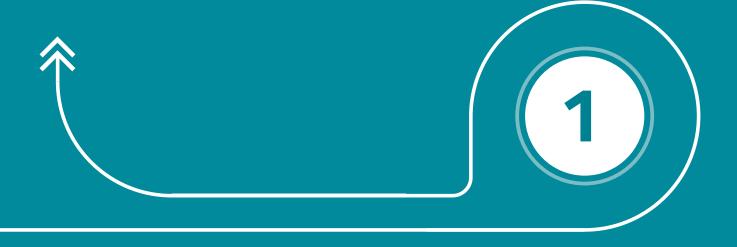


The pursuit of happiness: positivity and performance among UK managers



Introduction Executive summary	
Happiness	04
Stress and workload	06
Performance	80
Development	09
Conclusions and recommendations	10
Methodology	12



Introduction

If UK organisations are to achieve high levels of success and competitiveness, they need high-performing managers. But in order to create the right environments for managers to thrive, we first need to understand how they are faring and feeling. How happy are they? How stressed? Can they cope with their workloads? And are they getting the support and development they need?

To answer these questions and more, ILM set out to undertake a thorough diagnostic of UK managers' health, happiness and performance. Through this research, we sought to understand how UK managers rate their own performance, and to discover the key factors that influence it. We wanted to find out whether managers who are psychologically more positive believe they are performing at a higher level than those who are less positive. We also wanted to see how we could assist and support managers more effectively to improve their wellbeing and increase their impact.

Three years of global recession have had a tangible impact on the managerial landscape. Economic constraints and pressures, combined with technological advances and a rapidly changing workforce, pose a whole new set of challenges for today's leaders and managers. In this climate, employee engagement is a major driver of individual and organisational performance. As highlighted in the MacLeod report on engagement to the UK Government in 2010¹, 'only organisations that truly engage and inspire their employees produce world-class levels of innovation and productivity'.

Picking up this argument, our research explores how engagement through development impacts both performance and happiness, and looks at whether managers who receive more developmental support are producing more for their organisations.

¹ Engaging for success: enhancing performance through employee engagement, A report to Government, David MacLeod and Nita Clarke, BIS: 2010

Executive summary

Management happiness and good performance are closely interlinked, feeding into and influencing one another. In this report, we look in detail at this 'positivity-performance nexus'. We consider how we can maximise wellbeing in order to drive productivity, looking in particular at managerial development and support.

In September 2012, ILM set out to assess the health and happiness of UK managers, and to explore how organisations can help to improve their managers' psychological wellbeing and performance. We commissioned independent research with 1,000 managers to understand how they rate their own performance, and the key factors that influence it.

Happiness and positivity

Our research shows a direct correlation between a manager's happiness and their perceived level of performance. We found that happier managers believe they are performing to a higher standard, creating a more positive working environment. In our research, the top 10% of performers rated themselves the happiest at 86² out of 100, and the lowest 10% of performers rated themselves least happy at 30.

But it is not just a manager's own happiness that impacts performance. Managers who thought their reports were happy scored themselves better overall across all of the dimensions of the survey (60), compared to those who thought their reports were ambivalent (48) or unhappy (45), suggesting happiness flows both up and down through an organisation.

Seniority and the size of a manager's team also play a part, with CEOs and senior managers shown to be far more positive than first line staff.

Interestingly, those who have been in an organisation for less than two years are most happy – significantly happier, in fact, than those who have been with an organisation for a longer period of time. After two years, levels of happiness and performance decrease – a phenomenon we have called 'the two-year itch'.

Stress and workload

The ability to cope with stress and manage workload is an important part of being a happy and successful manager. The top 10% of performers rated themselves highly in their ability to cope with stress (80) and workload (79), while those with the lowest scores for their ability cope with stress (41) and workload (39) were also the worst performers.

The research showed that first line and middle managers are less able than more senior managers to cope with workload-related stress. Equipping junior managers with the skills to cope with stress and manage workloads earlier in their management careers will help to drive up both performance and happiness now and in the future.

