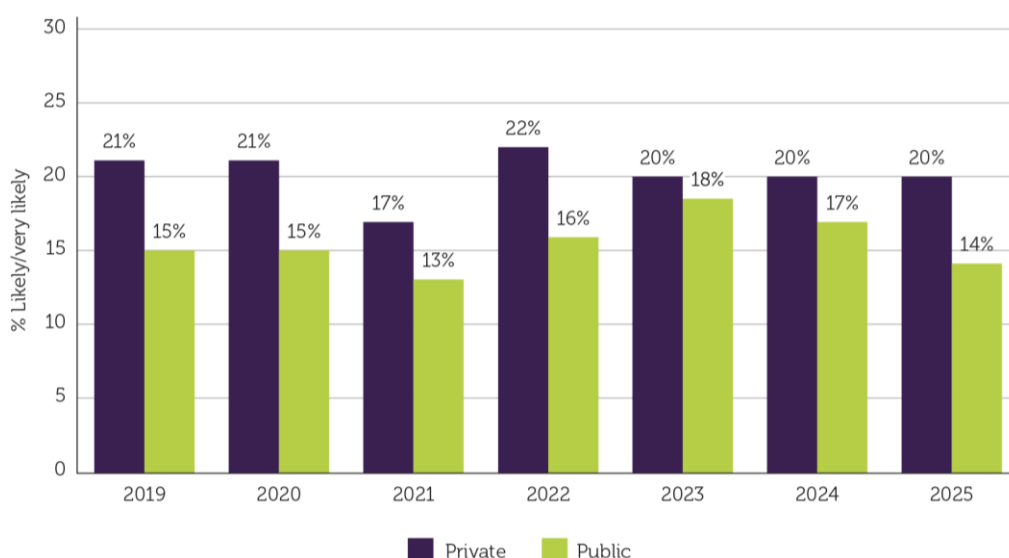
Source: [Office for Budget Responsibility](#).

Perhaps as a result, public sector employees' intention to quit in 2025 was the lowest since 2021, a proportion that might have been unusually low because of the pandemic (Figure 4).²

Figure 4: Intention to quit in public and private sectors

UK, excluding self-employed, owner-proprietors and partners in a business

"How likely is it that you will voluntarily quit your job in the next 12 months?"



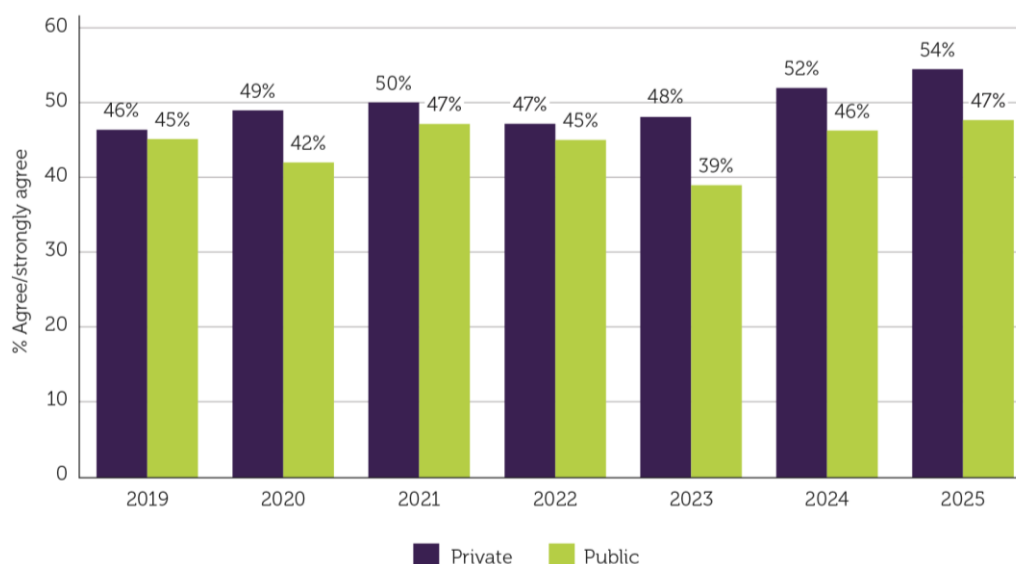
Source: [CIPD Good Work Index](#) surveys.

This may in part be because dissatisfaction with pay in the public sector had eased since a low point in 2023 together with the [increases in public sector pay settlements](#) (Figure 5).

Figure 5: Satisfaction with pay in public and private sectors

UK, excluding self-employed, owner-proprietors and partners in a business

"Considering my responsibilities and achievements in my job, I feel I get paid appropriately"



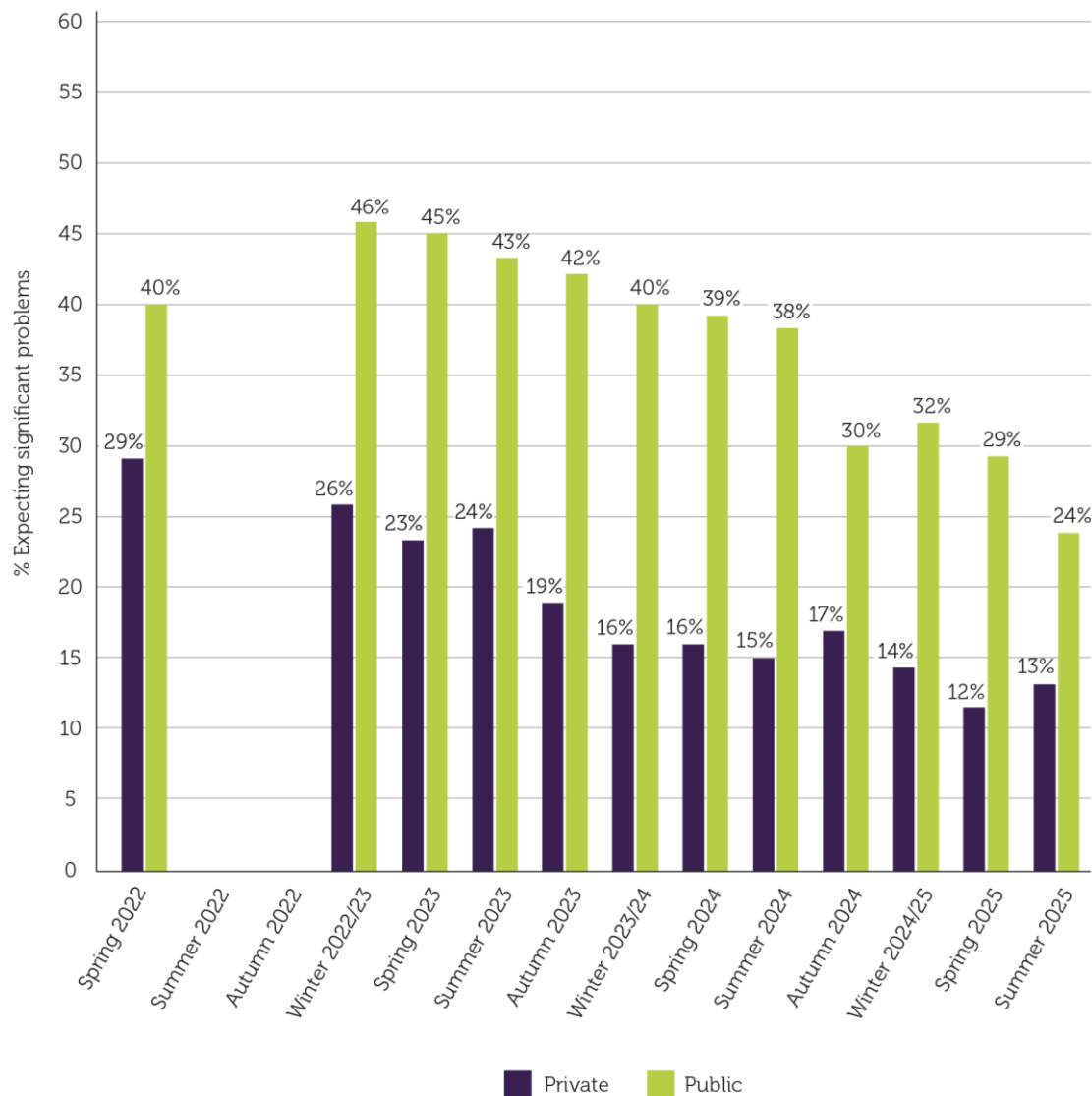
Source: [CIPD Good Work Index](#) surveys.

