

# Journal of Human Values

<http://jhv.sagepub.com>

---

## **The 'Happy Productive Worker Thesis' and Australian Managers**

Peter Hosie, Peter Sevastos and Cary L. Cooper  
*Journal of Human Values* 2007; 13; 151  
DOI: 10.1177/097168580701300207

The online version of this article can be found at:  
<http://jhv.sagepub.com/cgi/content/abstract/13/2/151>

---

Published by:

 SAGE Publications

<http://www.sagepublications.com>

**Additional services and information for *Journal of Human Values* can be found at:**

**Email Alerts:** <http://jhv.sagepub.com/cgi/alerts>

**Subscriptions:** <http://jhv.sagepub.com/subscriptions>

**Reprints:** <http://www.sagepub.com/journalsReprints.nav>

**Permissions:** <http://www.sagepub.com/journalsPermissions.nav>

**Citations** (this article cites 43 articles hosted on the SAGE Journals Online and HighWire Press platforms):  
<http://jhv.sagepub.com/cgi/content/refs/13/2/151>

# The 'Happy Productive Worker Thesis' and Australian Managers

PETER HOSIE  
PETER SEVASTOS  
CARY L. COOPER

---

*Few conundrums have captured and held the imagination of organizational researchers and practitioners as has the 'happy productive worker' thesis, or the proposition that 'a happy worker is a good worker'. This thesis is revisited by investigating the impact of job-related affective well-being and intrinsic job satisfaction on Australian managers' performance. Decades of research have been unable to establish a strong link between intrinsic job satisfaction and performance. Despite mixed empirical evidence, there is support in the literature to suggest that a relationship exists between affective well-being, intrinsic job satisfaction and managers' performance. Affect has rarely been used as a predictor of managers' job performance outcomes. Indicators of their affective well-being and intrinsic job satisfaction were shown to predict dimensions of their contextual and task performance.*

---

## Introduction

The proper management of one's feelings clearly lies along a complex (and therefore not simple or easy) balanced middle path, requiring constant

judgement and continuing adjustment. (Peck 1978: 169)

This exploratory study investigates if there is an association between managers' job-related affective well-being ('affective well-being'),

---

Peter Hosie is at Curtin Business School, Curtin University of Technology, Building 402, Room 807, GPO Box U1987, Perth, Western Australia, Australia 6845. E-mail: Peter.Hosie@cbs.curtin.edu.au.

Peter Sevastos is at School of Psychology, Curtin University of Technology, Perth, Australia.

Cary L. Cooper is Pro Vice-Chancellor (External Relations), Professor of Organizational Psychology and Health, Lancaster University Management School, Lancaster University, Lancaster LA1 4YX, UK.

---

JOURNAL OF HUMAN VALUES 13:2 (2007): 151–176

**SAGE Publications** Los Angeles/London/New Delhi/Singapore

**DOI:** 10.1177/097168580701300207

intrinsic job satisfaction and their contextual and task performance ('manager performance'). Specifically, the main goal was to establish which indicators of managers' affective well-being and intrinsic job satisfaction predict dimensions of their performance. A substantial research question was revisited: what is the impact of affective well-being and intrinsic job satisfaction on managers' performance? Answering this question required the development of a new instrument for measuring their performance, and also the differentiation of the construct of affective well-being from intrinsic job satisfaction. The following research questions were addressed:

1. Is there an association between affective well-being, intrinsic job satisfaction and managers' contextual and task performance?
2. To what extent does affective well-being and intrinsic job satisfaction predict different dimensions of managers' contextual and task performance?
3. Does positive affective well-being result in enhanced performance, and is poor affective well-being detrimental to performance?

The primary goal of this research was to establish which indicators of self-rated affective well-being and intrinsic job satisfaction are reliable indicators of managers' performance. Certain indicators of affective well-being and intrinsic job satisfaction are argued to predict dimensions of their job performance. An ancillary objective was to establish the structure of their performance.

### **The 'Happy Productive Worker' Thesis**

Wright and Staw (1999a, 1999b) reopened the general debate about whether happy workers are

more productive. Decades of research have found inadequate evidence to support the 'happy productive worker thesis' (Staw 1986) or the proposition that 'a happy worker is a good worker' (Katzell and Thompson 1995: 111). Research has also been unable to establish a close link between job satisfaction and performance (*c.f.* Brayfield and Crockett 1955; Iaffaldano and Muchinsky 1985; Locke 1976; Vroom 1964;). This may be a result of researchers erroneously conceiving and operationalizing job satisfaction as synonymous with affective well-being (Cropanzano and Wright 2001; Cropanzano et al. 1993; Wright and Cropanzano 2000). Later meta-analyses have indicated that there is a stronger relationship between job satisfaction and job performance than was previously evident (Harter et al. 2002; Judge et al. 2001).

Researchers have mostly ceased investigating whether satisfied employees are more productive, possibly as a consequence of using job satisfaction as the predictor variable, instead of more appropriate measures, such as 'happiness' (Wright and Staw 1999a, 1999b), or affective well-being (Sevastos 1996; Warr 1990). Also, the construct 'managers' job performance' has not been robustly measured, making associations between them.

These results are argued to be partly due to conceptual misspecification and inadequate research methodologies. Rather than being an aberrant stream of investigation, these findings arguably result from poorly specified and measured constructs. Despite the lack of empirical evidence, the notion that satisfied or happy workers are more productive is firmly entrenched in management ideology (Cropanzano and Wright 1999, 2001; Ledford 1999; Wright and Cropanzano 2000; Wright and Staw 1999a, 1999b; Wright et al. 2002).

Studies from the 1930s onwards found only modest support for the link between worker satisfaction and improved job performance (Organ and Paine 1999). 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. Only mixed evidence has been produced to support the proposition that psychological growth and learning lead to sustained effective job performance.

Organ (1977: 46) has attributed the acceptance of the conventional wisdom that 'satisfaction causes performance' to the broader conceptualization of the construct 'performance'. Apart from studies by Wright and Staw, (1999a; 1999b) affective well-being has seldom been investigated in the field as a predictor of favourable work outcomes for managers. Wright and Staw (1999b: 2) also found a 'plausible link' between employees' affective states and work behaviour that justified 're-opening the question of whether happy workers are also more productive'. There is a case for extending the happy productive worker thesis into an examination of the extent to which managers' affective well-being influences performance, using a more robust methodology to measure these constructs. Reinvigorating this debate may also inform the more general, but unproven, proposition that happy employees are more 'productive'. Nevertheless, despite these mixed and often contradictory findings, a viable stream of research may be found in the happy productive workers thesis that is both 'important and worthy' of investigation (West et al. 1992: 1), as it 'begins to make a claim on our attention' (Christensen et al. 1982: 6).

## Rationale for the Research

The origins of the happy productive worker thesis can be traced to the seminal Hawthorne studies (Roethlisberger and Dickson 1939), where higher levels of job-related performance were attributed to happy employees, compared to their unhappy counterparts. Research into emotions and affect in the workplace were initiated and peaked in the 1930s (Fisher 1980; Fisher and Hanna 1931; Hoppock 1935; Kornhauser and Sharp 1932; Roethlisberger and Dickson 1939). Developed societies are increasingly aware of the incidence of psychological disorders in the workplace (Ganster and Schaubroeck 1991; Levi 1990; Millar 1990), prompting occupational and organizational psychologists to scrutinize levels of psychological health amongst employees (Cartwright and Cooper 1997; Cooper and Cartwright 1994; Gebhardt and Crump 1990; Theorell 1993). In addition, organizational theorists have long recognized the considerable financial and human costs attributable to employee psychological dysfunction (Wright et al. 2002). Mental health concerns in the workplace are now regarded as an international problem of considerable magnitude (World Health Organization 2005).

Earlier, Weick (1979) had urged researchers to focus on the emotional dimensions of work life. Despite Weick's advice, much of the research into management issues has continued on the assumption that people's behaviour is rational, cognitive and stable. Yet emotions have also been found to comprise aspects of reason, action and feelings, including decision making and a disposition to act (James et al. 2000). Rather than interfering with rationality, emotions may assist in wise decision making. Conversely, a lack of emotional

expression has been shown to result in irrational behaviour (Damasio 1994). Researchers continue to show renewed interest in the impact of emotions in organizational contexts (Ashkanasy et al. 1998). Emotional states are no longer regarded as illogical responses to events in the workplace (Nicholson 2000). A dispositional proclivity to cope with and manage emotional experiences has been popularized as ‘emotional intelligence’ (Goleman 1995, 1998; Mayer and Salovey 1993; Salovey and Mayer 1990). Emotional intelligence is used here to refer to about two dozen social and emotional abilities that have been shown to be linked to successful performance in the workplace.