It is important to note that stress does not always have an entirely negative impact on performance. The right degree of stress (or perceived stress) can be a spur to productivity, while too much can be detrimental to performance, and none at all can breed complacency.

Performance

Generally, managers feel they are performing well enough, with an average overall rating on the performance measures of 59. CEOs and senior leaders believe they are performing best (63), while first line managers feel they are performing worst (54). Those with only one direct report rate their performance lower (51) than those with large teams (63). And those who have been in their organisation between one and two years are the best performers overall.

Managers feel they are performing better at the more functional aspects of their role such as making use of resources (61) and working with people (59). They feel they are less effective when it comes to leadership qualities such as getting the best out of people (58) and disseminating vision and goals (56), highlighting the need for additional support and development here. Effective leaders and managers are able to communicate a clear vision and, most importantly, translate it into something tangible and attainable. This creates the kind of positivity which aligns psychological wellbeing with high performance, and should be a key area of focus for managerial development.

On the whole, managers thought that their reports are performing well – 76% say their reports' performance is good, and just 3% judge their performance as poor. This is encouraging, as we see that their reports' performance levels feed directly into managers' own performance and happiness.

Development

Training and development has a direct impact on managers' ratings of their own performance and positivity, and that of their teams. We see that managers who have clear access to training and development are more likely to be happy and perform at a higher level. A perceived lack of access, on the other hand, will lead to disillusionment, particularly if an employee has been at an organisation for more than two years.

First line managers are significantly less likely to feel they have access to development than those higher up the organisation. This is a concern, as it is first line managers who need training most urgently, both in order to perform and to feel they are making progress.

Feedback, coaching and access to a well-developed training programme emerge as key areas where employers can enhance opportunities, happiness and performance among their staff.

Recommendations

Happiness flows both up and down through an organisation, from managers to their teams and back again, and is directly linked to confidence in their own performance. By monitoring and maintaining the happiness of their staff, organisations can drive their performance and productivity.

Increasing access to development and giving staff clarity on career progression has a positive impact on both employee happiness and levels of performance, indicating that organisations that invest in their staff will reap the rewards in more ways than one. Better developed leaders and managers are not only more skilled and capable, they also make happier and higher performing team members.

The positive impact of training and development is particularly relevant for first line managers, who are identified as the least happy, least skilled and poorest performers. The research highlights a major opportunity to increase performance and positivity by providing targeted and timely training and development to junior managers.

Management development has the greatest impact when it is provided early in a manager's career within an organisation and, crucially, before they reach their second anniversary in the role. By timing their training and development in this way, organisations have the opportunity to negate the 'two-year itch' and capitalise on new managers' early enthusiasm and energy to achieve a lasting increase in their capability and commitment.

Workload stress emerges from the research as a significant issue for junior managers, which is affecting their overall positivity and performance. This highlights the value of training new and prospective managers in ways that will help them to better cope with the logistical and psychological challenge of a stretching workload, through time management, planning, delegation and mental resilience.

Vision was highlighted as another area of concern for managers, with respondents reporting they were less confident of their ability to sell a vision and inspire their staff than with more functional management tasks. This suggests that organisations have an opportunity to help nurture this essential leadership skill by targeting their training and development here. All leaders and managers need to be able to develop and share their vision if they want to make it a reality and lead their team through change.

Key research findings

Both happiness and the ability to deal with stress have a positive impact on reported performance levels. We see that happiness flows both up and down through an organisation, with managers of happy teams more likely to be happy and productive themselves. The research also highlights how clear and accessible development pathways are essential to maintaining wellbeing and producing high-performing managers.

Happiness and positivity

The research shows a direct correlation between a manager's happiness and their level of performance. We found that happier managers believe they perform to a higher standard – a result which creates a positive working environment and generates happiness among reports.

