Managerial and Executive Stress: An EAP's Perspective

Insights from the WarrenShepell Research Group

WarrenShepell

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EXECUTIVE SUMMARY

This report provides an overview of managerial and executive stress and its impacts on employee and organizational performance. The report also summarizes trends in Employee Assistance Program (EAP) accesses among supervisors and managers. The needs and issues of this population are important to understand in light of executive retirement trends and succession planning in the emerging century.

Among the findings:
- Eighteen percent (18%) of all EAP accesses were accounted for by supervisors and managers. These numbers were substantially higher for the retail (37%) and advertising sectors (31%), but also for the financial, hardware/software, construction, and real estate sectors (24 to 26%). Based on average manager-to-direct report ratios these percentages are above the expected norm of 10%.
- Thirty-five percent (35%) of supervisors and managers accessing EAP reported high levels of stress. Levels were higher for female (38%) and older supervisors and managers (e.g., 39% for over 50 years of age). Given the span of influence of these employees, these numbers suggests that organizational health and performance may be seriously compromised.
- Nearly one in five employees may be adversely affected by the personal difficulties of supervisor and managers who do not seek EAP or other means of assistance.

These and other findings within this report are interpreted and implications are derived for consideration. Additionally, theories of leadership are reviewed to better understand how stressors and strains derail successful leadership at all levels of the organization. Finally, practical recommendations are offered to organizations on how to identify and address sources of distress among supervisors, managers and executives.

INTRODUCTION

Only within recent years has the issue of managerial and executive health become a hot topic on the industrial-organizational landscape. This is surprising given the vital role that these employees play within organizations. Managers and executives are responsible not only for administration and departmental representation but also leadership and decision-making.

This report has two purposes. One purpose is to address the following questions:
1) Do managers and executives face unique stressors in the workplace?

2) What are the organizational outcomes of distressed managers and executives?

These questions are addressed through published research.

The second purpose is to report on EAP usage among supervisors and managers in Canada. Understanding the problems that this group presents to EAP may inform succession plans. As the executive population continues to age and retire, a greater number of supervisors and managers will be called upon to replace thinning senior ranks. This pool of employees must be healthy and well adjusted.[1]

1. For the sake of brevity, supervisors and managers will often be called 'managers' throughout this report (i.e., anyone who manages people and their work). Both groups share similar competency and performance requirements, though exercised at different levels of complexity and span of control (Borman & Brush, 1993; Spencer & Spencer, 1993).

Who are Canadian Managers?
According to the 2001 Census:

- The majority of managers (59%) are between 35 and 54 years of age (versus 34% of the total labour force);
- The average income for managers is $56,752 (versus $31,757 for the average worker);
- Almost two-thirds (1,022,790) of managers are male;
- Male managers earn higher incomes than female managers ($65,621 versus $40,866);
- Managers work an average of 45 hours per week (versus 39 hours for the average worker). The majority of full-time managers work 50 hours or more per week.

The Stressors of Management & Executive Work

Despite the variety of managerial occupations that exist, most managers do some or all of the following tasks: leading, developing, and managing people, planning and organizing, building and maintaining relationships, communicating, ensuring peer and team effectiveness, problem-solving, and decision making. In addition, executives are responsible for setting strategy and macro-level policies that are implemented by middle and lower management.

The above tasks translate into high quantitative and qualitative workloads for managers, which increase job-related tension and decrease performance. Managers work longer hours and take home more unpaid work than other workers (40% more work taken home). Not surprisingly, 'working hours' is a strong determinant of work-family conflict, especially among executives. Many executives find it difficult to maintain any kind of balance between life and work. Managers are affected too. When faced with work-family conflict, they are more likely to be irritated, make psychosomatic complaints, and suffer from workplace depression.

Managers also experience a high degree of emotional labour from managing people. Having to regulate one's internal and expressed emotions can be stressful over long periods of time - especially when delivering negative feedback. Chronic emotional labour can lead to burnout.