² CIPD Good Work Index (GWI) data is collected early each year, so 2020 is a pre-pandemic data point. Also, analysis of panel elements in previous GWI surveys suggests that around half of people who say they are likely to quit in the next 12 months do in fact quit their jobs within the next 12 months.

Public sector employers also saw recruitment challenges easing, especially since the impact of public sector pay rises became more visible in the autumn of 2024 (Figure 6).

Figure 6: Recruitment problems in public and private sectors since 2022

“Over the next six months, does your organisation anticipate problems filling vacancies?”



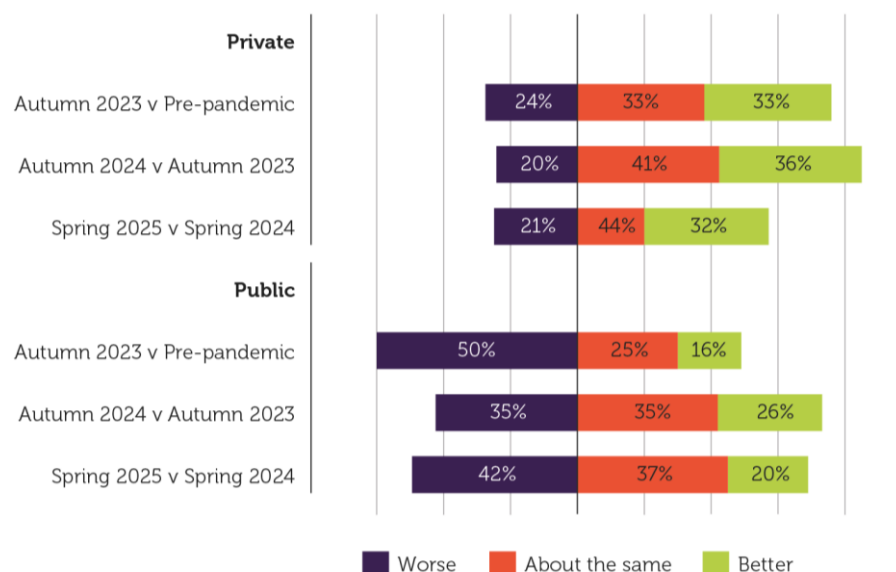
Source: CIPD [Labour Market Outlook](#) surveys.

However, recent surveys suggest fewer public sector employers are looking to hire. And recruitment problems were also easing in the private sector, suggesting that labour demand in general may be weakening (historically this makes employment in the public sector more attractive).

Morale and wellbeing

Analysis of the CIPD’s quarterly *Labour Market Outlook* survey over the last two years found that, whenever asked, public sector employers were more likely than private sector employers to say that employee morale had got worse (Figure 7).

Figure 7: Changes in employee morale in public and private sectors (%)