The top 100 performers in our study rated themselves the happiest at 86 out of 100, and the lowest 100 performers rated themselves least happy at 30. Figure 1 (on facing page) displays the average happiness rating for each performance band, with the performance scores divided into bands of ten. For those with a low performance rating between 0–10, their average happiness rating was 10. You can see clearly that performance and happiness increase together.

In the research, a manager's performance and their perception of their own happiness correlate strongly. In fact, this research may hold the key to explaining why happiness and performance seem to go hand in hand, with higher levels of psychological wellbeing perhaps encouraging higher levels of engagement within an organisation.

A happy team

It is not just a manager's own happiness that impacts performance. Managers with happy reports are more likely to perform to a higher standard. 67% of managers said the employees they are responsible for are happy in their current role (see figure 2). Managers who thought their reports were happy scored better overall for the whole survey (60), compared to those who thought their reports were ambivalent (48) or unhappy (45).

The industries in which managers are more likely to think their reports are happy are: Charity (80%), Leisure (77%) and Education (73%). Those sectors where managers are more likely to find their reports unhappy are: Health (23%), Utilities, post and telecoms (23%), and Financial services, banking and insurance (18%). Interestingly, managers in third sector organisations were significantly more likely to think their reports are happy (86%), compared to the public (66%) and private (67%) sectors.

Previous research by ILM has shown that employees in the third sector are more likely to feel that their own values and goals are aligned with their organisation's. Third sector employers are more likely to have a clear and compelling vision, which enables strong workforce buy-in and increases happiness. This suggests employers in other industries have an opportunity to replicate this by ensuring they convey their vision clearly, and by capturing and communicating their organisation's objectives in a way that challenges, motivates and engages their staff.

Size matters

Those who manage large teams (with more than ten reports) are significantly likely to be more positive about their own state of mind and performance than those with smaller teams or just one person to manage. This suggests that enabling people to progress and take responsibility for larger teams produces more positive and productive managers. Managers in smaller companies (less than 20 employees) also tend to be more positive than those who work in large organisations (1,000+ employees).

So, overseeing a large team within a small company would seem to be the optimum scenario for managerial happiness. But it is not just experience that pays here; while experienced managers are prime candidates for an expansion of remit and responsibility, happy and positive people are also more likely to be rewarded with greater responsibility and larger teams.

Overall, the research showed that CEOs and senior managers tend to be more positive than first line staff. CEOs are happiest (69), compared to first line managers who are the least happy (54). Senior managers tend to manage larger teams, and it makes sense (due to their experience) that they are more confident in their abilities and more likely to believe they perform well.

Optimistic outlooks

How optimistic managers are for their organisation varies according to sector. Generally, however, despite the negative context of the global recession, 45% of managers said their outlook was optimistic. An optimistic outlook has an impact on performance; managers who were confident about the future of their organisation (61) felt they performed better than managers with a neutral (56) or negative (53) outlook.

Again, CEOs were more positive in outlook (58%) than less senior figures (42–47%). Almost half of third sector (49%) and private sector (48%) managers said they were positive about their organisation's outlook, compared to 35% of public sector managers – which almost certainly reflects the pressure faced by the public sector to cut spending.

The 'two-year' itch

The research identifies several key factors associated with lower management happiness. Interestingly, those who have been in an organisation for less than two years are most happy — significantly happier, in fact, than those who have been at an organisation for a longer period of time. After two years, managers' own levels of happiness and performance decrease abruptly (see figure 3). 83% of managers who have been at their organisation for less than one year also say their reports' performance is good, whereas this dips to 70% after two to three years.

