

Squeezing the Pips: International Pressures on Managers' Affective Well-being and Performance

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Abstract

Implicit in the drive for international competitiveness is the recognition that high-performing managers are essential for organisations to achieve and sustain competitive advantage. A critique is undertaken of the global economic pressures impacting on Western managers' jobs. The emphasis was on investigating an aspect of human behaviour with the potential to enhance managerial performance. Despite mixed empirical evidence from decades of research, there is support in the literature for the notion the 'happy-productive worker thesis.' A study is presented to establish which indicators of Australian managers' affective well-being and intrinsic job satisfaction predict dimensions of their contextual and task performance. A contribution of this study was to provide qualified support for the 'happy-productive worker thesis' by linking these conceptual bases and theories to managers' affective well-being, intrinsic job satisfaction and performance.

Introduction

Globalisation and Western Economies

International pressures to manage the increasingly complex and varied contingencies impacting on organisational performance are greater than ever (Patterson, West, Lawthom & Nickell, 1998). In this environment, managers' performance is central to the success of organisations. Achieving and sustaining high individual performance and organisational productivity in this intensely competitive economic environment has the potential to impact on the affective wellbeing of managers worldwide (Kinicki, McKee & Wade, 1996). In dynamic, competitive markets, successful organisations are likely to be staffed with managers capable of adapting to constantly evolving roles, and with the capacity to achieve and sustain optimal levels of performance. Individual and collective affective wellbeing and the level of intrinsic job satisfaction are aspects of managers' performance that are critical to organisational survival and prosperity.

During the last four decades globalisation and market deregulation has dramatically altered the competitive landscape facing Western managers who were thrust into the turbulent economic environment of the mid 1970s, as a result of intense competition for domestic and international markets from North American, European, and emerging East Asian rivals. From the mid 1980s onwards, many Western economies began experiencing adverse terms-of-trade accompanied by an unprecedented growth in the current account deficits. In the 1980s and 1990s most Western societies experienced a significant decline in their international competitiveness (Ohmae, 1995; Guehenno, 1995). Consequently, managers were forced to adopt more sophisticated cost management approaches. For instance, the necessity for cash flow replaced short-term debt funding for asset management in the late 1980s, often resulting in a marked increase in accumulated foreign debt and associated interest payments.

Competition from countries with lower labour costs has forced companies in most industrialised countries to become more efficient and to reduce labour costs (Jones, 1995). In particular, many Asian nation-states have developed a distinct comparative advantage over many Western nations, primarily resulting from a ready supply of cheap labour, which was complemented by a willingness and capacity to adopt new technologies, competitive marketing and business strategies (Ohmae, 1995; Guehenno, 1995). Western economies are likely to remain under pressure to reduce the cost of labour. In contrast, many competitively strong countries, such as the USA, Japan,

Germany, and Switzerland have relatively high wage rates and innovation is a critical differentiator of national competitiveness.

These events were preceded by the reduction in prominence of the nation-state and deregulation of the global economy (Porter, 1990; Ohmae, 1995; Guhenno, 1995). Enterprises have faced rapid technological advances, coupled with globalisation, resulting in dramatic changes to organisational structures. Since the 1980s, downsizing and delayering has emerged as a pervasive international trend (Palmer & Dunford, 1996; Cascio, 1993). Flatter organisational structures have emerged from significant downsizing and the uptake of new technologies. These changes have compelled a shift in the pace and direction of managerial practices (Quinn, Faerman, Thompson & McGrath, 1996; Hammer & Champy, 1993, Limerick & Cunningham, 1993).