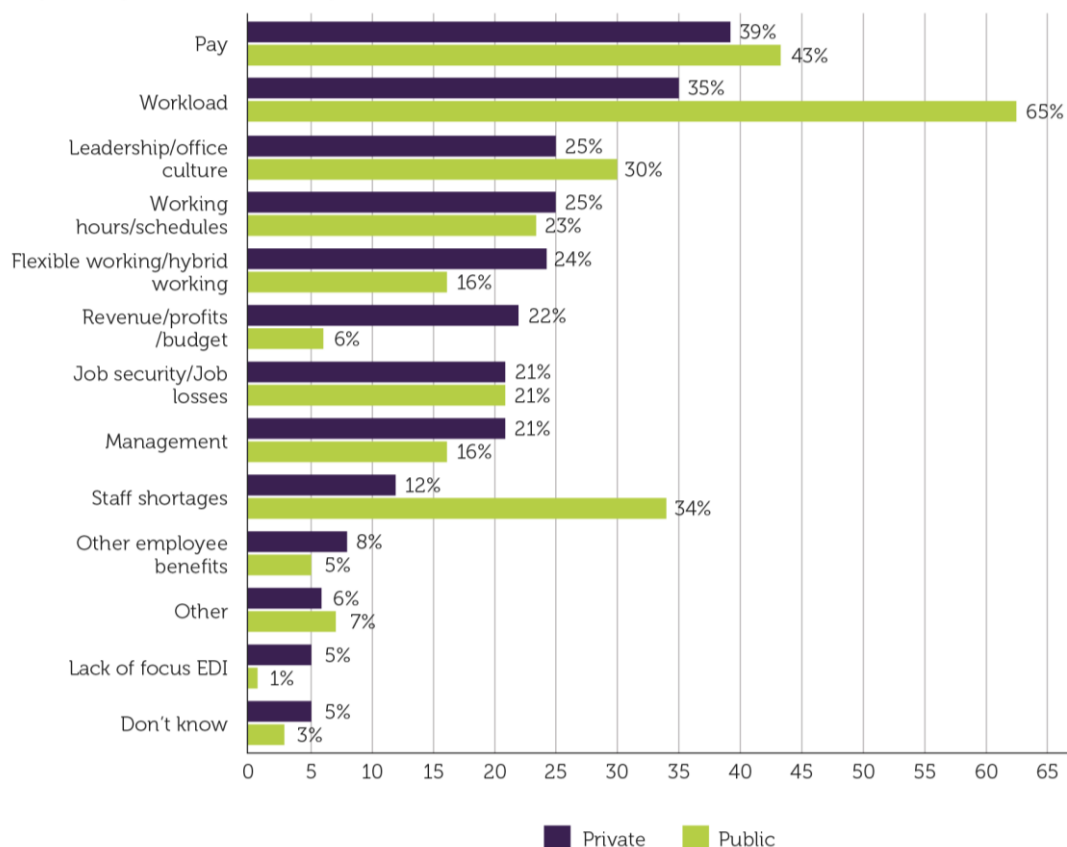


Source: CIPD [Labour Market Outlook](#) surveys.

Employers thought pay and workload were the issues most relevant for morale in both private and public sectors (Figure 8). However, workload and staff shortages were thought to be much more important issues in the public sector.

Figure 8: Most important factors affecting workforce morale in public and private sectors (%)

"In your opinion, which of these are the three most important factors affecting workforce morale in your organisation currently?"

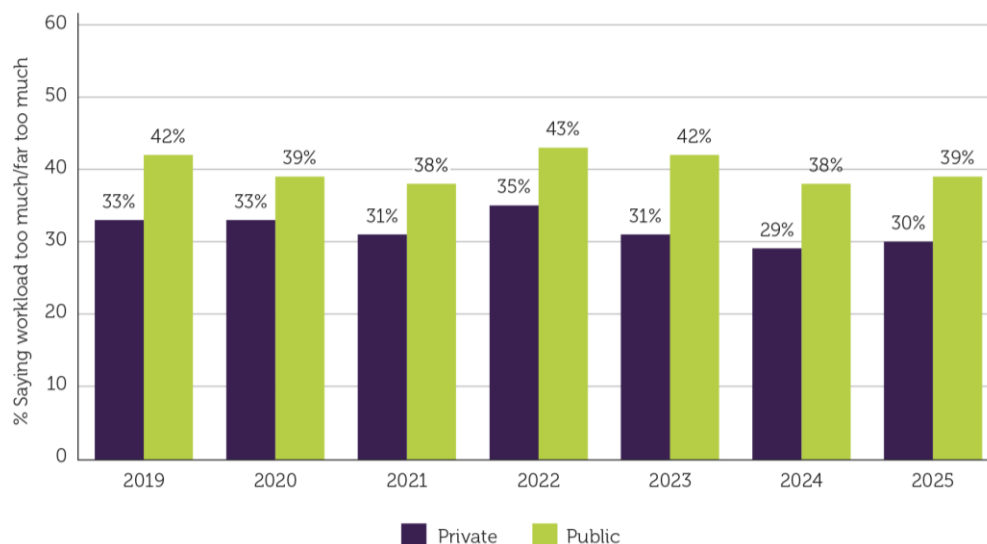


Source: CIPD *Labour Market Outlook - Spring 2025*.

Workload and support for employees

Public sector employees were more likely to say their workload was excessive, even if the proportion eased somewhat in 2024 and 2025 (Figure 9).

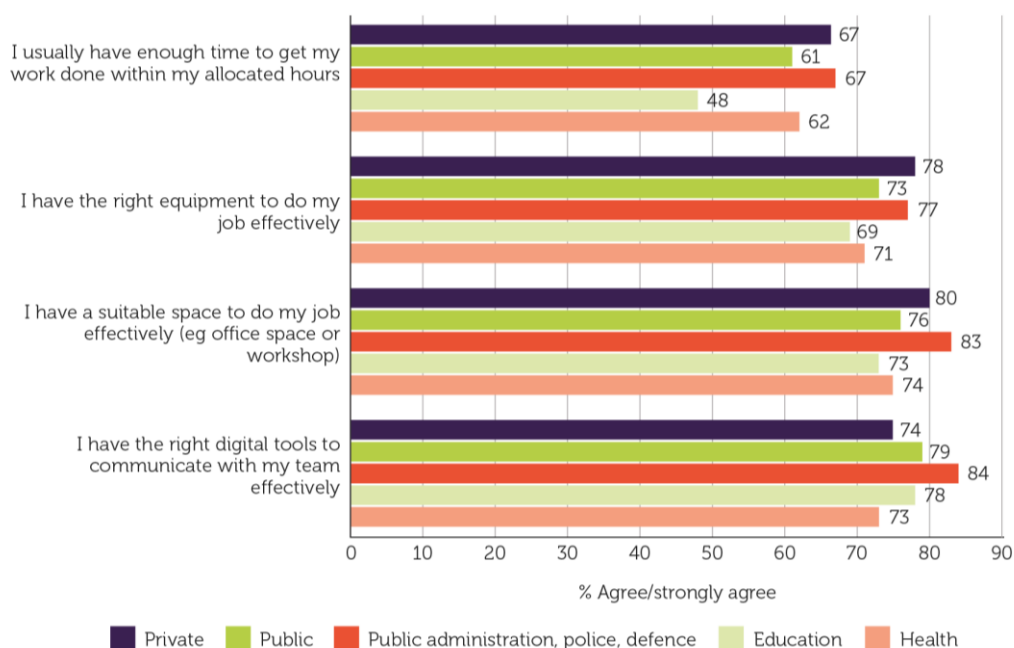
Figure 9: Excess workload in public and private sectors (%)
UK, excluding self-employed, owner-proprietors and partners in a business



Source: [CIPD Good Work Index](#) surveys.

The support given to employees to do their job was also rated less highly in the public sector, especially available time given to employees in education (Figure 10). The single exception was that public sector employees were slightly more likely than private sector employees to think they had the digital tools to communicate with team members. This may be a consequence of most public sector employees working in large organisations, where these tools are both necessary and ubiquitous.

