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Management

Are bad bosses as commonplace as we imagine?

New business school research shows poor managers are truly toxic – but most staff rate bosses highly. By *Amanda Goodall*

The topic of leadership has inspired hundreds of books and thousands of articles from academics in business schools. Yet if I randomly stopped people in the street and asked them "what do we know to be true about good leaders?" — I'm not sure what they would say.

They might suggest that the simplest rule is that we should avoid promoting narcissists. Which would lead me to wonder — as I reflect on our world leaders — how successful we leadership scholars have been in getting our messages out.

The public may not know it, but there are empirical patterns emerging about good bosses. They share common strengths. From recent research we know, for example, that the quality of one's immediate boss is a key determinant of job satisfaction, employee retention and individual productivity.

Leaders who are technically competent and have a deep understanding of their organisation's core business (not merely managerial knowledge) are associated with better corporate performance. This has been found in many settings, including healthcare, universities and in sport.

Gallup data reveal that half of employees say they have left a company because of a bad boss. A single bad boss has a deleterious effect on large numbers of staff. In other words, bad bosses have a "multiplier effect" on their organisation that can build up over many years.

Our study shows, consistent with earlier research, that three of the main influences on employee job satisfaction are pay, length of working hours and whether they are employed in a small and more personal environment. We find that even if all three factors are combined, the single influence of "boss quality" outweighs the sum of the three.

More precisely, the difference between the average bad boss and a really good boss is about one point on a job satisfaction scale that runs from 1 to 4. This is far larger than any effect that has ever been found in the history of job satisfaction research.

So how common are bad bosses? Many people seem to believe in the famous Peter Principle, a management concept dating back to the 1960s which states that managers and supervisors are routinely promoted to one level too high, relative to their abilities. But might this be wrong?

Like all people, managers have individual strengths and weaknesses. To assess boss quality, therefore, an overall metric is required. In a study my team is about to publish (with Benjamin Artz of the University of Wisconsin and Andrew Oswald of Warwick University), we create a simple performance score from participants' assessment of their boss.

Our data cover 28,000 randomly selected European employees from the European Working Conditions Survey in 2015, who are asked to rate their boss (between a low of 1 for "strongly disagree" and a high of 5 for "strongly agree") in areas that include providing useful feedback on your work, respecting you as a person, giving praise and recognition when you do a good job.

As an extra test we examined how each of these factors relates to individuals' job satisfaction. We found that they are strong predictors of employee wellbeing. People who have bosses whom they rate highly across our seven criteria are far more likely to be contented at work, and this continues to be true after we control for the innate happiness of individuals and also their pay.

In our study, a line manager is classified as "bad" if the person's net score on the seven questions is negative (that is, he or she averages below 3). Our meas-

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ure acknowledges that we are all human: it does not require managers to be anywhere near perfect, nor even to be rated positively in every single aspect of their actions. Instead, the measure assesses, in an even-handed way, across possible strengths and weaknesses.

We find that only 13 per cent of bosses in Europe are rated as bad. And this seems also to be true for those who are supervisors and are reporting on their own line managers — so it carries up through the layers within organisations.

Remarkably, the sample of 28,000 employees assesses their line managers on average to be a four out of five — where five is best. This suggests that most employees are satisfied with their line managers. Indeed, more than one-in-10 bosses get a "perfect" score.

When we look at the proportion of managers who performed badly on at least one of our seven measures, then we find that a third of bosses are bad or very bad in one area. But we shouldn't expect perfection — and many people step into a management position without being offered any leadership training.

How might our study's findings be helpful, in a practical sense, to those who select and train line managers?

The method of assessment we used makes it possible to work out where bad bosses are relatively at their worst and relatively at their best — or perhaps least-bad. Any organisation can develop its own survey using our criteria.

And what about the narcissists, who are by all measures the worst bosses? The good news is that our survey suggests the prevalence of narcissism is low (we are interpreting narcissists as people who have an unhealthy obsession with self and far less interest in others).

Even the managers who scored low enough to be called bad bosses are often strong on their "respect for workers". Where they score the least well is on their "ability to get the job done" and on attention to "employee development".

These two factors matter a great deal to employees' job satisfaction. We expect line managers to help subordinates in completing their work and in developing their career. Our conclusions are consistent with the idea that a bad boss tends to be someone who lacks sufficient competence.

Employees have higher job satisfaction and lower intentions to leave when they think that their boss is an expert in the business area — and could do their job if necessary. While qualities such as emotional intelligence and charisma can be important, it is this sort of "expert" boss who often makes employees happy. It is something for organisations to think about when they recruit leaders: expertise and knowledge of a sector counts for a lot more than has been acknowledged in the past.

So, if good bosses are more common than bad, why do we hear so much about bad ones? Might it be that, as in a football match, we only talk about referees when they make a bad decision or if we don't like the decisions they make?

The comforting finding — both for those of us who manage teams, and for the employees who are led, is that most bosses are far better than popularly imagined — and that the far-too-often quoted Peter Principle is largely wrong.

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Surveys

What makes a good boss?

We surveyed 28,000 employees across Europe using the following questions, which you can adapt for your own organisation.

Ask your staff to rate their boss (between a low of 1 for "strongly disagree" and a high of 5 for "strongly agree", where 3 is "neither agree nor disagree") in the following areas:

- Your immediate boss provides useful feedback on your work.
- Your immediate boss respects you as a person.
- Your immediate boss gives you praise and recognition when you do a good job.
- Your immediate boss is helpful in getting the job done.
- Your immediate boss encourages and supports your development.
- Your immediate boss is successful in getting people to work together.
- Your immediate boss helps and supports workers.

Each of these questions corresponds with an HR process — feedback, praise etc — and so these areas can also be used as a benchmark for managers in your organisation or adapted to existing feedback and training initiatives.

Employees have higher job satisfaction when they think that their leader is an 'expert'

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Amanda Goodall, associate professor in management at Cass Business School. The study she helped set up found that only 13 per cent of bosses in Europe are rated as bad — Charlie Bibby/FT