Managerial and executive roles are also characterized by high levels of responsibility and decision-making. Executives, in particular, are responsible not only as the most senior person to their unit, but also to the senior management team. While there are benefits to having autonomy and decision latitude in one's job, research suggests that too much of either factor can be stressful and unhealthy. Beyond a certain level of autonomy, well-being and performance can actually decline.

Executives also face unique stressors around maintaining trust in the face of high-level decisions. For example, employees often feel betrayed in situations of restructuring or downsizing. There is often a long delay between executive decision-making and outcomes at the employee level. An unfortunate byproduct is that executives may appear not to care when the impact is finally felt by others. However, executives have already dealt with the weight of these decisions in the past. The consequence for executives may be isolation and loneliness. Executive isolation and loneliness also occur as a function of hierarchy. Direct reports may view leaders as separate and 'different' from themselves and restrain from communicating with them in an open and honest fashion.

Trust in management is not a trivial 'nice to have.' A recent Canadian HR Reporter and WarrenShepell study found that trust in supervisors and senior management were among the most potent drivers of employee well-being and engagement[1].

Finally, managers and executives face stressors associated with globalization and competition. These factors have led to increasing complexity and instability in organizations brought on by re-structuring, downsizing, mergers and acquisitions. Navigating organizations through this complex and volatile landscape can lead to managerial and executive stress.

1. Canadian HR Reporter & WarrenShepell. (2006). How much and how important?: An executive view of employee engagement factors. Toronto: Thomson Canada & WarrenShepell.

METHOD

Three years of WarrenShepell EAP data were analyzed to discern patterns in EAP use among supervisors and managers versus other employees[2]. The sample consisted of 168,162 clients who accessed the EAP between 2003 and 2005 (62% female, 38% male). The data analyses were conducted on intake variables collected on each client at first access[3]. The variables included presenting problems, self-reported stress level, and demographic variables. The data were analyzed using Pearson chi-square analysis and Chi-Squared Automatic Interaction Detection (CHAID).

RESULTS

Demographics

Managerial employees who accessed EAP reported the following demographic characteristics.

- Eighteen percent (18%) of all EAP accesses were accounted for by supervisors and managers.
- Males that accessed EAP were more likely to be supervisors and managers (22%) than females (15%).
- Almost all supervisors and managers who accessed EAP services were full-time employees (98%).
- The large majority of supervisors and managers who accessed EAP were between 30 and 49 years of age (75%; see Figure 1). This group of supervisors and managers represented 13% of all EAP accesses.

Figure 1. EAP Access by Occupation & Age
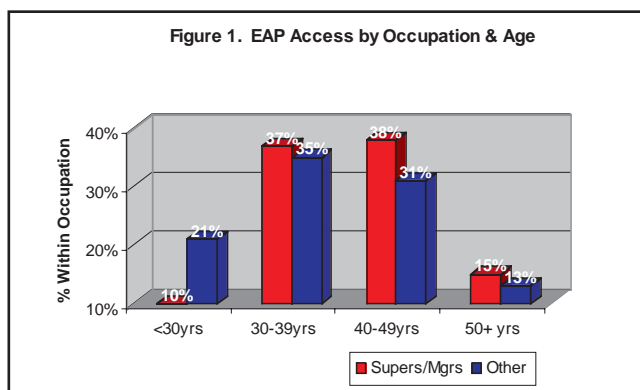
- Two demographic 'enclaves' accounted for sizable proportions of supervisors and managers who accessed EAP.

  - o Twenty-nine percent (29%) were women under 50 years of age, working full-time, and with five or more years of service. While this may reflect demographic patterns of EAP access in general, this may also highlight demographic sources of stress that could be addressed in managerial support and development.
  - o A further 28% were males who were 30 years of age or over, working full-time, with five or more years of service.
- Supervisors and managers accounted for a larger proportion of EAP accesses from the retail (37%) and advertising sectors (31%, both versus 18% from all sectors). Similarly, 24% to 26% of accesses from within the financial, hardware/software, construction, and real estate and property sectors were accounted for by supervisors and managers.

