DIRECT REPORTS’ PERCEPTIONS OF REDUCED-LOAD MANAGERS’ EFFECTIVENESS: WHEN DOES ABSENCE MATTER? 1

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ABSTRACT

This paper explores the effectiveness of reduced-load work arrangements from the perspective of direct reports whose managers have undertaken such arrangements. It begins by debating whether managerial absence is detrimental to the performance and career development of subordinates. The authors surveyed (using both quantitative and qualitative methods) the direct reports of 43 cases of managers working part-time (74% of FTE) in 45 American and Canadian companies. Results indicated that the direct reports perceived their reduced-load managers as effective, and that their absence mattered little when certain managerial factors (communication and HR skills) and contextual factors (direct report competencies) were present.
The increasing number of dual-career families in the labour force is pushing firms to provide more options for the distribution and scheduling of work (Galinsky, Bond, & Friedman, 1993). Productivity costs and increased international competition, which necessitate cost cutting and profit maximization, are also driving firms to experiment with new structures, employment relationships, and contracts (Ferber & O’Farrell, 1991). In this sense, both workers and employers are seeking greater flexibility to adapt to shifting external demands – family or personal life in the case of workers, and competitive market pressures in the case of organizations (Williams & MacDermid, 1994). Reduced-load work arrangements, which we have defined as working less than full time and being paid accordingly (Lee, MacDermid, Williams, Buck, Schreiber, Borelli, Leiba-O’Sullivan, Bernstein, Smith, & Dohring, 1998) are a popular form of alternate work arrangement that provides this sort of flexibility.

Experimentation with reduced-load work arrangements by individuals and organizations has, however, proceeded more rapidly than the growth of research on this topic (Lee & MacDermid, 1998). Systematic, comprehensive evaluations are lacking. The effectiveness of reduced-load work arrangements now needs to be examined from a number of different angles, as many different stakeholders are involved (Lee, MacDermid, et al, 1998). In particular, one of the major concerns of allowing managers, as opposed to professionals, access to such arrangements has been that the direct reports of the reduced-load work manager --- would likely suffer greatly in their manager’s absence. Given the growing popularity of other work arrangements that involve reduced levels of supervision (e.g., telecommuting, expatriate management), the issue of managerial absence is particularly worthy of investigation at this time.

Accordingly, this paper explores the effectiveness of reduced-load work arrangements from the perspective of direct reports whose managers have undertaken such arrangements. Toward this end, it
begins by reviewing the debate about whether managerial absence matters. The affirmative perspective of this debate is followed by consideration of the contrary perspective.

**DOES ABSENCE MATTER? THE AFFIRMATIVE SIDE OF THE DEBATE**

The performance appraisal literature suggests that managerial absence can potentially be problematic. When conducting performance evaluations, supervisors must play both a judgemental and developmental role for their direct reports (Cummings & Schwab, 1973). Regular absences may impede the manager’s ability to effectively fill these judgmental and developmental roles.

The *judgemental* aspect of supervision pertains to the supervisor’s evaluation of the direct report’s performance. This judgement should, ideally, be based on observable behaviour. Observation helps both the accuracy of the feedback provided, as well as the acceptability of the feedback to the direct report. Indeed, when employees perceive the supervisor as knowledgeable about the employee’s job and performance, not only are they more likely to accept the supervisor’s evaluation (Stone, Gueutal, & McIntosh, 1984), but they are also more likely to perceive the feedback as accurate, perceive the supervisor as more helpful, and report that they intend to use the feedback (Bannister, 1986).

However, when the direct report must perform his/her tasks in the absence of direct access to his/her manager for a percentage of each working week when a manager is on a reduced-load work arrangement, the precise conditions under which performance occurs may not be immediately evident to the manager. For example, due to the manager’s absence, direct reports may have a more difficult time accessing information (related to both work and to the company in general). They may experience greater work complexity and a greater work load. And, to the extent that they believe that the absent manager underestimates these changes, they may be skeptical about their manager’s capacity to judge
their performance. Insofar as these experiences and perceptions arise, the risk exists that direct reports may perceive the performance appraisal feedback that is provided to them as being inaccurate and unacceptable. This would be problematic for the organization, because a faulty performance feedback process can hinder the organization’s performance as a whole.