Globalisation and Western Managers

With increased global competition, Western managers are being required to adapt to the liberalisation of world trade and investment regimes, such as the deregulation of financial markets (Brooks & Faff, 1997). Managers are in an era that demands competencies with global relevance, and where managers are expected to efficiently perform a wider range of complex functions. These changes have increased the strain on managers with consequent increases in the incidence of stress, and burnout and subsequent impact on performance (Forster & Still, 2001). These economic dynamics have at times provided a strong impetus for employers and governments to pursue ways of improving efficiency and global competitiveness (Kramar, 1991). Structural micro and macro economic reforms implemented by the government in the 1990s were intended to make the firms more internationally competitive (Hilmer, 1993). These developments have had considerable impact on managers who must now operate within these global dynamics. As a consequence, the roles and performance expectations of managers have changed substantially. For organisations with international responsibilities and aspirations, some managers are now required to perform highly complex tasks, such as coaching employees for overseas assignments and developing skills that are transferable to international settings.

Managers were formerly required to achieve results directly through people, using a centralised and narrow span of control. Several levels have been eliminated from organisational hierarchies, resulting in managers having a more dispersed span of control (Beitzenhausen & Fedor, 1997). Relinquishing this direct supervisory role has necessitated that managers perform different roles, such as empowering employees and facilitating team-based work. At the same time, some managers' jobs require that specialised tasks be performed to increasingly higher levels of efficiency. These changes to the workplace require more sophisticated and comparable measures of managers' performance in order to ascertain individual contributions to organisational effectiveness. Managers' jobs are likely to become more complex and, as a consequence more demanding in the future. As the marketplace becomes further deregulated, outsourcing is likely to increase. In this scenario, managers' roles are evolving more into managing the outsourcing of an organisation's needs rather than just managing human resources. Technological developments will exacerbate this trend. These global trends are likely to continue to have a significant impact on all aspects of managers' jobs.

Enterprises are under increasing pressure to improve productivity, while simultaneously reducing costs, resulting in an epidemic of 'corporate anorexia' (Hamel, 1996). A new enterprise formula is emerging - '1/2 x 2 x 3' - whereby half as many people are being paid twice as much, to produce three times more (Handy, 1996). This trend to 'squeezing the pips' is particularly evident for managers, where the incidence of stress and burnout is increasingly common (Reinhold, 1997; Quinn, et al; 1996). Organisational dynamics experienced by Australian managers are indicative of those facing most nation states and economies. Australian managers are under increasing pressure to produce superior results in shorter time frames, with fewer resources (Forster & Still, 2001; Coles, 1999). Handy (1996) considered the '1/2 x 2 x 3' formula 'about right' for Australia, New Zealand, the United Kingdom and North America. This formulae may well apply to a wide range of Western managers.

Human Resource Management and Business Performance

An empirically compelling argument supporting the relationship between human resource management (HRM) and commercial performance is made by Patterson, West, Lawthom, & Nickell (1998). Compared to other management practices (e.g., strategy, quality focus, investment in research and development), HRM practices explained 18 per cent of the variation in productivity and 19 per cent in profitability of companies in the United Kingdom. Two clusters of skills - the acquisition and development of employee skills (including the use of appraisals), and job design - were shown to be particularly important. A strong causal link has been established between HRM practices and business performance by Patterson et al. (1998).

A central point in the debate over the significance of managers to firms competitiveness is the assertion that "good managers are the key to a more competitive economy and higher performing enterprises" (Karpin 1995: 1). Ascertaining the factors that determine managers' performance has the potential to assist in initiatives to improve firms competitiveness. Managers are pivotal to an organisation's productivity and effectiveness, since they have ultimate responsibility for maximising the resources available for organisations to create value (Jones, 1995). As Sanchez and Heene (1996: 13) assert, "managers' cognitive processes are at the head of a chain of causality that can eventually reshape the nature of competition in an industry"; a proposition extended here by determining the contribution of managers' affective wellbeing and intrinsic job satisfaction to this process.

