Mental Capital and Wellbeing:

Making the most of ourselves in the 21st century

State-of-Science Review: SR-C3
The Impact of Management Style on Mental Wellbeing at Work

Professor Julian Barling
School of Business, Queen's University

Jennifer Carson
School of Business, Queen's University

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Summary

This paper explores the relationship between management style and mental health through a comprehensive review of the current literature. Several major findings are discussed in detail. First, poor-quality leadership has been linked with mental health consequences (e.g. stress, burnout, depression), whereas, high-quality leadership is related to both reduced incidences of these negative outcomes as well as increased wellbeing. Second, we suggest that several factors help explain these mental health findings, including power, mood contagion and organisational climate. Finally, three types of recommendations for managers and organisations are made based on these findings. Primary recommendations (e.g. training, selection) suggest ways to prevent the poor management that results in negative health consequences. Secondary measures (e.g. management rewards/punishments) suggest actions to limit the use of potentially negative management behaviours. Lastly, tertiary measures (e.g. employee assistance programmes) can be used to mitigate the consequences of poor management.

1. Poor-quality management and negative mental health

It is unlikely that either managers or employees would be surprised that research findings link poor-quality management with reduced mental health. Generally speaking, the research suggests that 'bad' leadership results in mental health issues. These findings seem quite intuitive. However, what might not be as intuitive is specifically what mental health consequences result from 'bad' leadership and, for that matter, exactly what constitutes 'bad' leadership.

Research demonstrates a range of mental health issues that can result from ineffective management styles. These issues range from feelings of helplessness and alienation (e.g. Ashforth, 1997), to stress and distress (e.g. Offerman and Hellman, 1996; Richman et al., 1992), to burnout (Martin and Schinke, 1998) and, finally, to anxiety and depression

Initially, even somewhat 'minor' leadership mistakes can lead to negative mental health symptoms. For example, one study found that managers' blunt criticism resulted in employee burnout (Martin and Schinke, 1998). In another study, Offerman et al. (1996) found that controlling management styles (less delegation and employee participation) resulted in increased stress among employees. Conversely, non-controlling management styles – those that delegate and encourage employee participation – actually reduced employee stress levels. These examples illustrate how negative and controlling management styles might lead to employee stress and burnout, but that small changes such as re-wording criticism and increasing delegation can reduce these mental health issues.

Next, increasingly negative leadership styles will have even greater mental health consequences for employees. To illustrate, Tepper's (2000) research indicated that abusive management results in low levels of job and life satisfaction, lower levels of affective commitment, increased work-family conflict, and increased psychological distress (e.g. depression, burnout). These findings are especially salient because they demonstrate how the mental health effects of leadership style actually extend beyond the work environment. The consequences of abusive management behaviours spill over into the employee's mental health outside of work (e.g. life satisfaction, work-family conflict).

Of course, it seems intuitive that *extreme* behaviour (i.e. abusive management) would have *extreme* consequences. What may be surprising, however, is that these 'abusive' behaviours need not be as severe as the label suggests; they can still have exceptionally negative consequences. Two examples will suffice. First, reminding an employee of past mistakes, making negative comments about the employee to others,

not giving credit and being rude to an employee are just four of the 15 examples of abusive supervision measured by Tepper (2000). Second, Kivimaki et al. (2005) showed that what might be regarded as minor transgressions regarding procedural injustice, (e.g. "Do you ever get criticised unfairly?", "How often is your superior willing to listen to your problems?") predict new cardiovascular incidents several years later. Thus, it is clear from these examples that negative leadership behaviours (even subtle ones) are likely to have negative (and often significant) mental health consequences for employees. These negative effects become even more salient, because as Sutton (2007) notes, left unchecked within organisations "assholes will breed like rabbits" (p66).

2. High-quality management and reduced negative mental health

But managers and leaders do not only influence employees' mental health negatively; high-quality management and/or leadership influence wellbeing positively too. In much of this research, 'high-quality leadership' has been defined using the transformational leadership paradigm (Bass and Riggio, 1998), where leadership is rated on a continuum based on four attributes, namely: idealised influence which refers to moral and ethical conduct (Judge and Piccolo, 2004); inspirational motivation; intellectual stimulation; and individual consideration. Findings here suggest that high levels of transformational leadership result in lower levels of burnout (Densten, 2005).