The *developmental* aspect of supervision can also be affected when supervisors are available on a reduced basis. Development often occurs through an on-the-job training function, known as “coaching behaviour” (Harris and DeSimone, 1994). In the process of coaching, the supervisor effectively encourages employees to accept responsibility for their performance, enables them to achieve and sustain superior performance, and treats them as partners in working toward organizational goals (Harris and DeSimone, 1994). The long term effect of this coaching behaviour is ultimately meant to be positive for the employee’s career development goals as well. To coach effectively, the coach must engage in two distinct activities: (1) coaching analysis, which involves analyzing performance and the conditions under which it occurs, and (2) coaching discussions, which involve face to face communication between employee and supervisor to solve performance problems and enable the employee to maintain and improve effective performance (Fournies, 1978; Kinlaw, 1989). The literature clearly indicates that coaching must occur within the context of an ongoing relationship between employee and supervisor, because “someone outside the work unit who does not perform these tasks lacks sufficient information, opportunity, and authority to coach effectively” (Harris and DeSimone, 1994, p.267). Although the literature is less clear regarding how “ongoing” the relationship must be in order to be effective (e.g., Will direct supervision for only 60% of the week suffice?), the implication appears to be that there is an inversely proportional relationship between the degree of managerial absence and the degree of coaching and on-the-job training experienced.
DOES ABSENCE MATTER? THE CONTRARY SIDE OF THE DEBATE

In contrast to the above, several diverse bodies of research appear to suggest that managerial absence may be inconsequential, as long as certain key managerial behaviours are manifested when the manager is present. Research by Luthans, Hodgetts, & Rosenkrantz (1988) suggests that managerial presence may be useful for a manager’s own career success, insofar as it permits networking, but that other key managerial behaviours are more important for a manager to be effective in their role as managers and supervisors. Luthans et al. (1988) directly observed the frequency of four categories of managerial activities among “real” U.S. managers: traditional management (decision-making/problem solving, planning/coordinating, and monitoring/controlling), communication activities (exchanging routine information, and processing paperwork), networking (interacting with outsiders and socializing/politicking during working hours), and human resource management [HRM] (motivating/reinforcing, managing conflicts, staffing, and training/developing). They then related the frequency of each of these managerial activities to a multiple measure effectiveness index which consisted of (1) organizational unit effectiveness (i.e., quality and quantity of performance), (2) subordinate satisfaction with supervision, and (3) subordinate organizational commitment. The results indicated that while managers spent their time, in descending order of frequency, on activities such as traditional management, communication, HRM, and networking, it was the communication activities, and to a lesser extent, the HRM activities, that made the greatest relative contribution to effectiveness.

Unlike the coaching literature (e.g., Harris and DeSimone, 1994), which suggests that effective subordinate development requires ongoing face-to-face interaction, Luthans et al. (1988) make no such claim. Thus, conceivably, these key communication and HRM behaviours could be performed during the manager’s “at work” days, thereby empowering the direct reports to be self-sufficient during periods
of managerial absence. Moreover, the resulting increase in autonomy may in fact lead direct reports to experience greater responsibility for the outcomes of their work (Hackman & Oldham, 1980), which may, in turn, lead to richer skill development on the part of the employee. In this sense, insofar as greater managerial absences do not impede the manager’s performance of the key communication and HRM activities, and as long as they provide direct reports with increased autonomy, then absence may, ironically, be regarded as contributing to a positive, rather than a negative, developmental outcome.

This perspective is certainly shared by the advocates of employee empowerment strategies: Advocates of employee empowerment believe that autonomy enhances not just firm profitability (through improved customer satisfaction) but also employee skills. Employees who deal directly with clients are faced with a multitude of opportunities to make on-the-spot decisions. By gaining greater discretion to exercise their decision-making authority, employees get to hone their decision-making skills (Lin, 1998; Whetten & Cameron, 1998).

This line of reasoning is further supported by the work of yet other leadership researchers, which indicates that certain contingencies may potentially lessen the need for a continuous leadership presence. Specifically, leadership efforts (be they relationship and/or task oriented) may make little or no difference in the presence of leadership neutralizers or substitutes (Kerr & Jermier, 1978). Seven specific examples of neutralizers and substitutes are given (Kerr & Jermier, 1978). This list includes task-specific characteristics where the tasks that the direct reports are performing are (1) clear, (2) intrinsically satisfying, (3) routine, and (4) provide direct feedback about performance. It also includes direct report and organizational characteristics – such as when direct reports are (5) highly competent at the tasks that they must perform, (6) working in cohesive work groups, and (7) working in an organization that has flexible rules and procedures (Kerr & Jermier, 1978). When such neutralizers
and/or substitutes exist, the presence of leadership behaviours has been found to have negligible relevance for direct reports’ satisfaction and performance (e.g., Kerr & Jermier, 1978; Podsakoff, MacKenzie, & Fetter, 1993; Podsakoff, Niehoff, Mackenzie, & Williams, 1993). Thus, the existence of either substitutes or neutralizers in a reduced-load work situation provides yet another reason to believe that the degree of reduction in normal working hours (i.e., the degree of relative presence or absence of the manager/leader) will not always matter.