The resource-based view of the enterprise recognised the value added by human capital (Wernerfelt, 1984; Hamel & Prahalad, 1994). Regardless of the industry or country concerned, managers represent the human capital that is critical to an organisation's success (Williams, 1991). Any decline in managers' performance inevitably results in revenue foregone, opportunities lost, and increased costs. In turn, this outcome is likely to hamper the capacity of organisations, and ultimately national economies, to create wealth. Findings from a study by Hosie, Forster & Sevastos (2003) into managers affective wellbeing, intrinsic job satisfaction and performance are applicable to managers in other international working situations because they are critical to the success, or failure, of a range of enterprises (Carlopio, Andrewartha & Armstrong, 1997).

To reach and sustain heightened levels of performance, and to avoid burnout in this environment, it is desirable that organisations develop strategies for maintaining managers' affective wellbeing and intrinsic job satisfaction. Of the three psychological aspects of burnout (emotional exhaustion, depersonalisation, diminished sense of personal accomplishment), Lee and Ashforth (1996) found emotional exhaustion is increasingly prevalent in Western workplaces. By establishing how affective wellbeing and intrinsic job satisfaction influences behaviour, it will be possible to predict how deterioration, or an improvement, in affective wellbeing and intrinsic job satisfaction impacts on managers' performance (Hosie et al. 2003). Similarly, management practices that increase managers' affective wellbeing and intrinsic job satisfaction may result in corresponding reductions in workplace tension and improved efficiency. Such information may be used to develop recommendations about changes that are likely to promote a healthier and more supportive work environment for managers.

'Hard' and 'Soft' Contributions to Managers' Performance

An important aspect of organisational behavioural research, concerns optimising an organisation's less tangible assets. Individual task performance only captures a portion of what managers contribute to organisations. This portion is mainly attributed to the knowledge, skills, abilities and experiences of managers. Contributions beyond task performance may be more accurately termed discretionary behaviour. These behaviours contribute to organisational effectiveness and go beyond 'soft' psychology, or 'humanistic' concerns to become a critical part of the managers' contribution. As Barnard observed, "successful cooperation in, or by formal organizations, is the abnormal, not normal condition" (1938: 5), as:

perhaps the reason for the dearth of explanatory power of the 'softer' side of I/O psychology in the study of performance has not been because it is too soft, but that our dependent variable, 'performance', has been too hard. (Organ & Paine 1999: 338)

Such an approach has the potential to improve the interconnections between management disciplines, as well as providing useful insights for related fields (Staw, 1986). The mutual contribution of 'soft' (people-driven human resource features, such as motivation and leadership), and 'hard' (market-driven forces such as strategy formulation and program evaluation), aspects of management have yet to be established (Nankervis, Compton & McCarthy, 1996). Hence, the soft aspects of managers' performance may be associated with hard organisational outcomes, such that these:

two apparently disparate approaches are not necessarily mutually exclusive. They can be reconciled through a contingency framework, which provides guidance on the positioning of an organisation's human resource strategies as part of the organisation's overall change strategy and ultimately its business strategy. (Dunphy & Stace, 1990: 87)

Many studies have confirmed that the so-called 'soft skills' are critical for a vital economy (Boyatzis, Goleman, & Rhee, 2000; Spencer, McClelland & Kelner, 1997; Carnevale, Gainer, Meltzer, 1988). Integrating 'soft' (affective wellbeing and intrinsic job satisfaction), or less tangible aspects of managers' performance, with 'hard' (performance) aspects of management is relevant to the attainment of organisational performance outcomes. When human potential is expertly integrated with organisational strategies, it has the potential to liberate a powerful additive force. Information about the relationships between managers' affective wellbeing and their performance may assist in identifying those managers who are likely to sustain heightened levels of performance, and thereby, to survive and prosper in global competitive environments. This will potentially contribute to optimising managers' capacity to create value for organisations (Bommer, Johnson, Rich, Podsakoff & McKenzie, 1995).

Research into the 'Happy-Productive Worker' Thesis

There has long been an adherence to the intuitively appealing notion that happy employees perform better. Decades of research have been unable to establish a strong link between intrinsic job satisfaction and performance. Belief in the 'happy-productive worker' thesis has its roots in the Human Behaviour School of the 1950s. Similarly, the 1970s Human Relations Movement had a significant influence on job redesign and quality-of-life initiatives and was credited with specifying the original satisfaction-performance relationship (Strauss, 1968).