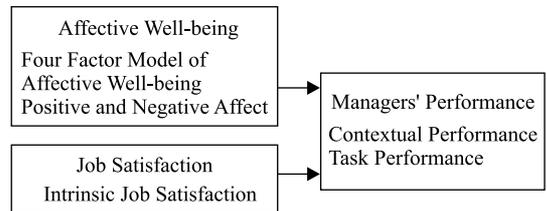
This study focuses on one aspect of emotional health—*affective well-being*. Although extensive research has been conducted into workplace affective well-being and job satisfaction (for example, Kahn and Cooper 1993; Kelloway and Barling 1991; Warr 1990, 1995) there is no specific empirical research into the impact of affective well-being and intrinsic job satisfaction on *managers’ performance*. A research opportunity exists for using affective well-being as the predictor variable of managers’ performance, in conjunction with intrinsic job satisfaction.

This study extends upon Wright and Staw’s (1999a, 199b) research by more reliably measuring state affect (mood) and managers’ performance. Ledford (1999: 30) also determined that the ‘most important problem to address in research on the happiness–productivity connection is the operationalisation of the two key constructs’. Wright and Staw (1999a: 11) considered that their ‘data might have been stronger had there been better calibration in the measurement of mood and rated performance’.

## A Partial Model of Managers’ Affective Well-being, Intrinsic Job Satisfaction and Performance

Warr (1987: 293) has suggested that researchers should explore ‘what is known about the relationship between rated work performance and the components of mental health’. Research in this area has mainly focused on job satisfaction when, as has been suggested, affective well-being and intrinsic job satisfaction may provide an improved explanation of performance in the workplace. From the information collected for this study, a model was developed and tested that may have predictive power, as illustrated in Figure 1.

**Figure 1**  
*Partial Model of Managers’ Affective Well-being, Intrinsic Job Satisfaction and Performance*



Unless otherwise stated, it is assumed, as reported in the literature, that the direction of the relationship between the variables is from affective well-being, intrinsic job satisfaction to performance (Warr 1999). However, this should not be taken to infer causality between the dimensions of affective well-being, intrinsic job satisfaction and managers’ performance, although Lyubomirsky, King and Diener (2005) have argued for a strong directional causal link between happy individuals and success across multiple life domains including job performance.

## Methodology

A cross-sectional questionnaire of 19 Western Australian organizations was undertaken during 1998–99 to collect data to answer the research question, and test the hypotheses and model. Data was collected using self-report measures of affective well-being and intrinsic job satisfaction, and downward appraisal of managers' performance (by the person to whom managers then reported). A composite selection of private, public and 'third sector' organizations 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 per cent response rate.

Self-report data from the sample was used to measure managers' affective well-being and intrinsic job satisfaction. Self and superior appraisals were used to gauge their performance. Job-related affective well-being (Sevastos 1996) and intrinsic job satisfaction (ibid.; Cook et al. 1981) items were obtained from published and validated scales. The properties of the instruments used were acceptable for measuring state and trait affective well-being and managers' performance (refer to Table 1 for details).

There were no validated measures of managers' performance identified that were suitable. A major contribution of this study was to define and measure the construct of managers' performance. Contextual performance scales were sourced from existing items in the literature, whereas the researcher devised the task performance variables.

Given the paucity of instruments available to measure managers' performance, there was a compelling case for developing an instrument based on Borman and Motowidlo's (1997) contextual taxonomy, and Borman and Brush's (1993) task taxonomy. Managers' performance items were developed by the researcher from the

literature, and incorporated items designed to measure both contextual and task performance domains. Managers and their superiors were presented with 19 sub-scales designed to assess achievements on a range of job tasks. Additional items were adapted from OCB measures for the five contextual performance sub-scales (Konovsky and Organ 1996; Organ and Ryan 1995; Podsakoff et al. 1990). Managers' contextual performance scales were devised by the researcher (refer to Table 1 for details).

## Methods

### **Concepts, Constructs Dimensions and Measures**

Measures used in this study are consistent with the established theory base in this stream of research, and are closely aligned to the constructs being investigated. During the literature review it became apparent that there were a considerable number of well-validated instruments for measuring affective well-being and intrinsic job satisfaction, but few that were suitable for collecting data on variables identified as determining behavioural outcomes of managers' performance. Linkages between the relevant concepts, constructs, dimensions and measures have been established in previous studies and are given in Table 1 to support the choice of measures.

### **Statistical Attributes of Affective Well-being and Intrinsic Job Satisfaction Scales**

Two affective well-being and intrinsic job satisfaction scales were compared and evaluated before selecting those suitable for multivariate analysis. Both of these scales were suitable for measuring

**Table 1**  
*Concepts, Constructs, Dimensions and Measures*

<i>Concepts</i>	<i>Constructs</i>	<i>Dimensions</i>	<i>Measures</i>
Dispositional job-related affective well-being	Positive affect, negative affect	Interested, distressed, excited, upset, strong, guilty, scared, hostile, enthusiastic, proud, irritable, alert, ashamed, inspired, nervous, determined, attentive, jittery, active, afraid	20-item Positive and Negative Affect Schedule (PANAS) scale (Watson and Clark 1984)
Job-related affective well-being	Enthusiasm, depression, anxiety, relaxation	Gloomy, calm, anxious, enthusiastic, motivated, worried, restless, tense, depressed, optimistic, relaxed, miserable	12-item Four Factor Congeneric Measurement model of Affective Well-being (Sevastos 1996)
Job satisfaction	Intrinsic job satisfaction	Intrinsic job satisfaction: utilization of skills, amount of job complexity and opportunities for control, amount of responsibility and challenges	7-item subscale (Sevastos, 1996; Cook et al. 1981).
Contextual performance	Managers' contextual performance	Persisting, volunteering, helping, following, endorsing	Self-devised 22-item scale of managers' contextual performance developed from Borman and Motowidlo's (1997) 5-dimension taxonomy. Items from Konovsky and Organ (1996), Organ and Lingel (1995), Borman and Brush (1993), Podsakoff et al. (1990).
Task performance	Managers' task performance	Planning, guiding, training, communicating, representing, technical, administering, maintaining, coordinating, deciding, staffing, persisting, stressing, committing, monitoring, delegating, influencing, interpreting, organizational effectiveness	Self-devised 75-item scale of managers' task performance developed from Borman and Brush (1993) 18-dimension taxonomy.

managers' affective-well-being in relation to their contextual and task performance. In particular, the scales were more theoretically congruent with the notion of 'happiness' (Sevastos 1996; Warr 1990).

The following scales were used to measure and analyse managers' affective well-being and intrinsic job satisfaction:

1. a 20-item Positive and Negative Affect Schedule (PANAS) (Watson and Clark 1984);
2. a 12-item Four Factor Congeneric Model of Job-related Affective Well-being (Sevastos 1996); and
3. a seven-item subscale (Cook et al. 1981; Sevastos 1996).

The IV (independent variable) scales (affective well-being and intrinsic job satisfaction) used were robust as they have been developed and replicated with large samples and are widely published. The

affective well-being scales were not altered because their properties had already been established. Nevertheless, the psychometric properties of the scales were still pertinent. As with the pilot data, the scale properties are reported to ensure that the measures are within statistically acceptable parameters. Table 2 provides a summary of the alpha coefficients for affective well-being, intrinsic job satisfaction data and performance.

All alpha coefficients for affective well-being, intrinsic job satisfaction and managers' performance were well above the recommended threshold of 0.70 (Nunnally 1978), ranging from 0.79 to 0.93.

### Scale Means, Standard Deviations and Correlations

Maximum likelihood (ML) factor analysis was used with oblimin rotation. ML assumes that the data being analysed are multivariate normal. ML represents and separately estimates the unique portion of each variable measured. It has more

**Table 2**  
*Alpha Coefficients and Items for Affective Well-being, Intrinsic Job Satisfaction and Performance Scales and Subscales (n = 200)*

<i>Construct</i>	<i>Scale/subscales</i>	<i>Items</i>	<i>α</i>
PANAS	Positive affect	10	0.89
	Negative affect	10	0.87
Four factor model of affective well-being	Enthusiasm	3	0.90
	Depression	3	0.83
	Anxiety	3	0.80
	Relaxation	3	0.84
	Intrinsic job satisfaction	7	0.85
Contextual performance	Persisting	4	0.84
	Helping	3	0.79
	Following	4	0.83
Task performance	Endorsing	5	0.88
	Technical	4	0.91
	Monitoring	4	0.93
	Delegating	4	0.84
	Influencing	4	0.90

restricted assumptions and only analyses shared variance (latent dimensions). The ML begins with the input of Pearson product-moment correlation using squared multiple correlations to make initial estimates of communality. Theoretically-based solutions, uncontaminated by unique and error variability, are produced by ML (Hair et al. 1995).