Figure 1: Correlation between happiness and performance



Overall score for happiness: 57 Overall score for performance: 59

Figure 2: Managers' perception of their reports' happiness

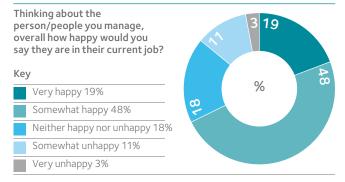


Figure 3: The 'two-year' itch

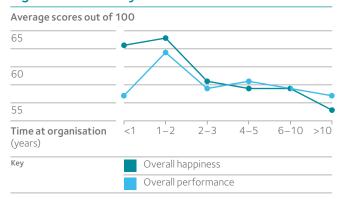
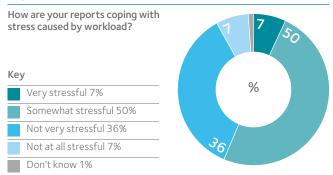


Figure 4: Managers' perception of their reports' stress



During the initial 'settling-in' period, managers will generally be more positive as they encounter new challenges and grow in confidence. Recently recruited managers have the enthusiasm, adrenaline and excitement of doing something new. This is often coupled with a lack of experience and detailed understanding of the role, which keeps them highly switched on and motivated, but possibly blind to potential negatives. The research suggests that after two years' experience, managers develop a better understanding of their own strengths and weaknesses, and of the challenges that the job presents. It seems that, as managers adjust to the role and it loses its freshness, their excitement and enthusiasm diminish, making them less happy, and also less confident about their performance.

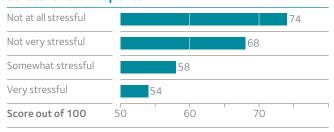
Two years is therefore a pivotal time in a manager's career within an organisation. Organisations have both a challenge and an opportunity to harness and retain this early enthusiasm and energy. One practical route to achieving this is to ensure that all new managers receive training and development in their first two years within an organisation, and are clear about their longer term career opportunities within the organisation.

Stress and workload

The ability to cope with stress and manage workload is an important part of being a happy and successful manager. Most managers felt able to cope with stress due to workload (63), though less able to cope with the size and pressure of workload (56).

There is a strong correlation between being able to cope with workload and state of mind. Our research found that the ability to cope with stress and balance workload correlates with a manager's performance and happiness.

Figure 5: Ability to cope with stress by stress level of reports



We see that happier managers were better at coping with stress through workload, as were managers of happier teams – managers of happy teams coped with stress better (66) than those with unhappy teams (54).

Similarly, the top 100 performers rated themselves highly in their ability to cope with stress (80), while those who rated their ability to cope with stress lowest (41) were the worst performers.

Clearly, equipping managers with the skills to cope with stress and manage workloads will be essential to improving levels of performance and happiness now and in the future. These skills include planning, organisation, delegation, time management and mental resilience.

Worryingly, 57% of managers believe that their reports are stressed (see figure 4). We see that stress – like happiness – radiates up and down through an organisation, with managers of stressed reports less able to deal with stress due to their own workload (see figure 5). As the stress levels of reports have been seen to correspond with stress levels of managers, this has implications for the performance of both reports and managers, and for the overall psychological wellbeing of the whole workforce.

Organisations that are mindful of these 'danger zones' indicated by the research report, where employees are likely to be unhappy and, in turn, less productive, will be in a stronger position to take preventative action. In particular, the research indicates employers should look out for employees — especially first line managers — working in large organisations where they have no access to development, and where they cannot see clear pathways for progression. These first line managers are at a high risk of becoming disillusioned and need to be helped and supported at this critical juncture in their career.

Figure 6: Ability to cope with stress by seniority

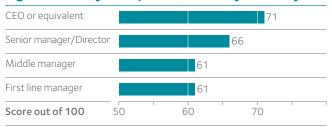
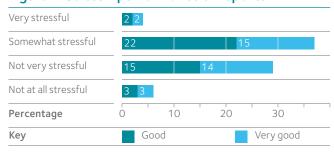


Figure 7: Stress v performance of reports



Reports who were moderately stressed outperformed those at either end of the scale, indicating that a modest amount of stress helps drive reports' performance.