Presenting Problems

Supervisors and managers reported the following problems to EAP:

- More supervisors and managers (20%) than other occupations (17%) reported marital/relationship discord (and slightly more parenting and child-related issues).
- Supervisors and managers did not differ from other occupations in their reports of work- versus non-work-related stressors (93% reported non-work-related stressors). This was true regardless of age or gender.
- Female supervisors and managers, 40 years of age or over, with 5 to 14 years of service, were more likely to report work-related stressors (13%) than supervisors and managers in general (7%). However, this group represented a small portion of supervisors and managers (7% of all supervisors and managers who accesses EAP).
- Fewer supervisors and managers (7%) than other occupations (10%) reported emotional problems (depression and anxiety). However, reports were higher among supervisors and managers under 30 years of age (12%). Reports of emotional problems did not differ for male or female supervisors and managers.

Stress

Fewer supervisors and managers reported *high* levels of stress when compared to other occupations (35% of supervisors and managers vs. 38% of other occupations; see Figure 2). However, there were demographic differences within supervisors and managers with respect to stress reports. More female (38%) than male (33%) supervisors and managers reported high levels of stress (see Figure 3). Additionally, the older the supervisor or manager, the more frequent reports of high stress levels: 30 to 39 years (33%), 40 to 49 years (36%) and 50 years of age and older (39%; see Figure 4). In particular, female supervisors and managers who were 40 years of age or older were more likely to report high levels of stress than supervisors and managers in general (i.e., 41%). These findings help organizations to triangulate on multiple demographic sources of stress and target them with specific managerial supports.
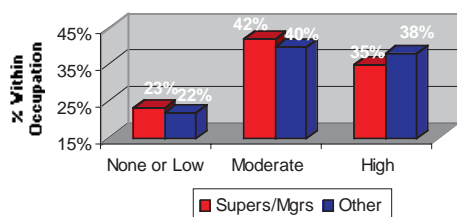

Figure 2. Stress Levels By Occupation

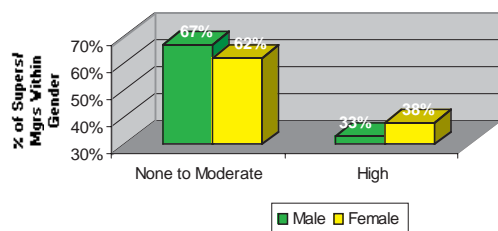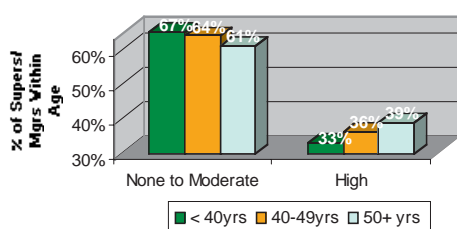Figure 3. Stress Levels of Supers/Mgrs Within Gender

Figure 4. Stress Levels of Supers/Mgrs Within Age

IMPLICATIONS

The Current Research

Many of the current findings suggest that supervisors and managers face greater challenges as they approach and pass middle adulthood. For some, this can be a time of mature parenting, eldercare, and complex financial situations. While these may be stressors for any employee, they may be especially challenging in the context of longer working hours, greater emotional labour, and greater organizational commitment that comes with managerial work. Marital relationships may be strained as an additional outcome.

Women managers at this stage of life may especially be at risk. While the gender distribution of labour is slowly changing in North America, women are still responsible for a larger share of child-rearing and housework. Women managers also continue to manage in male-dominated organizations. Organizational politics sometimes leave women managers barred from informal networks with little upward mobility and fewer resources. Competent and high-performing female managers, in particular, are sometimes viewed more negatively by others. Women may therefore be faced with increased workplace challenges and fewer social supports. Women managers also earn less than their male counterparts. This effort-reward imbalance can lead to sustained strain reactions.

Managers may face additional stressors that are unique to their sectors. The stressors of retail work are already well known. High customer contact, turnover, and minimal time for employee training are common stressors for retail managers. Managers in some sectors may be more likely to access EAP because they exist in higher numbers in their organizations. This would happen when manager-direct report ratios are lower or when there is a higher number of technical positions with 'managerial' titles. On a specific note, the higher proportion of accesses for supervisors and managers in construction and real estate may reflect the heightened activity that has characterized the housing market in the last three years.