**Panas**

PANAS was used as a dispositional (personality) control of affect. It has two factors that contained positive and negatively worded items. Consistent with Watson and Tellegen’s (1985) intention, all the PANAS variables had strong primary loadings on the appropriate factor with acceptable loadings on secondary factors, indicating relatively pure markers of PA and NA (see Table 3).

Total variance explained for PANAS was 50.611 per cent.

**Four Factor Model of Job-related Affective Well-being**

Table 4 gives the ML with oblimin pattern matrix loadings for the Four Factor Model of Job-related Affective Well-being.

The scale taps the entire affect space. The amount of variance explained was 77.910 per cent. All items exhibited substantial loadings under 0.5, except ‘gloomy’ (0.389). Six of the 12 items loaded above 0.80, indicating the presence of a large number of marker variables. This pattern matrix supports the four factor unipolar model rather than the bipolar model.

**Intrinsic Job Satisfaction**

Intrinsic job satisfaction variables were predicted to be closely aligned with affective well-being. As anticipated, the indicators exhibited a very high

**Table 3**  
**PANAS (n = 200)**  
**Pattern Matrix<sup>a</sup>**

	Factor	
	1	2
	PA	NA
1.013. Interested	.784	
1.015. Excited	.592	
1.017. Strong	.607	
1.021. Enthusiastic	.812	
1.022. Proud	.634	
1.024. Alert	.617	
1.026. Inspired	.771	
1.028. Determined	.760	
1.029. Attentive	.670	
1.031. Active	.538	
1.014. Distressed		.538
1.016. Upset		.575
1.018. Guilty		.464
1.019. Scared		.817
1.020. Hostile		.417
1.023. Irritable		.440
1.025. Ashamed		.521
1.027. Nervous		.712
1.030. Jittery		.723
1.032. Afraid		.913

<sup>a</sup> Rotation converged in 7 iterations.

internal reliability ( $\alpha = 0.85$ ), and loaded strongly on the predicted factor (see Table 5).

Total variance accounted for was 54.416 per cent.

**Confirmatory Factor Analysis of Managers’ Performance Indicators and Variables**

Answering the research questions required the development of an instrument to measure the structure of managers’ contextual and task performance. An eight-dimensional measurement model of managers’ performance, derived from the survey data, was tested by exploratory and

**Table 4**  
**Four Factor Model of Job-related Affective Well-being (n = 200)**

**Pattern Matrix<sup>a</sup>**

	<i>Factor</i>			
	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>
	<i>Enthusiasm</i>	<i>Anxiety</i>	<i>Depression</i>	<i>Relaxation</i>
1.098. Enthusiastic	1.026			
1.099. Motivated	.873			
1.104. Optimistic	.598			
1.100. Worried		.772		
1.097. Anxious		.764		
1.102. Tense		.628		
1.103. Depressed			.905	
1.106. Miserable			.849	
1.095. Gloomy			.389	
1.105. Relaxed				.882
1.101. Restful				.811
1.096. Calm				.612

<sup>a</sup> Rotation converged in 9 iterations.

**Table 5**  
**Intrinsic Job Satisfaction (n = 200)**

**Factor Matrix<sup>a</sup>**

	<i>Factor</i>
	<i>IntJS</i>
1.114. The amount of variety in your job?	.535
1.117. The recognition you get for good work?	.702
1.120. Your chances of promotion?	.566
1.123. The opportunity to use your abilities?	.793
1.124. The attention paid to suggestions you make?	.797
1.125. The amount of responsibility you are given?	.757
1.126. The freedom to choose your own method of working?	.624

<sup>a</sup> 1 factor extracted. 5 iterations required.

confirmatory factor analyses (CFA) to differentiate the structure of their contextual and task performance. Table 6 shows the ranked factor loading for indicators on contextual performance using sub-sample 1 ( $n = 200$ ) on managers' self-ratings. Four distinct factors were evident.

Table 7 shows the ranked factor loading for indicators on task performance using subsample 1 on

managers' self-ratings. As with the contextual performance factor loadings, four distinct factors were evident.

Several high-loading indicators were evident in both the contextual and task performance subsamples. There were seven high loading marker variables ( $> 0.80$ ) for contextual performance, and 11 task performance factors representing

**Table 6**  
**Ranked Factor Loading for Indicators on Managers' Self-ratings Contextual Performance (n = 200)**  
**Pattern Matrix <sup>a</sup>**

	Factor			
	1 Endorsing	2 Helping	3 Persisting	4 Following
2.19. Exhibiting a concern for organizational objectives	.859			
2.18. Showing loyalty to the organization	.838			
2.21. Representing the organisation favourably to outsiders	.755			
2.22. Demonstrating concern about the image of the organization	.698			
2.20. Working within the organization to effect change	.537			
2.10. Helping others who have been absent		-.968		
2.9. Helping with heavy work-loads		-.794		
2.11. Maintaining effective working relationships with co-workers		-.481		
2.1. Demonstrating perseverance and conscientiousness			.889	
2.2. Persisting with effort to complete work successfully despite difficult conditions and setbacks			.868	
2.3. Putting extra effort into your job			.588	
2.4. Trying to make the best of the situation, even when there are problems			.534	
2.15. Obeying the rules and regulations of the organization				.942
2.14. Adhering to organizational values and policies				.888
2.16. Treating organizational property with care				.489
2.17. Paying attention to announcements, messages, or printed material about the organization				.384

<sup>a</sup> Rotation converged in 11 iterations.

**Table 7**  
**Ranked Factor Loading for Indicators on Managers' Self-ratings on Task Performance (n = 200)**  
**Pattern Matrix<sup>a</sup>**

	Factor			
	1 Monitoring	2 Technical	3 Influencing	4 Delegating
2.79. (Monitoring) Monitoring and overseeing appropriate use of funds within existing constraints and guidelines	.994			
2.80. (Monitoring) Monitoring and overseeing utilization of funds	.961			
2.78. (Monitoring) Controlling budgets by allocating funds internally	.910			
2.81. (Monitoring) Controlling personnel resources	.557			
2.45. (Technical) Solving technical problems		.975		
2.46. (Technical) Applying technical expertise		.898		
2.44. (Technical) Providing technical advice to others in organization		.882		
2.43. (Technical) Keeping technically up-to-date		.678		
2.87. (Influencing) Persuading others in the organization to accept your ideas and position			.985	
2.88. (Influencing) Convincing those holding opposing or neutral opinions and promoting own positions or ideas			.891	
2.86. (Influencing) Influencing others inside and outside of the organization			.803	
2.89. (Influencing) Presenting own position clearly and decisively			.672	
2.83. (Delegating) Effectively delegating responsibility and authority				.942
2.85. (Delegating) Delegating authority and responsibility to assist staff's professional development				.811
2.82. (Delegating) Assigning staff duties and responsibilities consistent with their abilities as well as the organization's needs				.666
2.84. (Delegating) Avoiding interfering with areas of responsibility delegated to others				.644

<sup>a</sup> Rotation converged in 8 iterations.

18 high-loading indicators. This indicated that the limits to parsimony for this matrix had been reached.

A measurement model of managers' performance dimensions was confirmed to be multivariate and consisted of an eight-dimensional construct of performance that was tested through CFA. The performance construct was operationalized in terms of four contextual dimensions ('endorsing', 'helping', 'persisting' and 'following') and four task dimensions ('monitoring', 'technical', 'influencing' and 'delegating'). These dimensions were confirmed through multi-sample analysis and cross-validation techniques of manager and superiors' ratings ( $n = 200$  and  $n = 125$ , respectively; Hosie et al. 2006).

### Test of the Measurement Model

All analyses were based on the ML method. The input for the analyses was the covariance matrices for the managers' self-report and superiors' ratings on performance indicator subsamples. The variance for each of the eight constructs was fixed at 1 and respective covariances were freely calculated. To test the hypothesized models only random error was analysed, which assumed there was no systematic error in the data. Subsample 1 was used for the CFA of both managers' and superiors' ratings of performance to ensure independence of the samples. Combining managers' self-report and superiors' rating subsamples effectively doubled the cases available for analysis. These are independent samples because no overlap is allowed in the cases. Four models of managers' performance were tested. A best-fitting model was sought that separately fitted these datasets. An eight-dimensional model was tested based on the a priori model of managers' four factors of context performance and four factors of task performance.