**GAPS IN EXISTING RESEARCH**

The debate on managerial absence has, to date, overlooked a number of possibly relevant moderating variables. First, researchers in this area have neglected the possibility that leadership may take on greater relevance when the leader’s absence is for non-work-related reasons, as in the case of managers on reduced-load work. Researchers supporting the “neutralization of leadership” theory (Kerr & Jermier, 1978; Podsakoff, et al, 1993) have conducted their investigations about the significance of leadership in a range of contexts. However, in none of these contexts was it clear that leadership absence occurred for voluntary, family-related reasons. The rationale behind the absence may be critical. In reduced-load work situations, the reason for the absence is typically personal (e.g., a desire to spend more time with family or to balance work with other personal interests). In such cases, managers may be perceived to be detached from the organizational network/grapevine, and thus perceived as being less efficacious, potentially, at enhancing the direct reports’ development opportunities. Thus, it is possible that even highly competent direct reports may be inclined to feel disadvantaged when their managers are absent for non work-related reasons.

Second, *varying degrees* of managerial absence have not been examined empirically. Some managers on reduced-load work arrangements are flexible about maintaining contact with their direct
reports during their physical absence from the office, while others prefer to limit their communication with the office while they are away from it (Lee, MacDermid, et al, 1998). Thus, when physically absent, managers on reduced-load work arrangements appear to differ in the degree to which they are disengaged (i.e., inaccessible to the direct reports in terms of immediate responses to queries, be it via telephone or email, or even in terms of thinking about their direct reports’ development needs).

Because a manager’s reduced-load arrangement may involve varying degrees of virtual absence, in addition to the physical absence, the impact on direct reports may vary accordingly. Given the lack of empirical research at present, it is unclear whether we may automatically presume an inversely proportional relationship between the degree of physical absence and the degree of positive direct report outcomes (e.g., judgemental and developmental outcomes, such as coaching and on-the-job training experienced).

In summary, the literature on reduced-load work is scarce, and the few studies that have been published have omitted the above issues; moreover, little has been written on the relevance of leadership absence since the early studies cited here. Clearly, research is now needed to reconsider the relevance of managerial absence in the context of reduced-load work arrangements.

**RESEARCH QUESTIONS**

The primary objective of this paper is to investigate the perceptions of direct reports whose managers are on reduced-load work arrangements. Toward this end, we sought to answer three principal research questions:

(1) To what extent are managers on reduced-load work arrangements perceived as effective by their direct reports?

(2) To what extent is the *degree* of managerial absence related to direct reports’ perceptions
of managerial effectiveness?

(3) What aspects of managers’ performance are most strongly associated with direct reports’ perceptions of overall effectiveness?

In answering these questions, we hope to further develop the relevance of existing management theory to the context of supervision under conditions of reduced-load work. First, answers to these questions will address the extent to which the existing performance appraisal literature applies to the situation of managers on reduced-load work (i.e., Are the judgemental and developmental aspects of the performance appraisal function necessarily compromised by managerial absence?). Second, it will address the relevance of the literature on leadership substitutes/neutralizers to reduced-load work supervision situations. And finally, it will serve to further develop previous paradigms (e.g., Fred Luthans) on managerial effectiveness.

**METHOD**

**Participants**

Data came from a study which involved 43 cases of managers who were working less than full-time. The reduced-load arrangements ranged from .5 FTE for two males on reduced-load work arrangements, one of which was part of a retirement phase-out to .9 FTE in some other cases. On average, they were structured at .74 Full-Time Equivalent (FTE). Thus, the average load reduction among the managers was approximately 26%-- slightly more than 1 day off per week.