Finally, while it may be stated that *only* 35% of supervisors and managers report high stress levels, it is

important to emphasize a different take on these results. They suggest that over one-third of supervisors and managers in Canadian organizations without EAP or other supports are experiencing high stress. Given the span of control that supervisors and managers typically possess, this finding does not bode well for organizational leadership and performance.

The Imperative of Leadership Health
When asked how leadership will be redefined in the 21st. century, many CEOs assert that all employees will have an obligation to lead. Leadership is no longer the sole domain of senior executives, but also supervisors and managers. Over the years, researchers have isolated a number of leadership competencies that, when demonstrated, lead to higher employee and organizational performance. However, these same competencies are easily derailed by stress, anxiety, depression, and other emotional problems.

For example, good leadership requires strong **cognitive abilities**. But when leaders are stressed or depressed, cognitive deficits occur, degrading memory, attention, learning, and task performance. At the senior management level, cognitive deficits translate to poor strategic decisions. Two of the strongest and most consistent correlates of leadership performance are **openness to experience** and **flexibility** (i.e., being receptive and adapting to new ideas and experiences). The same can be said for **creativity** (i.e., generating original ideas and solutions). However, when leaders have emotional problems, their thinking and acting become defensive and restrictive. The creativity required for strategic thinking is lost in the safe adherence to the status quo. People who are depressed, in particular, lack **positive emotions**, which broaden attention, cognition, and behavioural repertoires, enabling leaders to pursue novel, creative, and often unscripted paths of thought and action.

Successful leaders also have strong **achievement orientation**, which is the proactive drive to seek improvement in all things and persist until goals are attained. Self-confidence is a prerequisite for this - another attribute associated with successful leadership. However, achievement strivings require motivation, and motivation is sapped when mood is depressed. Self-esteem also suffers with negative mood.

How do successful leaders interact with and inspire others? For one, they are more *transformational* than *transactional*. The latter lead by rule and regulation, or reward and punishment. They exchange reinforcements based solely on people's performance. Alternatively, transformational leaders seek to empower employees by developing their skills, creativity, adaptability, and ultimately their sense of self-worth. They inspire workers by appealing to their morals and values and create work which is self-rewarding. As a result, transformational leaders are better at leveraging human capital to achieve revolutionary goals. Studies show that they increase employee satisfaction and performance. In a word, transformational leadership is about engagement.

Similar to transformational leaders, *charismatic* leaders express positive emotions (e.g., energy, warmth, empathy) and confidence in both themselves and the organization. When leaders display negative emotions, their direct reports are significantly lower in satisfaction and performance. Trying to hide negative emotions does not help, since this can lead to burnout and psychosomatic illness. Employees are also very astute at picking up negative emotions in leaders. Even slightly positive or negative moods communicated by people induce similar emotions in listeners. These 'viral' emotions are then passed onto others in a process called mood contagion. When executives are anxious, irritated, and worried, these emotions cascade through the organization to the employee level. This dysfunctional environment results in lower morale and productivity, depression, hypertension, cardiovascular disease, sickness absence, and eventually, healthcare costs.

To say that strong, healthy leadership is essential for employee and organizational performance may sound trite, if not self-evident. However, the link cannot be over-emphasized. A careful review of many employee surveys shows that most questions deal with issues that are under the direct purview of supervisors and managers. This includes the most 'toxic' job characteristics such as role ambiguity, role conflict, work overload, low autonomy, and lack of person-job fit. Understandably, a large proportion of variance in job satisfaction scores are accounted for by the supervisor.

To bring it all home, consider the following information from an EAP perspective. On average, about 8% of employees in an organization access EAP when it is available. Based on the current findings, 18% of those accesses are accounted for by supervisors and managers. If we accept a 1:10 ratio of supervisors and managers to direct reports, we can estimate that about 14% of an organization's supervisors and managers access EAP when EAP is available.