## Confirmatory Factor Analysis of Managers' Performance

Accurately measuring managers' performance was a necessary precursor to answering the main research questions posed in this study. The CFA explored the construct of managers' performance in detail. Results of the various CFA were conducted to test the measurement model. A CFA provided support for a 32-variable measure of perceived performance. The CFA on the eight performance constructs—four for contextual performance and four task performance—was used to confirm the measurement model. These analyses determined the independence of the constructs. Essentially, the eight dimensions and 32 indicators, identified in the exploratory factor analysis (EFA), withstood a rigorous process of CFA scrutiny that covered all the relevant aspects of performance. Contextual and task performance generalizes across managers and their superiors to provide a reliable measure of performance. Clearly, superiors' ratings of managers' performance are the most reliable.

Common variance was expected because the focal person rated their performance. However, as shown through the multi-trait multi-method method (MTMM) at the individual parameter level of analysis, managers' self-reports on their performance were contaminated by considerable systematic error through a tendency of the self-rated performance method to attenuate performance effects. By contrast, superiors' ratings of managers' performance had only a modest method variance and were, therefore, a reliable measure of the latter's objective performance.

Evidence was presented through invariance analysis that was used to determine if there was congruence between managers' and superiors' perceptions of performance. The model fitted the

structure and was suitable for cross-validation with the original sample. A congruent structure for both managers' and superiors' contextual and task performance was established through an examination of the form of the performance model, the invariance of loadings across the self and superiors' samples, and holding the loadings constant, a test of the invariance of the relationships amongst the performance constructs. These scales were psychometrically sound because they show high levels of reliability (internal consistency), in addition to demonstrating construct validity, and are suitable for further analysis in relation to managers' affective well-being and intrinsic job satisfaction.

In summary, the measurement model clarified the construct of managers' performance, and was found to be composed of mutual and distinct measures that are generalizable across groups. The CFA findings indicated that the construct of managers' performance was multidimensional.

### **Canonical Correlation and Regression Analysis**

Canonical correlation and standard multiple regression were used to analyse the linear combination of managers' affective well-being and job satisfaction with contextual and task performance. Indicators of affective well-being and intrinsic job satisfaction were found to predict dimensions of their performance, irrespective of whether the performance scores were from self-ratings or supervisory ratings.

### **Pearson Intercorrelations among Variable**

The results show that positive affect (PA) and enthusiasm have a positive association with all

the performance dimensions, while for negative affect (NA) and 'anxiety' only 'influencing' has a negative association. For 'depression' the performance dimensions of 'persisting', 'endorsing' and 'influencing' have a negative association, while for intrinsic job satisfaction this association is reversed, that is, 'persisting', 'endorsing' and 'influencing' are positively related to it. Finally, there is no statistically significant association between the eight job performance dimensions and 'relaxation'. See Table 8 for the Pearson intercorrelations among variables of superiors' ratings on performance and managers' self-report on performance and affective well-being and intrinsic job satisfaction.

### **Results of the Correlation Analysis**

Table 8 indicates the statistically significant variables (that is, correlations = 0.18) of superiors' ratings on performance and managers' self-report on performance, and affective well-being and intrinsic job satisfaction. Validities for task and contextual performance (that is, between self-ratings and superiors' ratings) were for the most part statistically significant. Those dimensions that showed acceptable levels of convergence were: 'technical' ( $r = 0.40$ ), 'influencing' ( $r = 0.36$ ), 'persisting' ( $r = 0.29$ ), 'helping' ( $r = 0.18$ ) and 'following' ( $r = 0.24$ ). Three dimensions of performance (two contextual and one task) were not statistically significant: 'monitoring' ( $r = 0.12$ ), 'delegating' ( $r = 0.13$ ) and 'endorsing' ( $r = 0.17$ ).

Statistically significant correlations between performance indicators (self-ratings and superiors' ratings) and indices of affective well-being were compared using Fisher's Z transformation to indicate the significance of the difference between two correlation coefficients for independent

**Table 8**  
**Pearson Intercorrelations among Variable of Managers' Self-report on Affective Well-being and Intrinsic Job Satisfaction and Performance and Superiors' Ratings on Performance ( $n = 125$ )**

Variable	Mean (SD)	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	
1. Technical (M)	3.23 (.78)	86																								
2. Monitor (M)	3.26 (.71)	38	95																							
3. Delegate (M)	3.22 (.67)	44	36	85																						
4. Influence (M)	3.10 (.78)	46	24	54	91																					
5. Persist (M)	3.57 (.62)	53	45	39	54	82																				
6. Help (M)	3.22 (.70)	35	37	48	36	51	81																			
7. Follow (M)	3.36 (.77)	23	27	29	28	34	40	82																		
8. Endorse (M)	3.64 (.76)	29	36	26	41	50	41	49	87																	
9. Technical (S)	3.50 (.72)	40	11	08	22	24	05	01	08	85																
10. Monitor (S)	3.33 (.75)	-02	12	-04	14	17	11	06	12	18	95															
11. Delegate (S)	3.19 (.68)	-01	-12	13	24	17	11	-07	08	22	26	88														
12. Influence (S)	3.26 (.81)	07	04	13	36	31	14	08	12	42	37	58	90													
13. Persist (S)	3.76 (.70)	04	01	05	25	29	12	02	18	34	35	39	62	85												
14. Help (S)	3.16 (.66)	02	-04	06	17	17	18	-01	17	32	30	56	57	51	78											
15. Follow (S)	3.56 (.75)	01	03	07	17	09	08	24	23	30	43	20	33	37	41	82										
16. Endorse (S)	3.72 (.70)	07	-06	04	30	21	-02	-03	17	33	37	50	61	57	62	56	86									
17. PA	3.30 (.68)	21	21	12	36	39	19	25	33	14	19	03	31	26	14	23	26	89								
18. NA	1.68 (.51)	-11	09	-02	-17	-03	04	-11	-02	-02	-16	-06	-10	05	-11	-13	-08	-36	88							
19. Depression	1.76 (.84)	-17	-04	-02	-27	-22	00	-15	-16	-20	-23	-25	-32	-23	-27	-19	-28	-53	60	85						
20. Enthusiasm	4.04 (1.04)	25	24	14	27	35	17	20	31	21	-02	08	26	23	18	07	18	71	-28	-57	90					
21. Anxiety	2.61 (.83)	-11	04	-15	-28	-08	04	-11	01	-12	-04	-12	-22	-02	-16	-09	-14	-41	54	56	-37	80				
22. Relaxation	2.76 (1.18)	03	05	07	16	04	07	20	03	-02	-05	-02	08	00	14	11	04	30	-31	-39	51	-44	86			
23. Intrinsic Job Sat.	3.91 (.68)	14	-08	-01	31	29	03	09	26	18	25	32	47	40	36	16	40	43	-20	-57	50	-19	11	85		
24. Extrinsic Job Sat.	3.72 (.58)	12	-01	13	25	11	16	23	25	15	12	10	15	15	13	22	24	49	-29	-49	55	-39	38	55	61	

Notes:  $n = 125$  (list-wise deletion of cases). Decimal points for coefficients are not shown. Correlations = 0.18 are statistically significant (two-tailed tests). Coefficients in the diagonal are alpha reliabilities; underlined coefficients are scale validities.  $M =$  self-report ratings of performance;  $S =$  superiors' ratings of performance.

samples. Sixteen pairs of statistically significant correlations were compared, but no statistically significant difference between self-ratings and superiors' ratings on these correlations was detected ( $p > 0.05$ ).

Specifically, 'technical' was related to 'enthusiasm' ( $r = 0.25$ , and  $r = 0.21$ , for superior and self respectively,  $Z = 0.333$ ). Similar results were obtained for associations between 'monitoring' and PA ( $r = 0.21$ , and  $r = 0.19$ ,  $Z = 0.164$ ); 'influencing' and PA ( $r = 0.36$ , and  $r = 0.31$ ,  $Z = 0.438$ ); 'influencing' and 'depression' ( $r = -0.27$ , and  $r = -0.23$ ,  $Z = -0.336$ ); 'influencing' and 'enthusiasm' ( $r = 0.27$ , and  $r = 0.26$ ,  $Z = 0.086$ ); 'influencing' and 'anxiety' ( $r = 0.28$ , and  $r = 0.22$ ,  $Z = 0.500$ ); 'influencing' and 'intrinsic job satisfaction' ( $r = 0.31$ , and  $r = 0.47$ ,  $Z = -1.477$ ); 'influencing' and 'anxiety' ( $r = -0.28$ , and  $r = -0.22$ ,  $Z = 0.500$ ); 'persisting' and PA ( $r = 0.39$ , and  $r = 0.26$ ,  $Z = 1.141$ ); 'persisting' and 'depression' ( $r = -0.22$ , and  $r = -0.23$ ,  $Z = -0.078$ ); 'persisting' and 'enthusiasm' ( $r = 0.35$ , and  $r = 0.23$ ,  $Z = 1.023$ ); 'persisting' and 'intrinsic job satisfaction' ( $r = 0.29$ , and  $r = 0.40$ ,  $Z = 0.977$ ); 'following' and PA ( $r = 0.25$ , and  $r = 0.23$ ,  $Z = 0.164$ ); 'endorsing' and PA ( $r = 0.33$ , and  $r = 0.26$ ,  $Z = 0.602$ ); 'endorsing' and 'enthusiasm' ( $r = 0.31$ , and  $r = 0.18$ ,  $Z = 1.086$ ) and, 'endorsing' and 'intrinsic job satisfaction' ( $r = 0.26$ , and  $r = 0.40$ ,  $Z = -1.234$ ).