Similarly, Gilbreath and Benson (2004) investigated the effects of high-quality leadership on mental health. Their findings suggest that specific management behaviours (e.g. increased communication and group maintenance) lead to lower levels of psychiatric disturbance such as anxiety and depression. In fact, their results demonstrate that these supervisory behaviours predicted psychological health above and beyond other known, non-work predictors such as age, marital status, experience and position. Therefore, there is evidence supporting a significant relationship between positive leadership behaviours and the reduction of mental health issues.

In another study, this relationship was investigated over time and reciprocal relationships were explored. Van Dierendonck and his colleagues (2004) found that leadership behaviour had a lagged effect on wellbeing (measured as reduced mental health, anxiety, and depression). Interestingly, not only did leadership affect wellbeing but, over time, wellbeing affected leadership as well. The clear message here for managers is that considering how one's behaviour, as a manager, affects the mental health of employees is important, but may not be enough. Managers also need to acknowledge that their behaviour is reciprocally influenced by the feelings and moods of their employees.

3. High-quality leadership and wellbeing

Recently, a shift has occurred in the organisational literature: researchers are starting to focus on the positive aspects of workplace phenomena. Taken together with Diener's (2000) idea that wellbeing is a subjective evaluation of one's life, or level of happiness, the study of leadership and mental health has started focusing not only on how leaders can make employees less sick, but also how leaders can enable the mental health of their employees to thrive.

Although comprehensive research in this area is still in the early stages, there is preliminary support for the notion of good leadership having a positive impact on the wellbeing of employees (Turner et al., 2002). Dutton and her colleagues (2002) show that compassionate leaders have the potential to improve worker health during the most intense organisational and personal crises. Further, Townsend et al. (2000) suggest that, although managers may have an overall style, their behaviours will inevitably change depending on their relationship with each employee. Overall, their findings suggested that higher levels of mutual support,

trust and respect in leader-employee relationships lead to more positive work behaviours (organisational citizenship behaviours) and fewer, negative (retaliatory) behaviours.

Thus, while it is important to have a management style that promotes employee wellbeing, it is perhaps equally important to acknowledge that this style changes (even slightly) from one employee to the next. Therefore, it may be necessary for managers to actively adapt their interactions with different employees to ensure optimal benefits for them. Overall, there is early support for a relationship between high-quality leadership and positive mental health.

4. Why does management style influence mental health?

Given the effects of high-quality management and leadership on employee wellbeing, it may be beneficial to explain *why* a manager's style might have such significant consequences for employees. There are many contributing factors and several will be outlined here.

First, we should consider *power*. Managers are in a position of authority in organisations, relative to the employees they supervise. They are responsible for decisions made in the group, for financial rewards or punishments, and for hiring, firing, promotions and demotions. This allocates considerable status and power to managers, which can be used to motivate and inspire their employees. But it can also be used to demean and demoralise employees. Thus, it is not surprising that a manager's behaviours can have such immediate and often significant consequences for the state of mind of his or her employees.

Next, in most organisations, employees do not work in isolation; increasingly, *teamwork* is the norm. The ubiquity of '*mood contagion*' among group members (e.g. Anderson et al., 2003; Barsade, 2002; Neumann and Strack, 2000;Totterdell et al., 1998) and the salience of social interactions at work for employees (Sauter, et al., 1990) suggest that moods are easily transmitted between employees at the same hierarchical level. Therefore, managers need to consider not only how they interact with all employees individually, but also interactions between employees, as both influence mental health.

Finally, over time, the behaviour of the managers and the state of mind of the employees becomes part of the *organisational climate*. The climate of an organisation can be thought of as the informal practices, policies and procedures that guide the behaviour of employees, and this climate is largely fostered by supervisor behaviour (Zohar, 2000).

Taken together, these three components – power, mood contagion and organisation climate – can account for the very significant effects that management style has on employee mental health.

5. The future of management and mental health

It is also important to recognise that, as workplaces evolve, management itself may need to change. Today's organisations are not the same as those of previous decades. There are many examples of this evolution. First, many organisations and industries are now global, with offices working together from different cities, countries and continents. Thus, managers may be directing employees who are not physically in the same workplace as themselves or other team members, as is the case with virtual teams. Communication must, therefore, take place through technological mediums such as email, teleconferencing and videoconferencing. In addition, in many cases the traditional nine to five work day has been replaced with flexible working hours and job sharing. Similarly, the values, attitudes and behaviours of young workers now entering the workplace (Loughlin and Barling, 2001) are vastly different from, for example, those their parents held on

entering the workplace. They are now technologically sophisticated, have lower expectations regarding lifelong employment, and more demanding of their rights to fair treatment.