Reasoning and research into the construct of happiness preceded research into affective wellbeing. Emotions and happiness are first order conceptual bases of affective wellbeing. Affective wellbeing refers to feelings about either life in general (i.e., 'context-free'), or in relation to a specific domain (i.e., 'job-related'). In relation to affective wellbeing, the term 'job' refers to the specific tasks undertaken by individuals in a particular setting (Warr, Cook & Wall 1979: 1179). Intrinsic job satisfaction refers to the internal state associated with characteristics inherent in a job, such as utilisation of skills, amount of job complexity and opportunities for control, amount of responsibility, and challenges (Clegg, Wall & Kemp, 1987; Brayfield & Rothe, 1951).

Hosie et al. (2003) have progressed the debate over 'happy-productive worker' thesis by determining which aspects of managers' affective wellbeing, intrinsic job satisfaction indicate managers' contextual task performance. Managers' performance is defined by Hosie (2004: 63) as "the recent net contribution value to organisational effectiveness and goals, attained in conjunction with people, determined by events under managers' control, in a particular environment." Two types of performance are distinguished in the literature: contextual and task (Borman & Motowidlo, 1993; Motowidlo, Borman & Schmit, 1997). Both domains of performance contribute to accomplishing organisational goals, but through different mechanisms. Managers' performance mainly constitutes task performance, which is defined as the "effectiveness with which job incumbents perform activities that contribute to its technical core either by directly implementing a part of its technological process, or by providing it with needed materials or services" (Borman & Motowidlo, 1997: 99). Contextual performance deals with the psychological linkages between people and is represented by discretionary forms of contributions to the organisation that have uncertain or indirect rewards compared to task performance (Organ & Paine, 1999).

Methodology

A number of research questions and hypotheses were investigated in the study by Hosie et al. that were derived from the literature. An empirical methodology was used to test the hypotheses to enable the research questions to be answered. A questionnaire of 19 Western Australian organisations was undertaken during 1998/99 to collect cross-sectional data to answer the research question, test the hypotheses and model. Data was collected using self-report measures of affective wellbeing and intrinsic job satisfaction, and downward appraisal of managers' performance (by the person to whom managers reported). A composite selection of private, public and 'third sector' organisations was surveyed, representing managers from a range of occupational groups. A total of 400 useable questionnaires were returned from the 1,552 distributed, representing a 26% useable response rate.

Self-report data was used to measure managers' affective wellbeing and intrinsic job satisfaction. Self and superior appraisals were used to gauge managers' performance. Job-related affective wellbeing (Sevastos, 1996a) and intrinsic job satisfaction (Sevastos, 1996; Cook, Hepworth, Wall & Warr, 1981a) items were obtained from published scales. These instruments were acceptable for measuring state and trait affective wellbeing and managers' performance. Using two independent sources of information, one for the DVs (i.e., one to one supervisory ratings of managers' performance) and the other for the IVs (i.e. managers' self-report measures of affective wellbeing and intrinsic job satisfaction) eliminated unnecessary noise in the data caused by common method variance.

Answering the research questions required the development of an instrument to measure the structure of managers' contextual and task performance. Managers' contextual and task performance items were devised from Borman and Brush's (1993) and Borman and Motowidlo's (1997) taxonomies of managers' performance. An eight-dimensional construct of performance was tested through confirmatory factor analysis. The performance construct was operationalised in terms of four contextual performance dimensions (*Endorsing, Helping, Persisting, Following*) and four task performance dimensions (*Monitoring, Technical, Influencing, Delegating*). These dimensions were confirmed through multi-sample analysis and cross-validation techniques of managers' and superiors' ratings on performance ($n = 200$ and $n = 125$, respectively). Canonical correlation standard multiple regression were used to analyse the linear combination ($n = 125$) of managers' self-reported affective wellbeing and job satisfaction with superiors' rating of managers' performance for contextual and task performance.