The correlation matrix of the study variables (Table 8) found that affective well-being and intrinsic job satisfaction indicators were also associated with dimensions of managers' performance, irrespective of whether the performance scores were from self-report or superiors' ratings. There was also agreement on elements of self and their superiors' ratings of performance. Managers' performance dimensions were found to be valid for contextual performance dimensions

('persisting', 'helping', 'following') and two task performance dimensions ('technical', 'influencing'). However, a contextual performance dimension ('endorsing') and two task performance dimensions ('monitoring', 'delegating') were not found to be significant for managers and their superiors.

## Canonical Analysis

### Estimation Sample

Results of the canonical correlation analysis for the first matched sample ( $n = 125$ ) are shown in Table 9, which shows the canonical correlations, cross-loadings, the standard canonical variate coefficients or weights, the per cent of variance extracted from within its own set of variables, and redundancies (the per cent of variance extracted from the opposing set of variables).

Redundancies are analogous to  $R^2$  and are the products of the squared canonical correlation and the proportion of that set's variance accounted for by the canonical variate (Dillon and Goldstein 1984). Canonical variates are orthogonal to each other, and the percentage of variance and redundancies are additive, as shown in the 'total' column in Table 9. These coefficients have been shown to be statistically significant. See Table 9 for canonical correlations of the DV based on superiors' rated performance.

Canonical correlations for the two variates of superiors' ratings were 0.559 ( $p < 0.001$ ) and 0.460 ( $p < 0.05$ ), indicating they were suitable for interpretation. For superiors' ratings, the first canonical variate extracted 37.129 per cent of variance from the criterion set and 29.046 per cent of variance from the predictor set. For redundancies the first criterion set variate accounted for 11.602 per cent of variance in the predictor set,

**Table 9**  
*Canonical Correlation with DV Based on Superiors' Rated Performance (n = 125)*

Variables	First canonical variate		Second canonical variate	
	Cross-loadings	Standardized coefficients	Cross-loadings	Standardized coefficients
Performance variable set (DV)				
Technical	.177	-.091	-.208	-.563
Monitoring	.306	.202	.252	.616
Delegating	.264	-.142	-.131	-.321
Influencing	.510	.642	-.090	-.067
Persisting	.423	.214	-.081	-.259
Helping	.245	.039	-.011	.054
Following	.221	-.070	.217	.549
Endorsing	.432	.322	.008	.013
Per cent variance		37.129		10.978 Total = 48.107
Redundancy		11.602		2.323 Total = 13.925
Affective well-being variable set (IV)				
PA	.389	.591	.067	.976
NA	-.096	.221	-.152	-.478
Depression	-.328	-.083	.012	-.058
Enthusiasm	.278	-.375	-.187	-1.337
Anxiety	-.179	-.117	.071	.619
Relaxation	.076	.046	.046	.595
Intrinsic job satisfaction	.503	.803	-.085	-.014
Per cent variance		29.046		5.201 Total = 34.248
Redundancy		9.076		1.101 Total = 10.177
Canonical correlation	.559		.460	

and the first predictor set variate accounted for 9.076 per cent of variance in the criterion set for a total of 13.925 per cent.

The second canonical variate extracted 10.978 per cent of variance from the criterion set, and 5.201 per cent of variance from the predictor set. For redundancies the second criterion set variate accounted for 2.323 per cent of variance in the predictor set, and the second predictor set variate accounts for 1.101 per cent of variance in the criterion set for a total 10.177 per cent.

Both canonical variates accounted for a total of 48.107 per cent of the criterion set variability, and 34.248 per cent of the predictor set variability. As was mentioned earlier, in order to interpret the results from a canonical correlation, either the

cross-loading and/or the standardized coefficients weights may be used. However, because the canonical correlation analysis was used here only as a method of creating composite DVs, and not for testing of hypotheses, cross-loadings were not evaluated. As an exploratory preliminary step, an examination of the loadings and the weights for each variable may be carried out to detect any instability in the standardized weights. Instability in the standardized weights (for example, a small weight relative to a loading, or a negative algebraic sign where a positive sign was expected) may be due to either multicollinearity, or to the variance in a variable having already been accounted for by some of the other variables (Dillon and Goldstein 1984).

Squared canonical correlation represents the variance shared by the linear composites of sets of DVs and IVs, but not the variance extracted from the sets of variables. Variates are derived to maximize the correlation and identify the optimum structure or dimensionality of each IV and DV set. Canonical correlation does not deal with a single DV, but a composite of DVs that only contain a portion of each DV's total variance. Thus, it cannot be assumed that all variance of the IV set is explained by itself.

A strong canonical correlation may be evident between two linear composites (canonical variates) even though these canonical variates may not extract significant amounts of variance from either set of variables. This accounts for the maximum amount of the relationship between two sets of variables, but does not ensure a substantial relationship of practical and conceptual significance. Practical significance of canonical functions is represented by size of canonical correlations, but there are no generally established guidelines regarding suitable sizes for canonical correlations (Hair et al. 1995). Further analysis using a standard multiple regression is required to determine

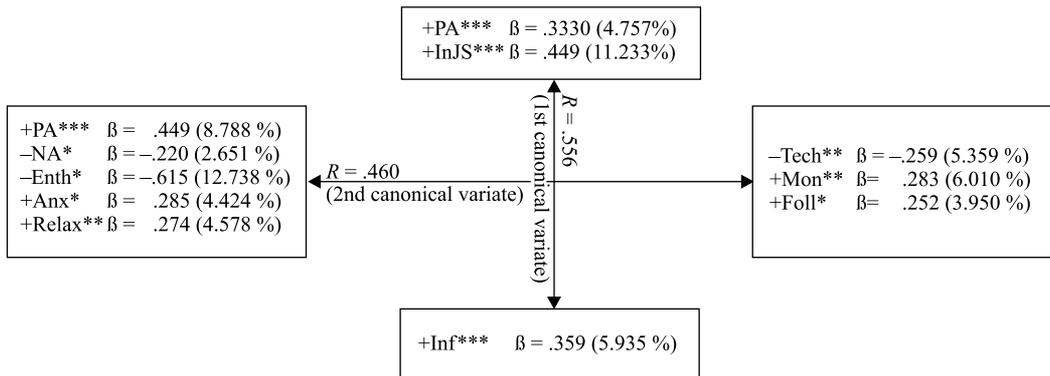
the amount of DV variance accounted for or shared with the IV.

### Analysis of the Model

A partial model of managers' affective well-being, intrinsic job satisfaction and performance was developed from the literature for testing. Two orthogonal variates of managers' affective well-being, intrinsic job satisfaction and performance canonical correlation analysis resulted in the identification of two orthogonal dimensions of affective well-being, intrinsic job satisfaction and performance, as illustrated in Figure 2.

The model shows that for the first canonical variate, PA and intrinsic job satisfaction are strongly associated with 'influencing'. This variable is similar to Speitzer's dimension of 'impact' that forms part of the four-dimensional construct of empowerment. It describes a manager's belief that his or her actions can be influential in the organization, and contribute towards the achievement of organizational objectives. PA is a personality characteristic associated with extroversion, and is central to managerial jobs in

**Figure 2**  
*A Partial Model of Managers' Affective Well-being, Intrinsic Job Satisfaction and Performance (n = 125)*



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 organization may result in enhanced intrinsic job satisfaction and heightened PA.

The second canonical variate or dimension showed a complex set of associations between aspects of affective well-being, 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 NA 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').

However, 'monitoring' and 'following' provide opportunities for 'relaxation', due to their prescriptive content, that leads to acceptable levels of affective well-being.

Managers also 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. This has implications for the recruitment, selection and development of managers.