A delicate balance

Stress does not always have an entirely negative impact on performance. We see that reports who are either 'very stressed' or 'not at all stressed' also say they perform least well, while reports who are 'somewhat' or 'not very stressed' perform best (see figure 7). This suggests that a degree of stress (or perceived stress) can be a spur to productivity, while too much can be detrimental to performance, and none at all can breed complacency.

'Low-stress', not 'no-stress', should be the aim, although organisations need to be very clear about the signs of over-stress – for instance, when someone is unhappy, lacking in positivity and unable to deal with their workload.

Weighed down by workload

The research showed that first line and middle managers felt they are less able than more senior managers to cope with workload-related stress. What's more, once managers have been at an organisation for more than a year, they also said they are less able to cope — this again points to the need to capture and retain the focus and motivation of newly-appointed staff.

As shown in figure 6 (above), seniority has a big impact on the ability to handle stress. Of those surveyed, junior managers appear to be more stressed and senior managers less so. This is paradoxical, because superficially senior managers have more stressful jobs involving greater accountability, more complex challenges and minimal peer support ('it's lonely at the top'). This paradox occurs for three reasons.

Firstly, senior managers will typically have got to where they are through their ability to manage their workloads and delegate well, and by having the knowledge and skills needed to resolve complex problems. Junior managers, by contrast, are more likely to lack the skills and experience to cope with the workloads and demands put upon them.

Secondly, senior management requires greater mental resilience. Research by psychometric test developers AQR shows a strong link between mental resilience, stress management and high performance. Since these are exactly the qualities that employers look for in senior managers, it is only the mentally tough that 'make it'.

The third factor is the degree of control that senior managers enjoy. Stress is accentuated by a lack of control over a situation, and one of the significant characteristics of senior managers is the relative freedom of action they enjoy.

Elsewhere, managers in smaller organisations (less than 50), and those with a positive outlook for their organisation, say they are more able to handle stress. Managers who are more positive generally are also better able to cope with their workload, as are managers in the private and third sectors compared to those in the public sector.

These findings indicate that organisations will benefit by investing in developing better coping skills for managers at all levels from first line management onwards. As shown, junior staff in particular are struggling with stress, so this could be a good place to start in terms of making meaningful interventions.

Figure 8: Performance by management skillset

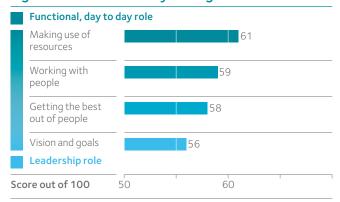
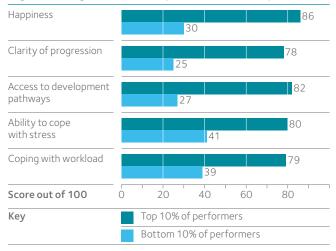


Figure 9: Highest/lowest performers compared



Performance

Generally, managers feel they are performing well enough, with an average overall performance rating of 59. CEOs and senior leaders report they are performing best (63), while first line managers feel they are performing worst (54). Those with only one direct report are performing worst (51) compared to those with large teams (63). And those who have been in their organisation between one and two years rate themselves as the strongest performers overall.

It is important to recognise that the two-year employment timescale can apply to people in varying positions within an organisation. Indeed, 'recently recruited' does not necessarily mean 'junior'; on the contrary, as ILM's 2012 report *The leadership and management talent pipeline* showed, most external recruitment occurs at senior management level. CEOs and senior managers are therefore just as likely to have been in an organisation for one to two years, which correlates with their propensity for higher positivity and performance.

Managerial skills gaps

Managers feel they are performing better at the more functional aspects of their role, such as making use of resources (61) and working with people (59), and less effectively when it comes to leadership qualities such as getting the best out of people (58) and disseminating vision and goals (56). Indeed, vision is seen to be the hardest leadership skill of all. As might be expected, senior managers and CEOs are better at it (62) compared to first line managers (50).

Interestingly, the happier managers' reports are, the easier managers find it to immerse themselves in and disseminate organisational vision. There is also a positive correlation between a manager's happiness and their performance in 'vision and goals'.