Partial Model of Managers' Affective Wellbeing, Intrinsic Job Satisfaction and Performance

The model was refined into two orthogonal dimensions of affective wellbeing, intrinsic job satisfaction and performance as illustrated in Fig. 1.

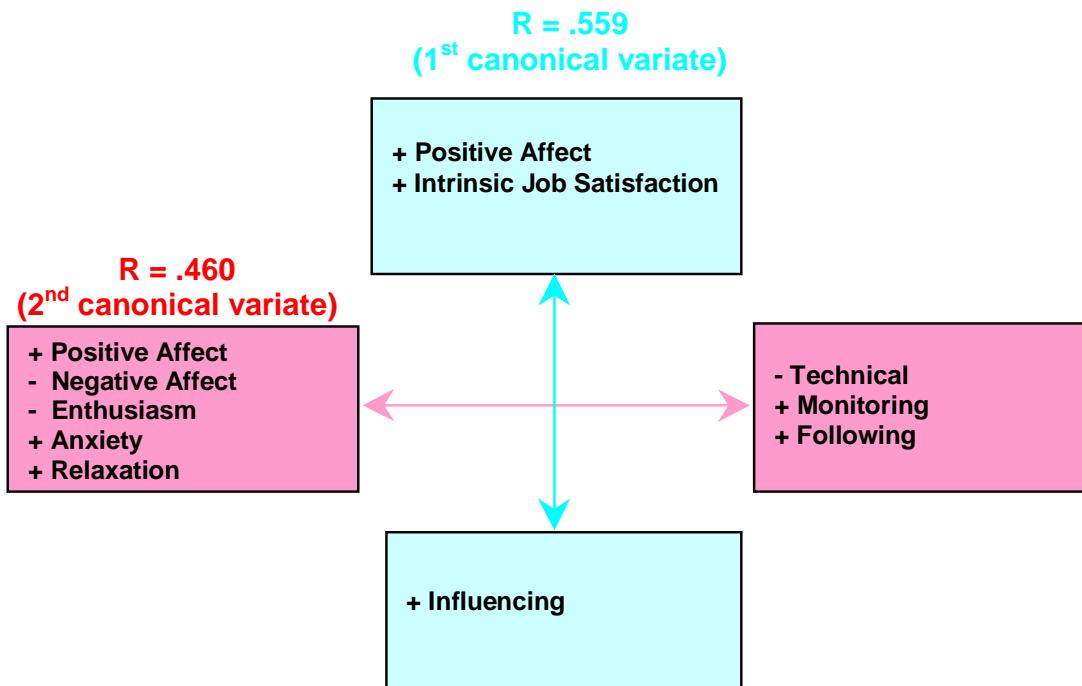


FIG 1: A MODEL OF MANAGERS' AFFECTIVE WELLBEING,
INTRINSIC JOB SATISFACTION AND PERFORMANCE (N = 125)

Affective wellbeing and intrinsic job satisfaction was found to predict different dimensions of managers' contextual and task performance. As predicted, positive affective wellbeing was associated with enhanced managerial performance, whereas poor affective wellbeing indicated diminished performance. Certain aspects of managers' affective wellbeing and intrinsic job satisfaction (Enthusiasm, Positive Affect, Intrinsic Job Satisfaction and to a lesser extent Anxiety) were found to be most influential for managers' contextual performance (Following) and task performance (Monitoring, Influencing, Technical). A large amount of this variance of performance was explained by affective wellbeing and intrinsic job satisfaction that enhanced the predictive power of the Model. The first canonical variate explained 31.25% of the variance of performance and the second canonical variate explained 21.16% of the variance of performance. Thus, each of the canonical variates separately accounted for substantial amounts of managers' performance in relation to affective wellbeing and intrinsic job satisfaction.