Figure 10: Support given to employees to do their job, 2025 (%)
UK, excluding self-employed, owner-proprietors and partners in a business



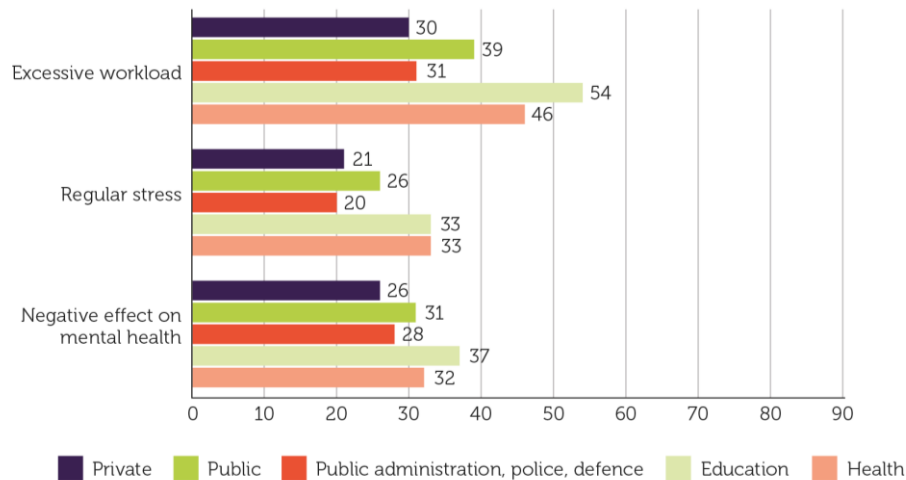
Source: [CIPD Good Work Index 2025](#) survey.

Workload, stress and mental health

Unsurprisingly, problems with work-related stress and the negative effects of the job on mental health were more commonly reported in the public sector, especially in education and health (Figure 11).

Figure 11: Workload, stress and mental health problems, 2025 (%)

UK, excluding self-employed, owner-proprietors and partners in a business



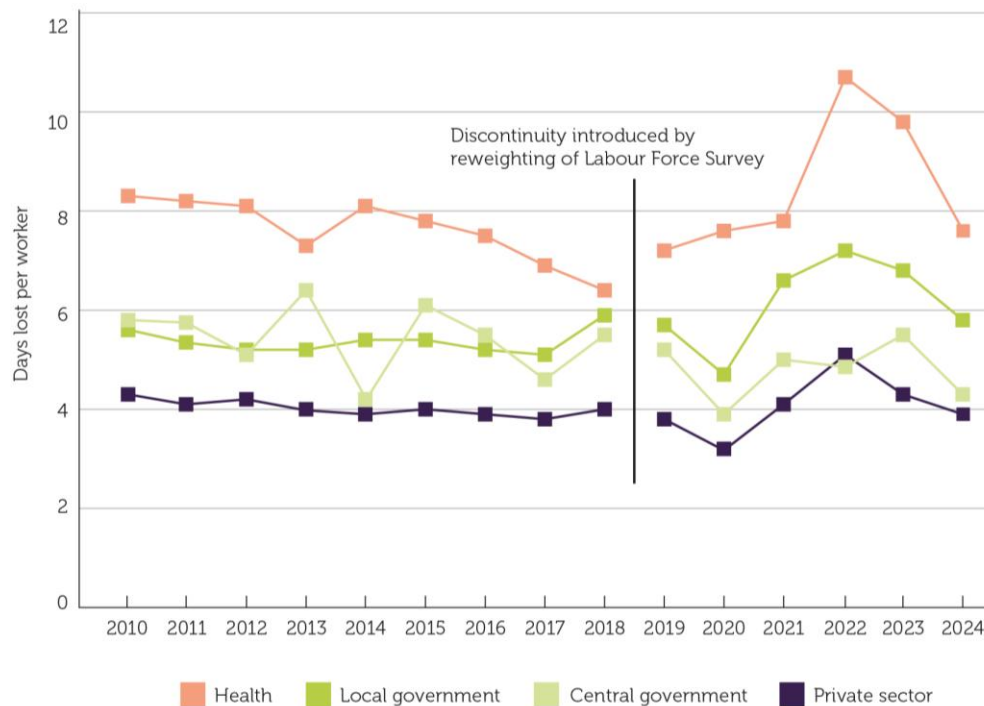
Source: [CIPD Good Work Index 2025](#) survey.

Sickness absence

It is not clear from the data if absenteeism in the public sector has gone up or down since before the pandemic. However, the latest data shows reductions since 2022 (Figure 12).

Figure 12: Sickness absence in the public and private sectors since 2010

UK, employees and self-employed



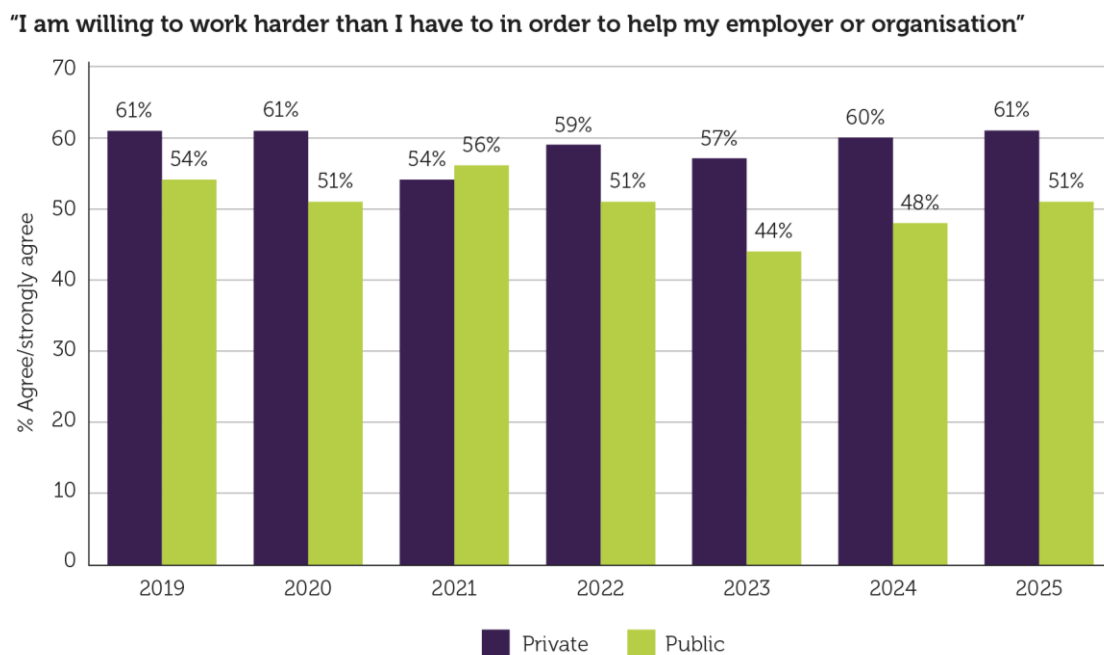
Source: [Office for National Statistics](#).