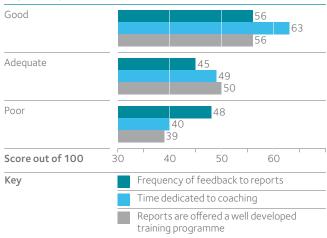
Vision is a critical attribute for today's leaders, who are required to have and communicate a clear and compelling picture of what is possible for an organisation, for teams and for individuals. This helps to inspire people to achieve and perform above average. Effective leaders and managers are able to communicate a clear vision and, most importantly, translate it into something tangible and attainable which goes beyond mere 'objectives'. This creates the kind of positivity which unites psychological wellbeing with high performance.

To develop a vision, leaders and managers need to be able to analyse the environment in which they work, forecast how it will develop, and plan how to get from where they are to where they want to be.

High-performing employees

On the whole, managers thought that their reports are performing well; 76% say their reports' performance is good, and just 3% judge their performance as poor. The strength of performance is also notable, with a third (34%) saying their reports' performance is 'very good'. And this perceived strength of performance in reports correlates with managers' perceptions of own performance and happiness.

Figure 10: The impact of development on reports' performance



50

the average score for availability of development. This ranges from 43 for junior managers to 60 for senior managers

Development

Interestingly, scores for development were some of the lowest in the survey. Clarity and access to development received an overall score of 50, and clarity and access to progression received a score of just 48.

This is worrying, as we can see a clear correlation between managers' performance, and their access to progression and development opportunities. Figure 9 (opposite page) shows that the top 10% of high-performing managers enjoy ready access to progression (78) and development (82), compared to the bottom performing 10% who score poorly for both clarity of progression (25) and development pathways (27).

Managers who are clear on how to access training and progress in their organisation are more likely to be happy and believe they perform at a higher level. A perceived lack of access, on the other hand, will lead to a decrease in performance, particularly if an employee has been at an organisation for more than two years and their enthusiasm has faded. Therefore, organisations will benefit by ensuring development pathways are as clearly signposted as possible.

We see that first line managers are significantly less likely to feel their development pathways are clear than those higher up the organisation (first line manager 43, middle manager 50, senior manager 60).

Senior managers, by contrast, are more likely to feel these pathways are accessible. Indeed, they have travelled these pathways themselves on their individual career journeys. They are also responsible for supporting their reports' progress and have a crucial role to play in improving clarity and access.

Well-developed teams

Development is a crucial issue not just for individual managers, but for their teams as well. Reports who receive development in terms of feedback (57), coaching (63) and access to a well-developed training programme (65) were seen to perform to a higher standard (see figure 10). Unhappy reports tended to work in organisations where managers provided lower scores in these areas -47, 52 and 55 respectively.

The same is true of happiness – managers whose teams had frequent feedback, opportunities for coaching and a well-developed training programme were seen to be happier than those who received less access (see above).

Coaching and feedback have a positive impact on perceived performance. Managers who spend more time dedicated to coaching, who give more frequent feedback, and who think their reports are offered good training were more likely to think that their reports perform well. By focusing on the talent and development pipeline from the bottom up, employers can drive positivity, engagement and performance at every level.

Conclusions and recommendations

This research provides a telling snap shot of the current state of UK management, and the important relationship between positivity, performance and development. It also highlights a number of opportunities for organisations to drive positivity and performance by providing targeted support and training for their managers.

The pursuit of happiness

Our research shows that the happiness of staff clearly correlates with managerial and organisational performance, and suggests that improving staff wellbeing offers a route to improving the bottom line.

As a result, we can confidently say that the happiness of your staff is likely to be a reliable indicator of their performance. Unhappy staff are unlikely to be performing to their full potential, so it pays to watch out for and act on any signs of unhappiness in teams or individuals as these are likely to signify a wider issue with their productivity.