In the first canonical variate, Positive Affect (PA) and Intrinsic Job Satisfaction were strongly associated with Influencing is shown as Figure 1. Positive Affectivity is a trait personality characteristic associated with extroversion, a personality characteristic that is central to managerial jobs in dealing with peers, superiors, subordinates and external constituents. Possibly, an engaging personality is the reason that individuals are promoted, or self-select into managerial positions. PA may enable managers to influence decisions from which they derive considerable Intrinsic Job Satisfaction, which has a substantial cognitive component. Alternatively, the opportunity to Influence decisions within an organisation may result in enhanced Intrinsic Job Satisfaction and heightened PA.

Conclusions about the Data

The canonical variate showed a complex set of relationships between aspects of affective wellbeing, intrinsic job satisfaction and performance. PA, Anxiety and Relaxation were positively associated with the contextual performance variable, Following, and the task performance variables Monitoring and Technical, while Negative Affectivity (NA), or Neuroticism) and Enthusiasm were negatively associated with performance variables (Technical, Monitoring and Following). This indicated that high arousal (positive PA with negative NA) was present, but job dimensions were not particularly motivating (as indicated by negative Enthusiasm but positive Relaxation). This finding indicates that managers will experience arousal but low distress when undertaking transactional roles.

Another explanation for the second canonical variate may be that aspects of managers' job requiring essentially transactional or administrative roles (negative Technical, with positive Monitoring and Following) may lead to high arousal with positive PA and Anxiety, but provide opportunities for Relaxation in conjunction with negative Enthusiasm and NA. A positive association with Monitoring and Following indicated that these performance characteristics require vigilance and consequently high arousal (Anxiety and PA with the attendant NA), but do not lead to a motivating environment (negative Enthusiasm). Monitoring and Following provide opportunities for Relaxation that leads to acceptable levels of affective wellbeing. Managers reported PA, a personality trait, to be the only variable common to both dimensions of contextual and task performance, indicating that it may be a prerequisite for managerial jobs. From this finding it could be inferred that managers will have a positive disposition to work.

An association was found between affective wellbeing, intrinsic job satisfaction and managers' contextual and task performance. Contextual and task performance was found to be significant predictor for PA. As anticipated by Judge et al. (2001), Intrinsic Job Satisfaction was found to be associated with performance. Affective wellbeing self-report (PA, Intrinsic Job Satisfaction) was positively associated with a dimension of superiors' report on task performance (Influencing). Positive associations for dimensions of affective wellbeing self-report (PA, Anxiety and Relaxation) were negatively associated with dimensions of superiors' report on task performance (Monitoring) and contextual performance (Following). PA, Anxiety and Relaxation were also negatively associated with a task performance dimension (Technical).

As predicted, positive affective wellbeing was found to result in enhanced managers' performance, and poor affective wellbeing to be detrimental to managers' performance. Consistent with Warr's (1992) *Vitamin Model*, a link between managers' affective wellbeing, intrinsic job satisfaction and performance was evident. Also consistent with Warr's (1992) findings, those in higher-level jobs (e.g., managers) reported less job-related depression, but significantly more job-related anxiety. PA was found to be a significant predictor of task and contextual performance, supporting George and Brief's (1996) argument that PA (one of the indicators of extraversion) is related to distal and proximal measures of motivation.

PA, Anxiety and Relaxation were positively associated with the task performance variable Monitoring, and the contextual performance variable Following, but negatively associated with the task performance variable Technical. This result is consistent with the Hay Group (1999) finding that less than 10% of FORTUNE 500 companies attributed technical ability to result in high potential managers and leaders careers becoming 'derailed'. NA and Enthusiasm were negatively associated with Technical, Monitoring and Following, indicating a level of 'disengagement'. PA is an 'activation-based' affect that was positively associated with the task performance variable, Influencing. Thus, managers' who have high PA and intrinsic job satisfaction are more likely to influence decisions. Technical expertise was not considered to be an important aspect of manager' task repertoire. As Goleman noted "outstanding supervisors in technical fields are not technical but rather relate to handling people" (1998: 21). Managers with PA are likely to experience elevated anxiety, but have opportunities for relaxation when undertaking Monitoring and Following work.