Public sector absence levels are consistently higher than in the private sector, with the health sector having especially elevated levels of sickness absence. The difference between the public and private sectors is likely to be the result of several factors, including more generous sick pay and leave arrangements and the high proportion of roles dealing with the public.

Discretionary effort

Discretionary effort increased in the public sector in 2024 and 2025 from its low point in 2023 (Figure 13).

Figure 13: Willingness to supply discretionary effort in the public and private sectors (%)
UK, excluding self-employed, owner-proprietors and partners in a business

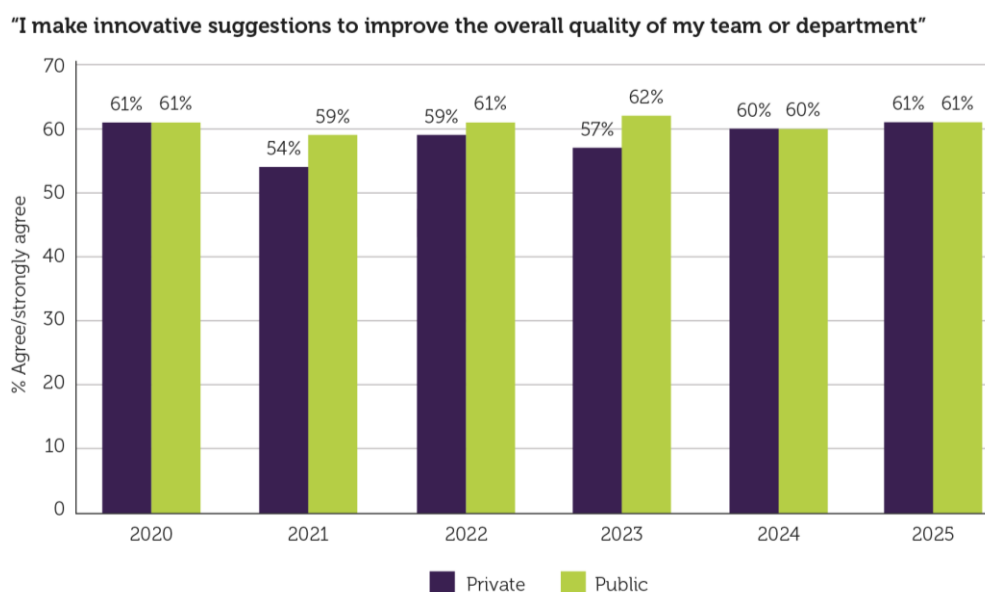


Source: [CIPD Good Work Index](#) surveys.

Public sector innovation

A [recent review](#) highlighted the importance of staff involvement and motivation for public sector innovation. Despite the different institutional contexts, there was little difference between the public and private sectors in the willingness of employees to come forward with innovative ideas (Figure 14).

Figure 14: Willingness to make innovative suggestions in the public and private sectors (%)
UK, excluding self-employed, owner-proprietors and partners in a business

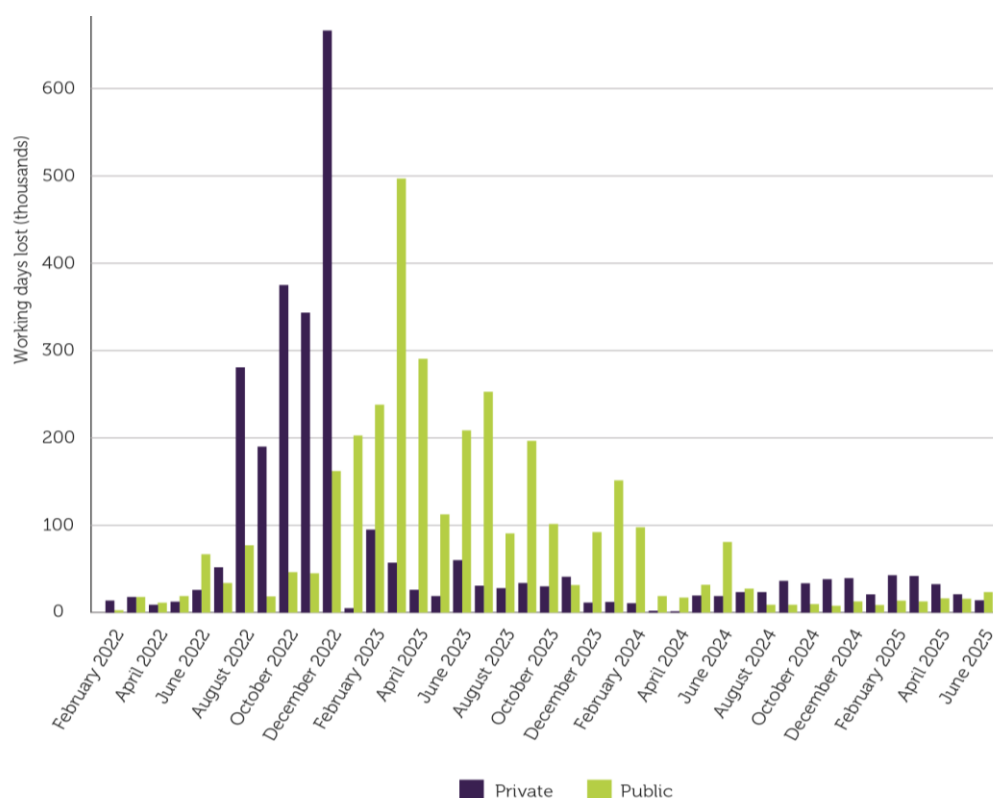


Source: [CIPD Good Work Index](#) surveys.

Industrial relations

There was an increase in working days lost due to industrial disputes in the public sector in 2023. However, with inflation easing, days lost have been very low in both the public and private sectors since early 2024 (Figure 15).

Figure 15: Industrial action in the public and private sectors since 2022
UK, working days lost



Source: [Office for National Statistics](#).

There are significant questions over what will happen over the next few years if future pay settlements disappoint public sector workers and the trade unions that represent them. Another unknown is the impact of new powers for trade unions being introduced by the Employment Rights Bill. These powers will make it easier for trade unions to achieve statutory recognition, to access workplaces for recruitment and organising purposes, and to take industrial action.