The right amount of stress

We also see that a little bit of stress is actually a positive thing as slightly stressed managers are far more positive and productive than those with no stress at all. The challenge for organisations is to maintain the right level of stress, enough to focus and energise, without being so great that it affects wellbeing and performance. This is less about restricting managers' workloads and more about supporting and enabling them to manage those workloads more effectively.

The need for support is most acute among junior managers, who are shown by the research to feel that they are more stressed, less positive and performing at a lower level than their more senior management colleagues. We believe the best way to do this is through training and development early on in a manager's career, to help them develop the skillset and mindset needed to deal with and deliver a challenging workload. This includes practical skills such as planning, organisation and time management, as well as softer skills such as goal setting, delegation and motivation.

We also recommend organisations support their junior managers to develop the emotional resilience and mental toughness to handle the psychological impact of a stretching workload.

The value of vision

Overall, managers feel they are performing well and that their teams are too. This is heartening, especially in the current economic environment. However, managers identified the need for more support around the leadership aspects of their role, especially vision.

We see vision as an essential and indispensable capability for modern leaders, who need to be able to develop and share their vision of what success looks like if they want to make it a reality. An inspirational vision converts dry objectives into something more tangible – something people can not only see, but something they can see themselves being part of. Which is why we believe vision should be a key element in any organisational leadership development programme.

Developing positivity

We know that leadership and management training and development provides managers with the essential skills and capabilities they need to perform and improve in their role. Crucially, this research highlights the ancillary benefits of development and its impact on staff wellbeing, motivation and positivity.

We see that organisations who train and develop their managers as standard not only achieve a more skilled and capable management team, they drive happiness, engagement and loyalty across their workforce. Certainly, those organisations with a talent pipeline – that is, a clear and established pathway of staff development and progression – are in a far stronger position to identify, build and retain skilled, engaged and high-performing staff.

Focusing on first line managers

This research reinforces the need to target training and development more effectively for front-line managers. We see that those at the bottom of the management chain – and in particular those with small teams in large organisations – are the least happy, most stressed and poorest performers in the study. It is no coincidence that they also have the least access to training and development pathways.

This failure to support and invest in developing in first line managers is nonsensical. After all, they are responsible for the front line of the organisation. They manage the staff who deal directly with customers, goods and services, and are therefore critical to any organisation's performance.

We know that first-time managers are likely to have been promoted primarily for their technical expertise, rather than any natural managerial ability or potential. This research reinforces the concern that too few newly-appointed managers are receiving the training and development they need to perform at their peak.

This 'sink or swim' approach to management development creates a layer of 'expert novices' at junior management level, without the core skills, knowledge and awareness needed to lead and manage other people effectively.

First line managers are the weakest link in the management chain, and therefore the most in need of training and support. We know from previous research that the core skills managers require are communication, planning and people management. In addition, this research highlights the value of development around managing stress and workloads, and the ability to build and communicate vision.

Figure 11: The positivity and performance loop



The research indicates a close inter-relationship between managers' performance, happiness, stress levels and ability to cope with workload. Not only can training and development impact on performance, it can also indirectly improve psychological wellbeing, further enhancing its impact.

Preventing the 'two-year itch'

We know that the timing of training interventions is critical. Our *Leadership and Management Talent Pipeline* study highlighted the benefit of training prior to promotion to management roles. Here, we see that the two year anniversary is a pivotal time in a manager's career within an organisation. A manager's happiness and positivity peak after two years at an organisation, giving organisations a window of opportunity to capitalise on this early energy and enthusiasm, before the 'two-year itch' kicks in.

One powerful way to achieve this is to ensure that management training and development is targeted as standard within the first two years in a management role, to harness and maintain this peak positivity and performance. Coaching and mentoring in this period will also help overcome the 'two-year itch', by helping managers to consider, discuss and deal with the negative aspects of their role. It is also important to set clear targets for success over the first two years and beyond.