Conclusions about the 'Happy-Productive Worker' Thesis

Despite mixed empirical evidence, there is support in the literature to suggest that a relationship exists between managers' affective wellbeing and their performance. Wright and Staw (1999a,b) claimed that a person's disposition towards happiness, not organisational conditions, was associated with performance. Ledford (1999) extended this reasoning by concluding that if "only trait-based happiness leads to performance, it was pointless to try to make employees happier as a way of improving performance" (1999: 30). This position assumes that employees are either born happy or unhappy, and that such a demeanour would not change, notwithstanding the design of a job. However, a vast literature exists to indicate that trait affect is not solely determined by hereditary (Hesketh 1993; Ilgen & Hollenbrook, 1991; Gardner & Cummings, 1988 Gerhart, 1987; Broadbent, 1985; Hackman & Oldham, 1980, 1975).

PA was the only variable to be significantly associated with both task and performance dimensions. This indicated that managers with high PA were likely to perform well when Influencing, and when undertaking Monitoring and Following roles, supporting the argument that managers' with dispositional PA will outperform those who are unhappy (negative PA). This study supports Wright and Staw's (1999a,b) claim that a person's disposition is associated with performance. However, this position should not be taken as evidence to support the Wright and Staw's contention that organisational conditions do not influence the happiness of managers. A person's genetic makeup, socialisation and life experiences all contribute to happiness.

As predicted, positive affective wellbeing and intrinsic job satisfaction was related to enhanced managerial performance and poor affective wellbeing indicated reduced performance. Affective wellbeing self-report (PA, Intrinsic Job Satisfaction) was found to be positively associated with a dimension of superiors' report on task performance (Influencing). Positive associations for dimensions of affective wellbeing self-report (PA, Anxiety and Relaxation) were found to be negatively associated with dimensions of superiors' report on task performance (Monitoring) and contextual performance (Following).

The direction of the relationship is between the variables reported in the literature is from affective wellbeing, intrinsic job satisfaction to performance (Warr 1999). These findings do not provide evidence of causation. As Ashkanasy, Hartel, Fischer and Ashforth stated, "[p]erformance is another likely concomitant of affect at work, though whether it is a cause or a consequence is unclear" (1998: 4). The analysis does provide for certain inferences to be made about the relationships between aspects of managers' affective wellbeing, intrinsic job satisfaction and performance. Hosie et al. (2003) has empirically examined the 'happy-productive worker' thesis, by establishing the impact of job-related affective wellbeing and intrinsic job satisfaction on Australian managers' performance.

Implications for Human Resource Development

Since behaviour is something that can be changed and developed, the emphasis in this investigation was on developing an aspect of human potential to enhance managerial performance. Training and development efforts have not always distinguished between cognitive learning and emotional learning, but such a distinction is important. A shift in attitude and emphasis is needed for this to occur, beginning with recognition of the importance of affective well-being and the contribution of intrinsic job satisfaction to managers' performance. Creating ingrained patterns of thoughts, feeling and behaviour may require an extensive development effort over several months, and may require three to five years to be fully developed (Cherniss & Goleman 2001, Boyatsiz 2000). Developing emotional intelligence takes time and, most of all, commitment from organisations and individuals. Benefits that flow from a well-developed emotional intelligence, for both the individual and the organisation, make the effort and cost worthwhile. Emotional competence requires emotional learning to be recognised and given the similar prominence as cognitive learning.