## Conclusions About the Research Questions

Development and testing of the model contributed to gaining an understanding of how affective well-being and intrinsic job satisfaction impact on managers' performance variables. A number of questions were investigated that were derived from the literature of affective well-being, intrinsic job satisfaction and managers' performance.

### *Is there an Association between Affective Well-being, Intrinsic Job Satisfaction and Managers' Contextual and Task Performance?*

Contextual and task performance were found to be significant predictors of PA. As anticipated by Judge et al. (2001), intrinsic job satisfaction was found to be associated with performance. Affective well-being 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 well-being 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 well-being was related to enhanced managerial performance, whereas diminished affective well-being indicated poorer performance.

### ***To What Extent Does Affective Well-being and Intrinsic Job Satisfaction Predict Different Dimensions of Managers' Contextual and Task Performance?***

As predicted, positive affective well-being was associated with enhanced managerial performance, whereas poor affective well-being indicated diminished performance. Certain aspects of managers' affective well-being and intrinsic job satisfaction ('enthusiasm', PA, 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 well-being and intrinsic job satisfaction that enhanced the predictive power of the model. The first canonical variate explained 31.25 per cent of the variance of performance and the second 21.16 per cent. Thus, each of the canonical variates separately accounted for substantial amounts of managers' performance in relation to affective well-being and intrinsic job satisfaction.

### ***Does Positive Affective Well-being Result in Enhanced Managers' Performance, and is Poor Affective Well-being Detrimental to Managers' Performance?***

Consistent with Warr's (1987, 1990) Vitamin Model, a link between managers' affective well-being, intrinsic job satisfaction and performance

was evident. Also consistent with Warr's (1992) findings, those in higher-level jobs (for example, managers) reported less job-related depression, but significantly more job-related anxiety. Positive affective well-being was related to enhanced managerial performance, whereas poor affective well-being indicated reduced performance. PA was found to be a significant predictor of task and contextual performance, supporting George and Brief's (1996) argument that positive affects (one of the indicators of extroversion) 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's (1999) finding that less than 10 per cent 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 is not considered to be an important aspect of manager's task repertoire. As Goleman (1998: 21) noted, 'Outstanding supervisors in technical fields are not technical but rather relate to handling people.' Managers with PA are likely to experience elevated anxiety, but have opportunities for relaxation when undertaking 'monitoring' and 'following' work. Goleman asserted that 'the higher the level of the job, the less important technical skills and cognitive abilities were, and the more important competence in emotional intelligence became' (ibid.: 33).

## Contribution to Management

This study has contributed to our understanding of how managers' affective well-being and intrinsic job satisfaction impacts on performance and, ultimately, organizational effectiveness. As a stream of research, the 'happy effective manager thesis' is both 'important and worthy of investigation' (West et al. 1992). As Ashkanasy et al. (1998: 9) have observed, the 'knowledge, measurement, and understanding of the role of emotions in workplace settings are missing in the study and practice of organisational behaviour'. This study investigated affective well-being, an important aspect of emotions, and is intended to contribute to the broader debate over what underpins human performance at work. A more sophisticated understanding of how affective well-being and intrinsic job satisfaction interact with managers' performance contributes to a better comprehension of aspects of the associations underlying these constructs.

Evidence of how affective well-being and intrinsic job satisfaction interact with managers' performance will be valuable in determining job designs and organizational-level interventions. Such an understanding has the potential to translate into improved managerial practices. These findings are also intended to progress the debate about how work might be structured to improve employees' performance.

A strong causal link has been established between people management and business performance by Patterson et al. (1997). Compared to other management practices (for example, strategy, quality focus, investment in research and development), human resource practices explained 18 per cent of the variation in productivity and 19 per cent in profitability of companies in the United

Kingdom. Two clusters, acquisition and development of employee skills (including the use of appraisals), and job design, were shown to be particularly important. Patterson and colleagues established an empirically compelling argument supporting the relationship between people management practices and commercial performance.

Managers are pivotal to an organization's productivity and effectiveness since they have ultimate responsibility for maximizing the resources available to create value (Jones 1995). The resource-based view of the firm recognized the value added by human capital (Hamel and Prahalad 1994; Wernfelt 1984). Regardless of the industry or country concerned, managers represent the human capital that is critical to an organization's success (Williams and Anderson 1991). Any decline in managers' performance inevitably results in revenue foregone, opportunities lost and increased costs. In turn, this hampers the capacity of organizations and, ultimately, national economies to create wealth.

Organizations 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 × 2 × 3'—whereby half as many people are being paid twice as much, to produce three times more (Handy 1996). This trend of 'squeezing the pips' is particularly evident for managers, where incidences of stress and burnout are increasingly common (Quinn et al. 1996; Reinhold 1997).

In this study, affective reactions are conceived of as a precursor to stress in the workplace. Affective well-being is treated as a first-order concept that underpins stress, a second-order concept. Emotional reactions, resulting from intrinsic and extrinsic stimuli, determine a person's reactions to stressful situations. The US National Institute

of Occupational Safety (2005: 6) has defined stress generically as:

'Harmful physical and emotional responses that occur when the requirements of the job do not match the capabilities, resources, or needs of the worker. Job stress can lead to poor mental health and even injury.

Affective well-being is treated in this case as a first-order concept that underpins stress as a second-order concept. Job stress can lead to poor mental health.

Organizational 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 (Coles 1999; Forster and Still 2001). Handy (1996) considered the '1/2 × 2 × 3' formula 'about right' for Australia, New Zealand, the United Kingdom and North America. To reach and sustain heightened levels of performance, and to avoid burnout in this environment, it is desirable that organizations develop strategies for maintaining managers' affective well-being and intrinsic job satisfaction. Of the three psychological aspects of burnout (emotional exhaustion, depersonalization and diminished sense of personal accomplishment), emotional exhaustion is increasingly prevalent in Western workplaces (Lee and Ashforth 1996).

By establishing how affective well-being and intrinsic job satisfaction influence performance, it will be possible to predict how a deterioration, or an improvement, in these factors impacts managers' performance. Similarly, management practices that increase managers' affective well-being 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.

## Conclusion

This paper examines the 'happy productive worker' thesis, by investigating the impact of job-related affective well-being and intrinsic job satisfaction on managers' performance. Indicators of their affective well-being and intrinsic job satisfaction were found to predict dimensions of their contextual and task performance. Decades of research have been unable to establish a strong link between job satisfaction and performance. Affect has rarely been used as a predictor of job performance outcomes. Despite mixed empirical evidence, there is support in the literature to suggest that a relationship exists between affective well-being, intrinsic job satisfaction and managers' performance.

A series of research questions were developed from the literature to establish if there was an association between managers' affective well-being, intrinsic job satisfaction and their contextual and task performance. To what extent does affective well-being and intrinsic job satisfaction determine different dimensions of contextual and task performance? Does the construct of managers' performance consist of the two dimensions, contextual and task performance? Does positive affective well-being result in enhanced performance, and is poor affective well-being detrimental? Answering the research questions required the development of an instrument to measure the structure of managers' contextual and task performance. An eight-dimensional measurement model, derived from the survey data, was tested

by exploratory and confirmatory factor analyses to differentiate the structure of managers' contextual and task performance. The performance construct was operationalized in terms of four contextual dimensions ('endorsing', 'helping', 'persisting', 'following') and four task dimensions ('monitoring', 'technical', 'influencing', 'delegating'). These dimensions were confirmed through multi-sample analysis and cross-validation techniques of managers' and superiors' ratings.

Self-report data were used to measure affective well-being and intrinsic job satisfaction, while supervisor ratings provided an evaluation of managers' contextual and task performance. An empirical methodology was used to enable the research questions to be answered and to suggest a partial model of managers' affective well-being, intrinsic job satisfaction and performance.

A large amount of the variance of performance was explained by affective well-being and intrinsic job satisfaction. Affective well-being self-report (positive affect, intrinsic job satisfaction) was found to be positively associated with a dimension of superiors' reports on task performance ('influencing'). Positive associations for dimensions of affective well-being self-report (positive affect, 'anxiety' and 'relaxation') were also found to be negatively associated with dimensions of superiors' reports on managers' task performance ('monitoring') and contextual performance ('following'), which was also negatively associated with the task performance dimension ('technical'). As predicted, positive affective well-being was related to enhanced managerial performance, whereas diminished affective well-being indicated poorer performance.

The implications of this study to the body of management theory and practice were discussed.

A better understanding of how affective well-being and intrinsic job satisfaction influences managers' behaviour was posited to improve aspects of their performance. Suggestions were made about how managers' jobs might be changed to enhance, or to avoid a decline in, affective well-being, intrinsic job satisfaction and performance in order to improve overall organizational effectiveness.