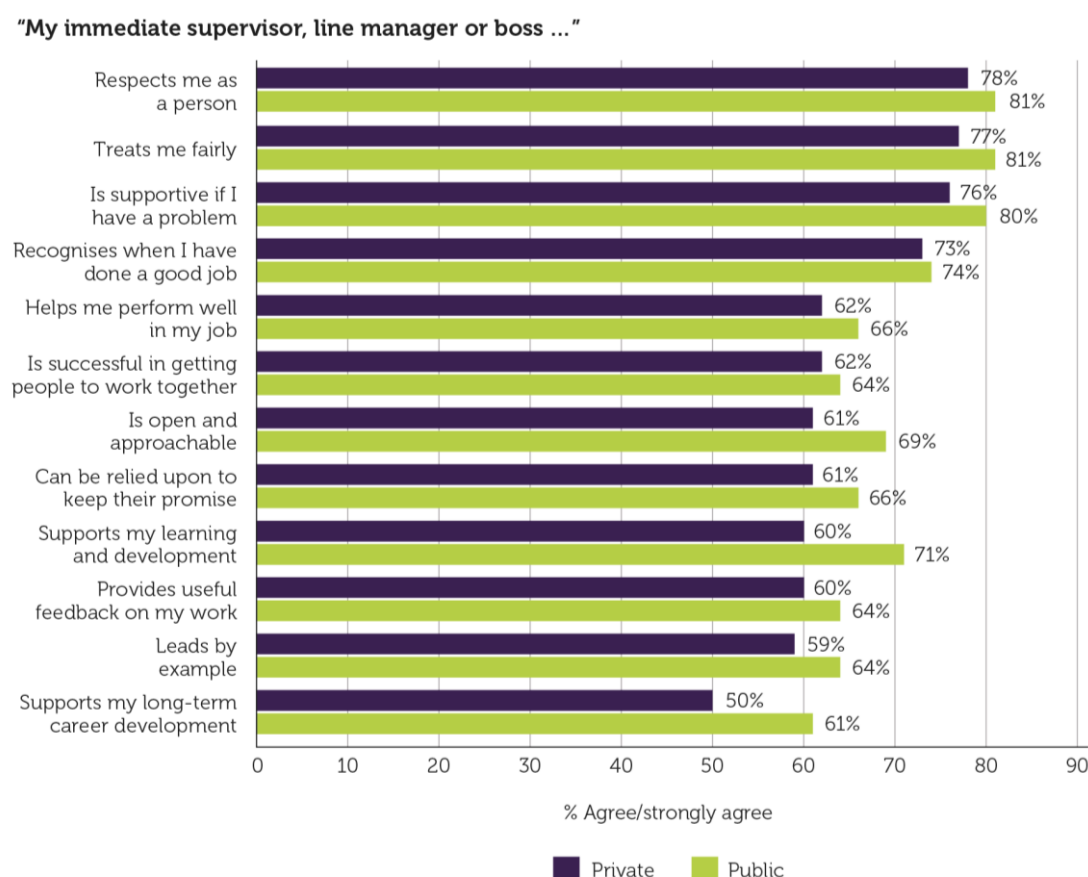
People management in the public sector

The quality of HR, people management and development matter. For example, the use of high-performance HR practices was associated with [better financial performance](#) in medium and large public sector workplaces. Complementary management practices can also [accentuate the \(positive\) link between skills and productivity](#) in the public sector.

Front-line people management

Line management appeared to be better in the public sector than the private sector, at least according to employees (Figure 16).³ Public sector employees were more likely to say their line manager showed positive behaviours than private sector employees, especially around learning and development and helping them to develop their careers.

Figure 16: Line manager behaviour in the public and private sectors, 2025 (%)
UK, excluding self-employed, owner-proprietors and partners in a business



Source: [CIPD Good Work Index 2025](#) survey.

³ Similarly, an [ONS comparison](#) of management practice surveys conducted in 2023 suggested that employment-related practices were more thoroughly applied in the public sector, with the exception of education (which was more like the private sector).

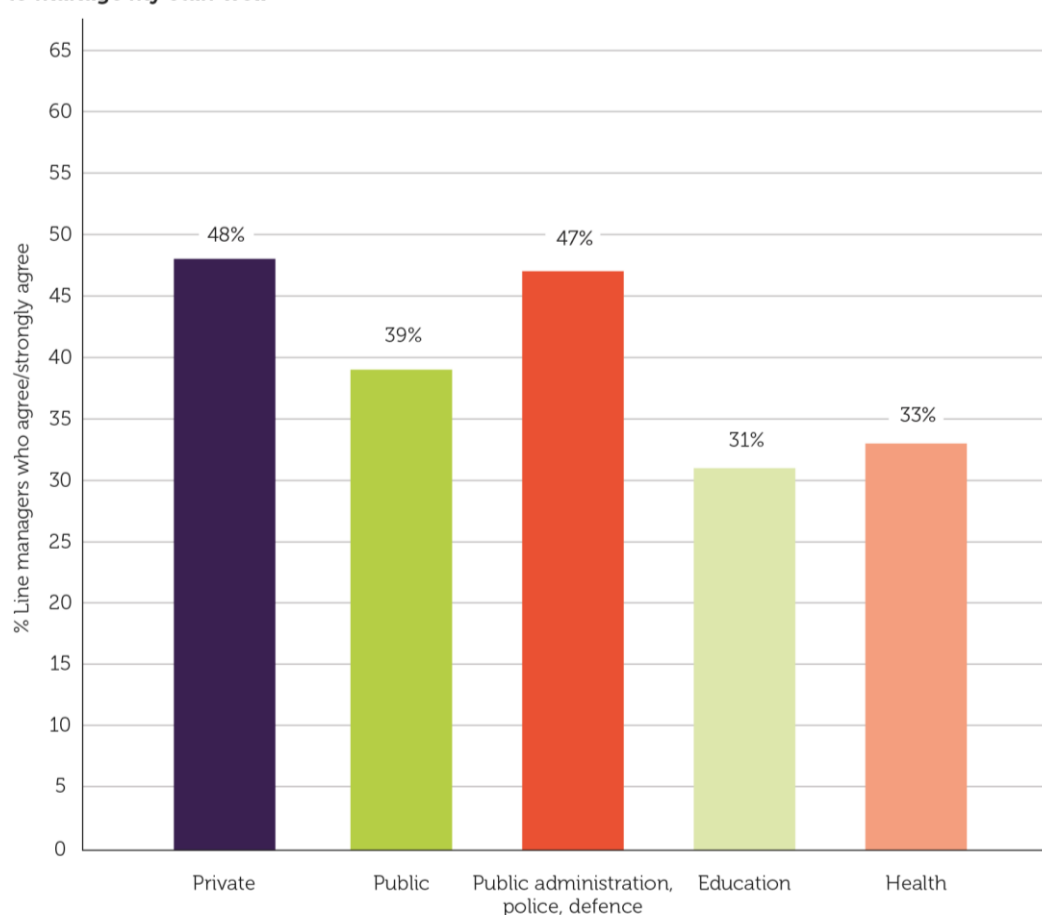
Nonetheless, there are significant areas where the quality of public sector line management could improve. For example, only about two-thirds of public sector employees said their manager helps them perform well in their job or provides useful feedback on their work. A similar proportion of public sector employees said their line manager was successful in getting people to work together, likely to be important in the organisation and delivery of public services. It should be noted that these aspects of people management are also areas of weakness in the private sector.