Methodology

In summer 2012, ILM commissioned FreshMinds to undertake research into UK managerial performance. The fieldwork took place in late May and June, with a sample consisting of 1,000 practising managers. The sample was selected to be broadly representative of UK management in terms of gender, age and ethnicity (see below right); it also broadly reflected the management population's level of seniority and geographic location, as well as the size and sector of their organisation. Crucially, the various sub-samples within these dimensions were large enough for us to be confident about any patterns that emerged.

The research set out to answer three broad questions:

- 1 How are you doing? (Managers' performance)
- 2 How are you feeling? (Managers' psychological wellbeing)
- **3** How are your reports feeling? (Their reports' psychological wellbeing)

Previous research in this area has rarely examined the relationship between managers' psychological wellbeing and performance in so much detail; nor has it looked at the relationship between these dimensions and managers' perceptions of their reports' psychological wellbeing.

Perception and reality

One of the challenges of asking managers to report on their own performance is that this is clearly a subjective view. However, there is evidence from other research that, although people often tend to rate themselves more highly than observers, there is a correlation between self-assessment and external rating. This means that, while the performance self-assessments may be biased, this bias is likely to be consistent across all respondents. What is important in our research is less the absolute measures than the patterns and relationships between different measures.

There is less likely to be bias in self-assessments relating to psychological wellbeing. How we feel is clearly subjective, but the research was specifically seeking to measure this subjective feeling, and so is as accurate a report as is possible. Asking managers about their reports' psychological wellbeing is clearly based on their perceptions only. However, these perceptions will influence managers' behaviour, and are therefore more important in shaping organisational strategies than 'reality'.

Sample and population demographics

		Manager sample	Manager population
Gender	Male	68%	68%
	Female	32%	32%
Age	16-24	5%	3%
	25-34	20%	20%
	35-44	30%	31%
	45-54	30%	30%
	55-65	15%	16%
Ethnicity	White	89%	90%*
	ВМЕ	10%	10%*
	n/a	1%	

^{*}Estimated

We asked managers a number of questions exploring three main strands:

- How am I doing?
 Managers' perceptions of their own confidence, effectiveness and performance across a range of core managerial responsibilities
- How am I feeling?
 Managers' state of mind, levels of motivation and degree of positivity/negativity towards their role
- How are my reports feeling?
 Managers' perceptions of the state of mind and performance of the employees they manage

Each of the questions was presented to respondents in a slider format from 0 to 100 (left to right). Respondents were asked to move the slider along the scale to a position which best reflected their position in relation to three given statements.

About ILM

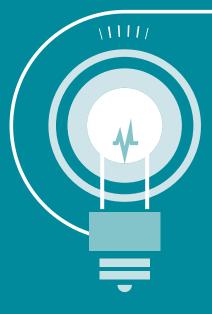
The Institute of Leadership & Management (ILM) is the UK's largest management development organisation. We are passionate about good leadership and management, and its power to drive organisational performance and wider economic prosperity.

We are committed to raising awareness and understanding of good leadership and management practice through an intensive programme of independent research. This helps us to maintain a clear picture of what great leadership and management looks like, and how best to achieve it.

We offer a broad range of industry-leading qualifications, training and member services to develop and support leaders of all levels, from first line managers to CEOs. Last year, our network of over 2,500 expert learning providers helped more than 90,000 people to enhance their leadership and management capability with an ILM qualification. Currently, over 35,000 managers enjoy increased professional recognition and support through ILM membership.

As part of the City & Guilds group, we operate internationally, improving leadership and management capability and performance across all sectors.

www.i-l-m.com



For more information contact Smita Chakma

T +44 (0)20 7294 3054 E smita.chakma@i-l-m.com

Institute of Leadership & Management 1 Giltspur Street London EC1A 9DD

www.i-l-m.com

The Institute of Leadership and Management is a company limited by guarantee (Reg No 601049) and registered as a charity in England and Wales (Reg No 248226) and in Scotland (Reg No SC039693)

Published by the Institute of Leadership & Management

© Copyright ILM

ILMPH/V1/1112