These new conditions create new challenges for management. As has been discussed above, better mental health can be tied in with high-quality leadership. However, in the absence of 'in-person' contact, managers may be tempted to spend more of their time planning and directing employees and less time leading them. For this reason, managers in tomorrow's workplaces will need to find new ways of building relationships, motivating and supporting employees through these unconventional mediums. Management development initiatives need to reflect the realities of today's workplace.

6. Conclusions

While researchers are traditionally careful not to attribute too much causal influence to leadership, management or organisations, there is much that managers can do to enhance the mental health of their employees. Three levels of intervention (primary, secondary and tertiary) can be embedded within the strategic vision of the organisation.

6.1. *Primary interventions*

The first level, primary, includes interventions that aim to prevent the emergence of any negative consequences in the first instance, and thus are proactive in establishing positive leadership and management practices.

The two main approaches of primary health interventions are selection and training. First, selection can be used when recruiting and promoting managers in the organisation. Managers should be recruited who possess characteristics consistent with the desired leadership and management behaviours, and not only because they may be capable of producing desired results. What this would entail is establishing a set of desired behaviours and selecting those candidates who exhibit them. A 360-degree approach in which feedback about these specific behaviours is sought from current or former co-workers might provide significant insight into the leadership style of candidates in terms of how they treat others (i.e. whether will they be an abusive leader).

Second, leadership training should be used to inform and improve the leadership behaviours of those already in formal management positions, as well as those prior to promotion to any position where they will be supervising others. Some individuals will 'naturally' manage others in a positive and effective way. However, these skills were likely learned from previous work experience, leadership activity as a teenager (e.g. sports teams), or watching and modelling influential adults such as parents and teachers. Equally, however, ineffective or even harmful behaviours might have been learned from these same sources. Management training has proved successful in several intervention studies (e.g. Barling et al., 1996; Dvir et al., 2002; Kelloway and Barling, 2000), and positive change in management behaviour from leadership training has resulted in a subsequent improvement in employee performance. Thus, since it has been shown that leadership can be improved through training and that leadership affects both employee performance and wellbeing, leadership training is one example of a primary intervention approach that would prevent mental health issues from emerging in the first instance.

Because of the proactive, preventive role of these approaches, and because these same studies indicate that parallel productivity effects should be expected, primary intervention should be the most preferred strategy for ensuring that leadership and management positively affect employees' mental health.

6.2. *Secondary strategies*

Secondary interventions recognise that negative situations exist (e.g. poor-quality leadership and management) and focus on attempts to ensure that they do not lead to harmful effects. As such, they have a role in ensuring that management does not result in negative mental health, and organisations need to establish mechanisms that will protect employees from such 'bad behaviour'. Three main examples of secondary interventions would include systems of reward/punishment for leadership behaviours, employee support mechanisms, and health and fitness programmes.

Systems of reward/punishment involve aligning rewards with positive leadership behaviours and punishments with negative behaviours. This seems like an intuitive and simplistic model, and yet it is rarely applied in practice. Typically, organisations reward performance as opposed to behaviour. This can be problematic because it is potentially rewarding behaviour that is negatively impacting the wellbeing of employees. Sutton (2007) discusses how organisations need to punish and (where the extent of the behaviour warrants) fire those who demonstrate 'bad' management behaviours that deviate from the organisation's strategic vision for leadership. Specifically, he suggests that "assholes" should not be tolerated, regardless of how successful they are, because it is likely that they negatively impact the bottom line of the organisation.

Another example of a secondary intervention focuses on providing support for employees, and can take many forms. As we saw in the first section of this paper, research shows consistently that social support from both managers and peers positively affects employee wellbeing. For example, encouraging opportunities for interaction, whether work- or personally-based, promotes relationships that are potentially beneficial. Within these opportunities, emotional and instrumental support mechanisms should be encouraged.

A very different focus would be providing health and lifestyle programmes (e.g. access to a nutritionist, fitness centre or massage therapist). These encourage healthy lifestyles (e.g. better eating, increased exercise, relaxation) that can improve an employee's baseline level of health, providing a better chance of preventing strain from work stressors. These programmes can act as buffers against potentially negative mental health consequences.

6.3. *Tertiary measures*

Finally, tertiary interventions are a last resort for mental health in organisations, and focus on limiting any negative effects on employees after they have already occurred. The most frequent example of a tertiary intervention would be some form of employee assistance programme that would offer access to a range of services (e.g. personal counselling), mostly aimed at helping employees already experiencing mental health issues. Employee assistance programmes do have a role because they can offer some benefit to employees in some situations. However, because tertiary interventions necessarily wait until problems already exist, they should be the measures of last resort.

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