However, people managers in the public sector (especially those in education and health) were less likely than private sector managers to feel they were given all the resources needed to manage people well, especially enough time (Figure 17).

Figure 17: Support for line managers in the public and private sectors, 2025 (%)

UK, all line managers excluding self-employed, owner-proprietors and partners in a business

"I receive the training and information I need to manage my staff well" AND "I have the time I need to manage my staff well"

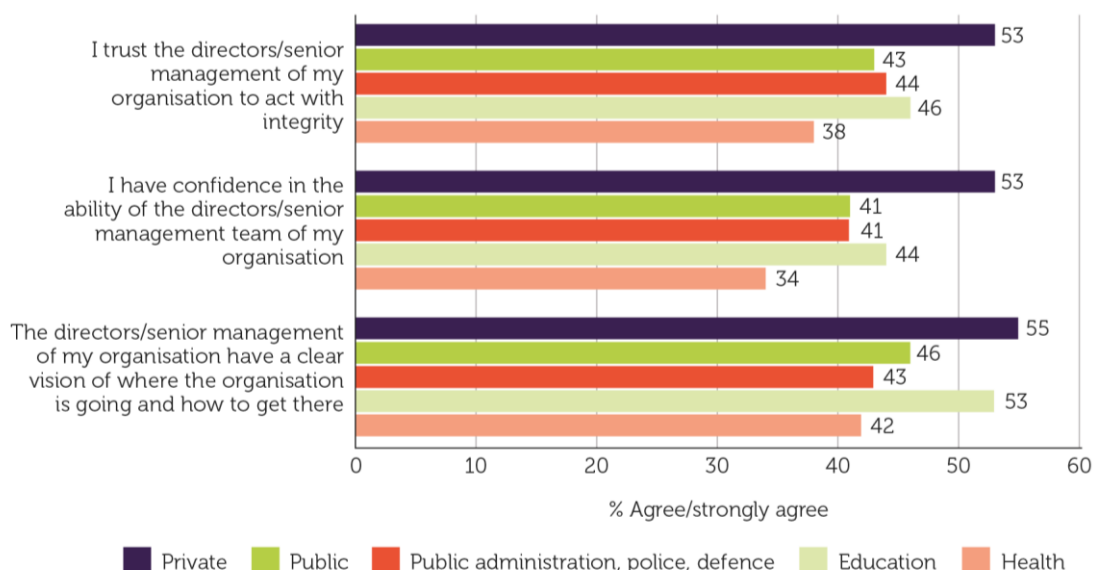


Source: [CIPD Good Work Index 2025](#) survey.

Leadership

There was also a gap between the public and private sectors in how employees thought about their leaders, with public sector employees less likely to have confidence or trust in senior management (Figure 18). This matters because the available evidence suggests that [public sector leadership does have an effect on organisation-level outcomes](#).

Figure 18: Perceptions of top management in the public and private sectors, 2025 (%)
UK, excluding self-employed, owner-proprietors and partners in a business



Source: [CIPD Good Work Index 2025](#) survey.

The difference between sectors is longstanding.⁴ In part this is due to differences in organisation size (employees in small organisations - of which there are very few in the public sector - have a much more positive view of their leaders than employees in large organisations). But it may also reflect the different roles of, and degrees of autonomy given to, top managers in the public and private sectors.

The data suggests the UK Government and its ministers should continue to focus on [how to strengthen leadership](#) across the public sector, working collaboratively with key stakeholders to boost employee trust and make public service productivity improvements.

Improving leadership, people management and working conditions

Using the *CIPD Good Work Index 2025* data for public sector employees, we have modelled the effects of four different but equal-sized improvements in leadership, people management and working conditions (details are provided in the **Appendix**):

- better pay
- more balanced workload (the balance being between job demands and the support provided to meet those demands)
- better line management
- better leadership.

The effect of each on three different outcomes was modelled:

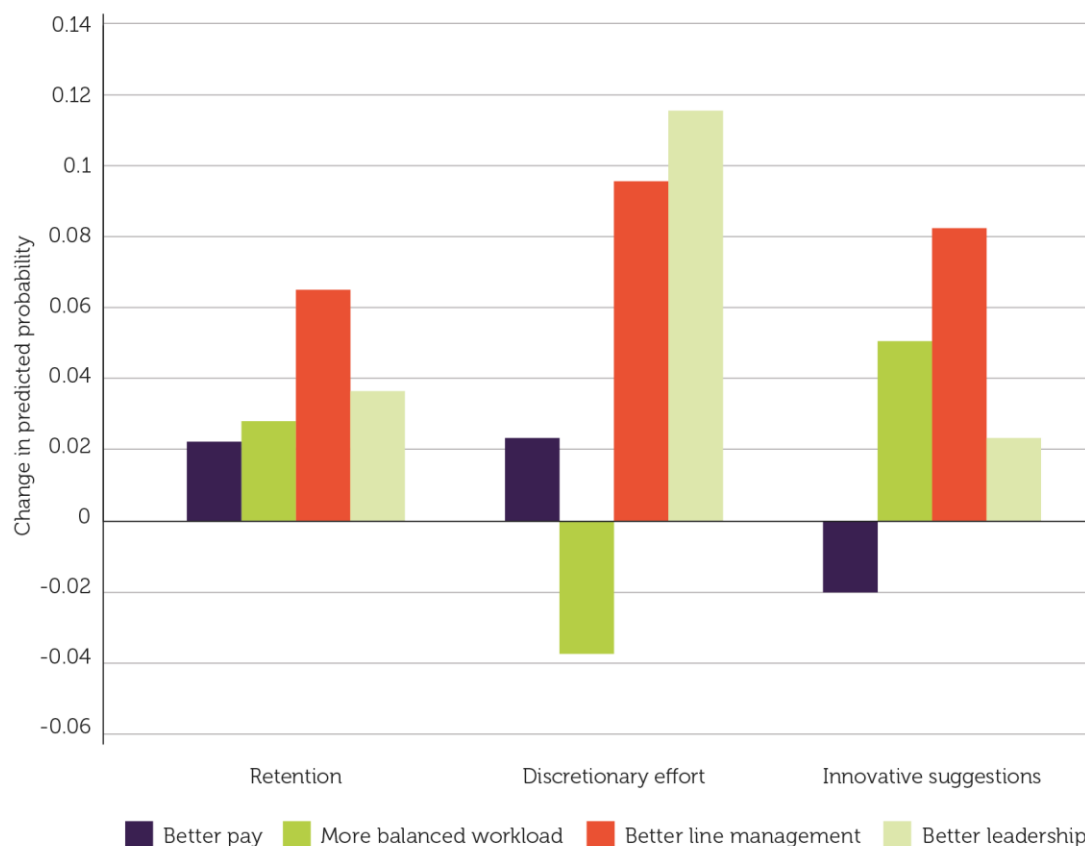
- retention (intention to stay)
- willingness to supply discretionary effort ('going the extra mile')
- willingness to come forward with innovative suggestions.