A growing body of research on emotional learning and behaviour change suggests that it is possible to help people of any age to become more emotionally intelligent at work. However, many programs designed to do so fail to recognise the difference between two types of learning. An "emotional competence is a learned capability based

on emotional intelligence that results in improved job performance" (Goleman, 1999: 25). According to Goleman, "[C]ompanies are naive in how they spend their development dollars in training for people skills - they can get a far better return on their investment if they do it right ... The rules of work are changing. We're being judged by a new yardstick: not just how smart we are, or our expertise, but also how well we handle ourselves and each other" (Goleman, 1998: 317). Emotional intelligence may be a core competency of prospective managers. As Rozell; Pettijohn; & Parker (2002) concluded "... potential manager's understanding of management techniques dealing with interpersonal interaction and intrapersonal emotions may have a fundamental place in the overall success of that individual in the workplace." (p.287). Hosie's et al study reinforces the need to rethink how we approach developing soft skills in the workplace.

Cognitive learning involves fitting new data and insights into existing frameworks of association and understanding, extending and enriching the corresponding neural circuitry. But emotional learning involves more – it requires that we also engage the neural circuitry where our social and emotional habit repertoire is stored. Changing habits, such as learning to approach people positively instead of avoiding them, to listen better, or to give feedback skilfully, is a more challenging task than simply adding new information to old. Motivational factors also make social and emotional learning more difficult and complex than purely cognitive learning.

Emotional learning often involves ways of thinking and acting that are more central to a person's identity. Goleman (1998) has specifically linked the ability to *influence* to emotional intelligence. However the importance of emotional intelligence needs to be kept in perspective, "[e]motional intelligence skills are synergistic with cognitive ones: top performers have both" (Goleman, 1998: 21). Developing managers' emotional competencies requires a broad and sophisticated array of development tools. Traditional training needs to be blended with a variety of ongoing planned development, such as career assignments and individual coaching. A period of months involving ongoing coaching, encouragement, peer support, modelling and on-the-job practice is necessary (Hay Group, 1999). Such initiatives have do have important resource implications for organisations.

Conclusion

Certain indicators of affective wellbeing and intrinsic job satisfaction are argued to predict dimensions of managers' job performance. The impact of affective wellbeing and intrinsic job satisfaction on managers' performance was established. As global market forces become more pervasive, optimising so-called hard and soft HRM strategies is likely to become more important to enhancing managerial health, performance, and organisational prosperity. This position has been predicated on the assumption that improved affective wellbeing and intrinsic job satisfaction may result in improved managerial performance, which will eventually result in increased organisational productivity. Enhanced individual performance may also result in increased benefits and reduced an enterprises costs, and ultimately more effective organisational outcomes. A considerable amount of the variance of performance was shown to be predicted by affective wellbeing and intrinsic job satisfaction, and vice versa. Explaining this variance made it possible to develop a model of managerial affective wellbeing, intrinsic job satisfaction and performance with enhanced predictive power.

Elements of affective wellbeing and intrinsic job satisfaction were identified that indicate how managers gain and sustain heightened levels of performance. Hosie's et al. study investigated the impact of individual affective wellbeing and intrinsic job satisfaction on managers' performance. Managers' jobs might be improved to enhance, or avoid decline in, managers' affective wellbeing, intrinsic job satisfaction and performance. In turn, this helps to explain the process of upward and downward spirals of managerial effectiveness, whereby positive or negative affective wellbeing and intrinsic job satisfaction leads to increased or reduced performance, which in turn either enhances positive, or exacerbates negative affective wellbeing and intrinsic job satisfaction. These issues need to be addressed if enterprises are to operate effectively, in an integrative manner.

This research established which indicators of the managers' affective wellbeing and intrinsic job satisfaction predict dimensions of their contextual and task performance. An empirical methodology to predict which indicators of managers' affective wellbeing and intrinsic job satisfaction predict dimensions of their performance. Components of managers' affective wellbeing and intrinsic job satisfaction were identified that predict

dimensions of their performance. Happiness was found to contribute to self-motivation, and that this facilitates organisational effectiveness, or that performance is a barometric of the feeling that managers are effective. This study lends qualified support for the proposition that happy managers perform better but the 'happy-productive' worker thesis is yet to receive unequivocal empirical support. Well-performing managers could also be happy as a consequence of their effective performance and the resulting rewards.

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