This study aimed to establish which components of managers' affective well-being and intrinsic job satisfaction predicted dimensions of their performance. A partial model was proposed for linking indicators of affective well-being and intrinsic job satisfaction to a number of the dimensions of managers' performance. In the process, a new instrument was developed and refined to performance.

This study was based on the popular notion that affective well-being and intrinsic job satisfaction predict performance. The 'happy productive worker' thesis is yet to receive unequivocal empirical support. This seminal management issue was revisited using robust measures of the constructs of affective well-being, intrinsic job satisfaction and managers' performance. Rated performance of managers was previously conceived as a unidimensional construct. Multi cross-validation of self and superiors' ratings found managers' performance to be a multivariate construct consisting of both contextual and task performance.

A measurement model of managers' performance dimensions was confirmed to be multivariate and consist of eight distinct dimensions. Four contextual performance and four task performance dimensions formed the scales for managerial activities. Indicators forming these scales were of most consequence to managers and their superiors.

As predicted, positive affective well-being and intrinsic job satisfaction were related to establish the structure of the dimensions of managers' enhanced performance, and poor affective well-being indicated reduced performance. Affective well-being self-report (positive affect, 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 well-being self-report (positive affect, 'anxiety' and 'relaxation') were found to be negatively associated with dimensions of superiors' report on task performance ('monitoring') and contextual performance ('following'). This was also negatively associated with the task performance dimension ('technical').

This study found that a considerable amount of the variance of performance was associated with affective well-being and intrinsic job satisfaction, and vice versa. Explaining a large amount of this variance made it possible to develop a model of managerial affective well-being, intrinsic job satisfaction and performance with enhanced predictive power. Using two independent DVs (supervisors' one-to-one ratings) of IVs (affective well-being and intrinsic job satisfaction) eliminated unnecessary noise in the data caused by common method variance.

As previously noted, the analysis described does not provide evidence of causality. As Ashkanasy (1998: 4) stated, 'Performance is another likely concomitant of affect at work, though whether it is a cause or a consequence is unclear.' The analysis does provide for certain inferences to be

made about the associations between aspects of managers' affective well-being, intrinsic job satisfaction and performance. However, it is difficult to conclude from this study that happiness contributes to self-motivation, and that this facilitates organizational effectiveness, or that performance is a barometer of the feeling that managers are effective. However, it is possible that well-performing managers could also be happy as a consequence of their effective performance and the resulting rewards.

The implications of the contribution made by this study to the body of management theory and practice were discussed and opportunities for further research were identified. Replication of the model and managers' contextual and task performance scales is recommended. This study extended upon the existing theoretical base of managers' affective well-being, intrinsic job satisfaction and performance, by devising a model that included performance constructs that have not been comprehensively dealt with in previous theoretical and empirical work. Specifically, measurements of contextual and task performance constructs were identified as deserving of further development. In the process of refining these scales, consideration should be given to devising a cross-cultural version of the instrument suitable for use in a range of organizations and countries.

In short, we believe that this study has progressed the debate over 'happy productive worker' thesis by investigating the association between managers' affective well-being, intrinsic job satisfaction, and their contextual and task performance.

## REFERENCES

- Ashkanasy, N.M., C.E. Hartel, C. Fischer and B. Ashforth (1998), 'A Research Program to Investigate the Causes and Consequences of Emotional Experience at Work'. Paper presented at the Annual Meeting of the Australasian Society Psychologists, Christchurch, NZ, April.
- Borman, W.C. and D.H. Brush (1993), 'More Progress Toward Taxonomy of Managerial Performance Requirements', *Human Performance*, 6 (1), 1–21.
- Borman, W.C. and S.J. Motowidlo (1997), 'Task Performance and Contextual Performance: The Meaning for Personnel Selection Research', *Human Performance*, 10 (2), 99–109.
- Brayfield, A.H. and W.H. Crockett (1955), 'Employee Attitudes and Employee Performance. *Psychological Bulletin*, 52 (5), 396–424.
- Cartwright, S. and C.L. Cooper (1997), *Managing Workplace Stress* (Thousand Oaks, CA: Sage Publications).
- Christensen, C.R., K.R. Andrews and M.E. Porter (1982), *Business Policy: Texts and Cases* (Homewood, IL: Irwin).
- Coles, J. (1999), 'Life in the Fast Lane', *Australian*, 24 November, 16.
- Cook, J., S.J. Hepworth, T.D. Wall and P.B. Warr (1981), *A Compendium and Review of 249 Work Review Measures and Their Use* (London: Academic Press).
- Cooper, C.L. (1996), *Handbook of Stress, Medicine and Health* (London: CRC Press).
- Cooper, C.L. and S. Cartwright (1994), 'Healthy Mind; Healthy Organization: A Proactive Approach to Occupational Stress', *Human Relations*, 47 (4), 455–71.
- Cropanzano, R. and T.A. Wright (1999), A Five-year Study of the Relationship Between Well-being and Performance. *Journal of Consulting Psychology*, 51, 252–65.
- . (2001). 'When a "Happy" Worker is Really a "Productive" Worker: A Review and Further Refinements of the Happy-Productive Worker Thesis', *Consulting Psychology Journal*, 53 (3), 182–99.
- Cropanzano, R., K. James and M.A. Konovsky (1993), 'Dispositional Affectivity as a Predictor of Work Attitudes and Job Performance', *Journal of Organizational Behavior*, 14, 595–606.
- Damasio, A.R. (1994), *Descartes' Error: Emotion, Reason, and the Human Brain* (New York: Grosset/Putnam).
- Dillon, W. R. and M. Goldstein (1984), *Multivariate Analysis: Methods and Applications* (New York: Wiley).
- Fisher, C. D. (1980), 'On the Dubious Wisdom of Expecting Job Satisfaction to Correlate with Performance', *Academy of Management Executive*, 6, 607–12.
- Fisher, V.E. and J.V. Hanna (1931), *The Dissatisfied Worker* (New York: Macmillan).
- Forster, N. and L. Still (2001), *A Report on the Effects of Occupational Stress on Managers and Professionals in Western Australia* (Perth: Centre for Women and Business, Graduate School of Management, University of Western Australia and Australian Institute of Management).
- Ganster, D.C. and J. Schaubroeck (1991), 'Work Stress and Employee Health', *Journal of Management*, 17 (2), 235–72.
- Gebhardt, D. and C.E. Crump (1990), 'Employee Fitness and Wellness Programs in the Workplace', *American Psychologist*, 45 (2), 262–72.
- George, J.M. and A.P. Brief (1996), 'Feeling Good—Doing Good: A Conceptual Analysis of the Mood at Work—Organizational Spontaneity Relationship', *Psychological Bulletin*, 112 (2), 310–29.
- Goleman, D. (1995), *Emotional Intelligence: Why It Can Matter More Than IQ*. (New York: Bantam Books).
- . (1998), *Working with Emotional Intelligence* (London: Bantam Books).
- Hair, J.F. et al. (1995), *Multivariate Data Analysis with Readings* (New York: Maxwell Macmillan International).
- Hamel, G. (1996), 'Strategy as Revolution', *Harvard Business Review*, July–August, 69–82.
- Hamel, G. and C. Prahalad (1994), 'Competing for the Future', *Harvard Business Review*, July–August, 122–28.
- Handy, Charles B. (1996), *Beyond Certainty: The Changing Worlds of Organizations* (Boston, MA: Harvard Business School Press).
- Harter, J.K., F.L. Schmidt and T.L. Hays (2002), Business-unit-level Relationship between Employee Satisfaction, Employee Engagement, and Business Outcomes: A Meta-analysis. *Journal of Applied Psychology*, 87 (2), 268–79.
- Hay Group (1999), *What Makes Great Leaders: Rethinking the Route to Effective Leadership: Findings from Fortune Magazine/Hay Group 1999 Executive Survey of Leadership Effectiveness*.