While these supervisors and managers are receiving the assistance they need from EAP, there is an implication that 18% of supervisors and managers in organizations without EAPs are not receiving the assistance they need. Given mood contagion effects, nearly 16% of employees in such organizations may be affected by supervisor/manager difficulties. That translates to almost one in five employees. This accounts for only supervisors, managers and 'direct' direct reports, and does not reflect for any further trickle-down effects.

RECOMMENDATIONS

What can organizations do to support all levels of management and ensure healthy and effective leadership? The following may apply:

Work Analysis
Review workload, workflow processes, and manager-direct report ratios to ensure that managerial staff are able to maintain work-life balance.

Validated Selection Systems
Implement selection systems that yield the highest-quality candidates for supervisory, managerial and executive positions. Competency-based assessment centres are the most valid method of assessment and selection for these positions.

Development Centres
Conduct development centres with current managers and executives based on leadership competencies that are associated with high performance. The results could feed into self-directed action plans that target opportunities for development. Some executives, for example, are prone to the 'success trap' and over-rely on strengths and past successes.

360-Degree Feedback Surveys
Conduct 360-degree feedback surveys. These are a great way for leaders to learn their opportunities for development from the perspectives of others. Leaders are often reluctant to admit their limitations and sometimes have difficulty receiving constructive criticism. It if often difficult for leaders to dismiss the feedback of multiple observers - especially trusted colleagues. Although 360-degree feedback has been branded as 'faddish', emerging research supports its validity.

Emotional Intelligence Training
Ensure that managerial staff are selected or developed for emotional intelligence (EI). EI is the ability to regulate one's emotions and the emotions of others. Leaders with high EI relate to others in a consistent manner with mutual satisfaction and helpfulness. They tend to have higher levels of positive affect and life satisfaction. Managers who are higher on EI are also more productive on the job.

Research on stress awareness and management has shown positive outcomes from developmental training. When interventions are aimed at developing knowledge of stress liabilities and coping skills, managers show improvement in psychological symptoms, health habits, stress responses, and life satisfaction. Developing introspection around stress and emotions, especially, has been implicated with successful stress management for managers and executives. This allows them to openly assess capabilities in these areas and provide insights into their organizational successes and failures.

Executive Coaching
For organizations interested in taking a proactive approach to the capacity building of their leaders, executive coaching may be helpful. Through a process of assessment and evaluation, coaching identifies individual strengths, opportunities, and issues. Development plans help define outcomes, initiate priority setting, and identify supports for the client. Those individuals who have gone through executive coaching are more successful at targeting and improving necessary work-related competencies. They leave with stronger abilities to balance work-life,

address communication problems, and deal with issues of self-confidence in times of organizational stress.

Employee Surveys

Encourage supervisors, managers, and executives to complete employee surveys along with the rest of staff.. This will help organizations to pinpoint the unique stressors and issues confronted by these groups. Specifically, crosstab the responses of different demographic groups described above to understand what is driving their health and well-being (e.g., male supervisors and managers who are 30 years of age or over, working full-time, with five or more years of service).

Research on Executive Health and Performance

Partner with research organizations to conduct more studies on the causes and outcomes of executive stress. There is currently a dearth of work in this area. What does exist tends to be psychoanalytic in nature and of limited practical value for modern organizations. One promising avenue comes from the greater use of employee surveys with executives. Companies such as WarrenShepell are seeking to partner with organizations to survey the triggers that exist within the senior ranks and correlate these with important health and performance outcomes. What is especially helpful in this regard is the inclusion of mental health content on employee surveys. This is a direction that employee surveys are currently taking, and one that is embraced by WarrenShepell.

In closing, WarrenShepell issues a bold challenge to organizations to openly accept and address the reality that supervisors, managers and executives may not be leading optimally due to physical and mental health limitations. When carefully managed, this reality does not have to undermine the authority or credibility of leaders. When leaders accept and address their personal problems, they are aligned with emerging perspectives on humble and modest leadership. From the standpoint of employee and organizational performance, leaders who lack a strong foundation of physical and mental health are leading on proverbial 'feet of clay'.

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