⁴ For example, according to the CIPD's *Employee Outlook - Spring 2010* survey - which asked an almost identical question on trust in leaders - employees in the private sector were slightly trusting overall (37% trusting versus 35% distrustful), whereas employees in the public sector were highly distrustful (20% trusting versus 54% distrustful).

In some cases, the predicted effects were small (and/or statistically insignificant). The largest predicted effects were due to better management and leadership, especially for increases in discretionary effort (Figure 19).

Figure 19: Results of modelling improvements in leadership, people management and working conditions, 2025

UK, public sector, excluding self-employed, owner-proprietors and partners in a business



Outlook

The Autumn Budget 2024 confirmed that financial year 2026/27 onwards would see modest increases in current (day-to-day) spending, which includes most people-related spending (Figure 3). The 2025 [Spending Review](#) suggested that the majority of this extra day-to-day spending would go to the NHS.⁵

The latest [Office for Budget Responsibility \(OBR\) forecast](#), produced for the Spring Statement 2025, implied that public sector employment would continue to increase.⁶ Employment in the NHS will increase further (assuming extra staff can be recruited). However, tight administration cost budgets for Whitehall departments suggest there will be cuts to civil service numbers.

⁵ Of the £50.7 billion increase in resource DEL (departmental expenditure limit) between 2025/26 and 2028/29, £30.5 billion was allocated to NHS England (source: [Table B.2](#)).

⁶ Forecasts for pay bill growth remain greater than the forecast growth of pay bill per head.

The OBR forecast is also for pay bill per head to grow slightly more slowly in the public sector than the private sector. If this means that public sector pay fails to increase in line with the private sector, this might increase recruitment, retention and morale problems.⁷

[*Departmental Efficiency Plans*](#) in effect mandate productivity improvements through their requirement for 1% of ‘technical efficiencies’ each year.

Government spending should also promote the productivity of public services. Some of the increase in capital budgets should improve the support given to employees (such as improvements to premises and equipment). In addition, one of the goals of the recently announced Transformation Fund is to improve the productivity and efficiency of public services.

To date, the government has been less clear on how these productivity improvements will be made. Consistent themes in *Departmental Efficiency Plans* are technology-enabled improvements in working methods and workforce reductions.

The analysis in this report suggests there should be a complementary focus on improving the quality of leadership and people management.

Improvements to public sector leadership and people management can help strengthen employment relations, which may come under pressure if pay settlements disappoint over the next few years.

Effective leadership and people management will also be needed to support the successful and harmonious adoption of new technology, which is likely to have significant implications for jobs and skills in parts of the public sector.

Appendix

Labour Market Outlook (LMO)

The CIPD’s [*Labour Market Outlook*](#) provides forward-looking labour market data and analysis on employers’ recruitment, redundancy and pay intentions based upon a survey of around 2,000 employers.

The LMO is published every February, May, August and November. Its insights help HR professionals and employers anticipate labour market movements and to adjust and prepare accordingly. It also feeds into our consultations and engagement with the UK Government and policy-makers. Further details of the methodology are provided in each quarter’s survey report.

CIPD Good Work Index (GWI)

The [*CIPD Good Work Index*](#) is an annual benchmark of job quality in the UK. Each year, we survey more than 5,000 workers from different sectors and occupations about key aspects of their work and employment. The resulting data and analysis provide evidence-based insights for people professionals, employers and policy-makers to improve work and working lives.

⁷ It is not clear if the OBR forecast implies changes in relative pay rates. Different growth rates of pay bill per head, for example, could also be caused by changes in workforce composition.

In the 2025 survey, there were 3,417 private sector employees (excluding self-employed, owner-proprietors and partners in a business) and 796 public sector employees.⁸ Within the public sector, there were three main groupings of employees:

- **Public administration, police, defence** (n=310). This category mainly comprised employees of central and local government (n=249). Nearly all employees worked in large organisations (250+ employees).
- **Education** (n=173). This was almost two-thirds of all employees in education (the remainder are employed in the private and voluntary sectors). Almost four-fifths of public sector employees worked in large organisations (250+ employees).
- **Health** (n=184). Public sector employees were outnumbered by private sector employees in this category because most care workers were employed by the private sector. Two-thirds of public sector employees were in high-skill occupations (management or professional) and over 90% worked in large organisations (250+ employees).

Modelling improvements in working conditions

Cross-section ordinal logit models were estimated linking three defined outcomes (see table below) to working conditions in the UK public sector (pay, balance of workload and support, line manager quality, leadership). Control variables were sex, age group, region, ethnic origin, disability, tenure with employer, managerial status, industry, occupation and organisation size.

Predicted probability of outcomes of improvement in working conditions

Improvement in working conditions:	Change in predicted probability of outcome:		
	Recruitment ⁹	Discretionary effort ¹⁰	Innovative suggestions ¹¹
Better pay ¹²	0.021	0.022	-0.020
More balanced workload ¹³	0.025	-0.038	0.051
Better line management ¹⁴	0.064	0.095	0.082
Better leadership ¹⁵	0.036	0.116	0.023
Model diagnostics:			
n	696	722	717
Pseudo R ²	0.0775	0.1009	0.1002

Effects highlighted in **bold** are statistically significant (5% significance level).

⁸ Sector status is self-defined and may differ from a classification based on the circumstances of the employer.

⁹ Unlikely/very unlikely to quit job in next 12 months.

¹⁰ Agree/strongly agree that “I am willing to work harder than I have to in order to help my employer or organisation”.

¹¹ Agree/strongly agree that “I make innovative suggestions to improve the overall quality of my team or department”.

¹² One standard deviation increase in subjective pay sub-index as defined in this [Appendix to the 2022 report](#).

¹³ One standard deviation increase in job demand and resources sub-index.

¹⁴ One standard deviation increase in line manager sub-index.

¹⁵ One standard deviation increase in a sub-index calculated using responses to the three questions about top management (see Figure 18).



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