- Hershey, H.B. (1932), *Worker Emotions in Shop and Home: A Study of Individual Workers from the Psychological and Physiological Standpoint* (Philadelphia: University Pennsylvania Press).
- Hoppock, R. (1935), *Job Satisfaction* (New York: Harper).
- Hosie, Peter J., Peter P. Sevastos and Cary L. Cooper (2006), *Happy-performing Managers: The Impact of Affective Well-being and Intrinsic Job Satisfaction in the Workplace* (New Horizons in Management (Cheltenham, UK, Northampton, MA, USA: Edgar Elgar).
- Iaffaldano, M.T. and P.M. Muchinsky (1985), 'Job Satisfaction and Job Performance: A Meta-Analysis', *Psychological Bulletin*, 97 (2), 251–73.
- James, R., J. Milton and R. Gibb (2000), 'Emotion in Learning: A Neglected Dynamic', *Research and Development in Higher Education*, 22, 87.
- Jones, G. R. (1995), *Organizational Theory: Text and Cases* (Reading, MA: Addison-Wesley).
- Judge, T.A., C.J. Thoresen, J.E. Bono and G.K. Patton (2001), 'The Job Satisfaction–Job Performance Relationship: A Qualitative and Quantitative Review', *Psychological Bulletin*, 127 (3), 376–407.
- Kahn, H. and C.L. Cooper (1993), *Stress in the Dealing Room: High Performers Under Pressure* (London: Routledge).
- Katzell, R.A. and D.E. Thompson (1995), 'Work Motivation: Theory and Practice', in D.A. Kolb, J.S. Osland and I.M. Rubin eds, *The Organizational Behaviour Reader*, pp. 110–24 (Englewood Cliffs, NJ: Prentice-Hall).
- Kelloway, K.E. and J. Barling (1991), 'Job Characteristics, Role Stress and Mental Health', *Journal of Occupational Psychology*, 64, 291–304.
- Konovsky, M.A. and D.W. Organ (1996), 'Dispositional and Contextual Determinants of Organisational Citizenship Behaviour', *Journal of Organizational Behavior*, 17 (3), 253–66.
- Kornhauser, A.W. and A.A. Sharp (1932), 'Employee Attitudes: Suggestions from a Study in a Factory', *Personnel Journal*, 10, 393–404.
- Ledford, G.E., Jr (1999), 'Happiness and Productivity Revisited', *Journal of Organizational Behavior*, 20 (1), 31–34.
- Lee, T. and B.E. Ashforth (1996), 'A Meta-analytic Examination of the Correlates of the Three Dimensions of Job Burnout', *Journal of Applied Psychology*, 81 (2), 123–33.
- Levi, L. (1990), 'Occupational Stress: Spice of Life or Kiss of Death?' *American Psychologist*, 45 (10), 1142–45.
- Locke, E.A. (1976), 'The Nature and Causes of Job Satisfaction', in M.D. Dunnette, ed., *Handbook of Industrial and Organizational Psychology*, pp. 1297–1349 (Chicago: Rand McNally).
- Lyubomirsky, S., L. King and E. Diener (2005), 'The benefits of frequent positive affect: Does happiness lead to success?', *Psychological Bulletin*, 131 (6), 803–55.
- Mayer, J.D. and P. Salovey (1993), 'The Intelligence of Emotional Intelligence', *Intelligence*, 17 (4), 433–42.
- Millar, D.J. (1990), 'Mental Health and the Workplace. An Interchangeable Partnership', *American Psychologist*, 45 (10), 1165–66.
- Nicholson, N. (2000), *Managing the Human Animal* (New York: Crown Publishers).
- Nunnally, J.C. (1978), *Psychometric Theory* (New York: McGraw-Hill).
- Organ, D.W. (1977), 'A Reappraisal and Reinterpretation of the Satisfaction–Causes–Performance Hypothesis', *Academy of Management Review*, 2 (1), 46–53.
- Organ, D. W. and A. Lingl (1995), 'Personality, Satisfaction, and Organisational Citizenship Behaviour', *Journal of Social Psychology*, 135 (3), 339–50.
- Organ, D.W. and B.P. Paine (1999), 'A New Kind of Performance for Industrial and Organisational Psychology: Recent Contributions to the Study of Organisational Citizenship Behavior', in C.L. Cooper and I.T. Robertson, eds, *International Review of Industrial and Organizational Psychology*, 14, pp. 338–68 (Chichester, NY: John Wiley).
- Organ, D. W. and K. Ryan (1995), 'A Meta-analytic Review of Attitudinal and Dispositional Predictors of Organizational Citizenship Behavior', *Personnel Psychology*, 48 (4), 775–802.
- Patterson, M. et al. (1997), 'Impact of People Management Practices on Business Performance', *Issues in People Management*, 22, 1–28.
- Peck, M. S. (1978), *The Road Less Travelled: A New Psychology of Love, Traditional Values and Spiritual Growth* (New York: Simon and Schuster).
- Podsakoff, P.M., S.B. MacKenzie, R.H. Morman and R. Fetter (1990), 'Transformational Leader Behaviors and Their Effects on Followers Trust in Leader, Satisfaction, and Organizational Citizenship Behavior', *Leadership Quarterly*, 1 (2), 107–42.
- Quinn, R.E., S.R. Faerman, M.P. Thompson, and M. McGrath (1996), *Becoming a Master Manager: A Competency Framework* (New York: Wiley).

- Reinhold, B. R. (1997), *Toxic Work: How to Overcome Stress, Overload and Burnout and Revitalize Your Career* (New York: Plume Publishers).
- Roethlisberger, F.J. and W.J. Dickson (1939), *Management and the Worker* (Cambridge, MA: Harvard University Press).
- Salovey, P. and J.D. Mayer (1990), 'Emotional Intelligence', *Imagination, Cognition and Personality*, 9 (3), 185–211.
- Sevastos, P.P. (1996), 'Job-related Affective Well-being and its Relation to Intrinsic Job Satisfaction'. Unpublished Ph.D. Thesis, Curtin University, Perth, Australia.
- Spreitzer, G.M. (1995), 'Psychological empowerment in the workplace: dimensions, measurement, and validation'. *Academy of Management Journal*, 38 (5), 1442–65.
- Staw, B.M. (1986), 'Organizational Psychology and the Pursuit of the Happy/Productive Worker', *California Management Review*, 28(4), 40–53.
- Theorell, T. (1993). Influence Exercised on the Surrounding Field In Psychosomatic Projects. *Psychotherapie Psychosomatik Medizinische Psychologie*, 43 (5), 183–87.
- US National Institute of Occupational Safety (2005), 'Workplace Safety and Health Topics', <http://www.cdc.gov/niosh/homepage.html>.
- Vroom, V.H. (1964), *Work and Motivation* (New York: Wiley).
- Warr, P.B. (1987), *Work, Unemployment and Mental Health* (Oxford: Clarendon Press).
- . (1990), 'The Measurement of Well-being and Other Aspects of Mental Health', *Journal of Occupational Psychology*, 63 (3), 193–210.
- . (1992), 'Age and Occupational Well-Being', *Psychology and Aging*, 7 (1), 37–45.
- . (1995), 'Employee Well-Being', in P.B. Warr, ed., *Psychology at Work* (Harmondsworth: Penguin).
- . (1999), 'Well-being and the Workplace', in D. Kahneman, E. Diener and N. Schwarz, eds, *Well-being: The Foundations of Hedonic Psychology*, pp. 392–412 (New York: Russell Sage Foundation).
- Watson, D. and L.A. Clark (1984), 'Negative Affectivity: The Disposition to Experience Aversive Emotional States', *Psychological Bulletin*, 96 (3), 465–90.
- Watson, D. and A. Tellegen (1985), 'Towards a Consensual Structure of Mood', *Psychological Bulletin*, 98 (2), 219–35.
- Weick, K.E. (1979), *The Social Psychology of Organizations* (Reading, MA: Addison-Wesley).
- Wernefelt, B. (1984), 'Resource-based View of the Firm', *Strategic Management Journal*, 5, 171–80.
- West, M., J. Arnold, M. Corbett and B. Fletcher (1992), 'Editorial: Advancing Understanding About Behaviour at Work', *Journal of Occupational and Organisational Psychology*, 65 (1), 1–3.
- Williams, L. J. and S.E. Anderson (1991), 'Job Satisfaction and Organizational Commitment as Predictors of Organizational Citizenship and in-Role Behaviors', *Journal of Management*, 17(3), 601–17.
- World Health Organization (2005), 'WHO European Ministerial Conference on Mental Health: Facing the Challenges, Building Solutions', <http://www.euro.who.int/mentalhealth2005>, accessed 1 September 2005.
- Wright, T. A. and R. Cropanzano (2000), 'Psychological Well-being and Job Satisfaction as Predictors of Job Performance', *Journal of Occupational Health Psychology*, 5 (1), 84–94.
- Wright, T.A. and B.M. Staw (1999a), 'Affect and Favorable Work Outcomes: Two Longitudinal Tests of the Happy-Productive Worker Thesis', *Journal of Organizational Behavior*, 20(1), 1–23.
- . (1999b), 'Further Thoughts on the Happy-Productive Worker', *Journal of Organizational Behavior*, 20 (1), 31–34.
- Wright, T.A., R. Cropanzano, P.J. Denney and G.L. Moline (2002), 'When a Happy Worker Is a Productive Worker: A Preliminary Examination of Three Models', *Canadian Journal of Behavioural Science*, 34 (3), 146–50.