Some completed their hours by working four days per week, others three days per week, etc. All were working reduced-load by choice (e.g., for family or lifestyle reasons), and were receiving an accompanying reduction in compensation. The reduced-load work arrangements studied had been in existence about four years, on average, at the time of the interviews.
The managers studied had been with their employers on average 10 years, and they were responsible for the work of at least three direct reports. They were fairly high level in their organizational hierarchy: they were project managers, line managers, or were responsible for managing professionals in a support function, such as Director of Finance. Table 1 provides additional demographic information about the managers.

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The target managers came from 31 companies in Canada and the United States; a wide variety of industries and functional areas are represented in the sample. Although participating companies ranged in size from 400 to 240,000 employees, they were mostly quite large, averaging over 28,000 workers worldwide. On average, their workforces were 46.4% female, 15.6% unionized, and 10.9% part-time. Table 2 provides additional data about the participating companies.

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The full set of organizational participants per case included a manager, his or her boss, a co-worker, a human resource representative, and the direct reports. Managers working on a reduced-load basis were recruited using a variety of strategies, such as personal contacts with human resources and/or work/life administrators, “cold calls” to employers, and direct mail solicitations to members of organizations. A condition of participating in the study was access to other organizational stakeholders involved in the alternative work arrangement: the senior managers, a co-worker, an HR representative, and direct reports. The former were interviewed. The direct reports were surveyed anonymously using names and addresses obtained from the managers.
Of the 253 direct reports of the managers in the study, 218 were sent the questionnaires to complete anonymously and return directly to the researchers in a pre-stamped, self-addressed envelope. (Those not sent questionnaires included (a) direct reports from 3 cases where the reduced-load had recently ended, and the addresses of all subordinates were no longer known, and (b) direct reports from 1 case where there was an administrative error on the part of the interviewer, resulting in only a subset of a large number of direct reports being sent the questionnaire.) For reasons of confidentiality, and to avoid socially desirable responding, the direct reports’ questionnaires were completely confidential; their supervisors (i.e., the target managers) never handled the questionnaires. Moreover, because it was known in advance that many of the direct reports were part of small work groups, their demographic detail was not collected. Overall, 72% of the questionnaires were returned, and in 22 cases out of 43 target managers, this included 100% of the direct reports. In total, 153 direct reports participated.

**Procedure**

**Overview of procedure.** Both quantitative and qualitative methods were used, in the form of a questionnaire which was distributed to the direct reports, and which included both quantitative likert-scale items and space for qualitative comments. The questionnaire consisted of three parts. In the first part of the questionnaire, respondents were asked to provide a global rating (on a 9-point likert scale) of their satisfaction with their manager’s overall effectiveness.

For the second part of the questionnaire, respondents indicated their agreement with 22 statements about the effects of having a manager who worked on a reduced-load basis (e.g., “provides greater autonomy”). The statements were generated through a process of scanning the literature on alternative work arrangements and examining a previous pilot study of doctors, lawyers, and
accountants working less than full-time (Lee, Engler, & Wright, 2000). The intent was to be as inclusive
as possible in gathering information on the variety of possible effects (as perceived by subordinates) of
having a manager working on a reduced-load basis. The resulting statements tapped judgmental and
developmental outcomes, as well as a number of neutralizers and substitutes (clarity of direct reports’
tasks, intrinsic satisfaction of direct reports’ tasks, and cohesiveness of direct reports’ work groups).

To examine the underlying factor structure of these 22 items, we used factor analysis.
Specifically, we used principle axis factoring with an oblique (oblimin) rotation and we interpreted the
pattern matrix. We first examined a 5-factor solution based on the eigenvalue greater than 1.0 cut-off.
Six items either failed to load above .35 on any factor or demonstrated at least two loadings above .3,
so we eliminated these items from further analyses. Factor analysis of the remaining 16 items yielded
four eigenvalues greater than 1.0; however, the 4-factor solution yielded one item with two factor
loadings greater than .3. Thus, our final solution (shown in Table 3) is a 4-factor solution based on 15
items. Factor names and reliability estimates are as follows: autonomy (alpha = .85), work and career
guidance (alpha = .79), collegiality (alpha = .81), and work complexity (alpha = .77).

The third and final section of the questionnaire asked direct reports to provide qualitative
observations/comments on their managers’ reduced-load work arrangements. In all, there were 86 (of
153) questionnaires with qualitative comments, and these included at least one direct report in 37 cases.
In 13 of the cases, all direct reports included comments, and in another 17 cases, more than half of the
direct reports filled in the qualitative section of the questionnaire. A content analysis was done on all
comments found. The first step involved grouping the statements according to their overall valence –
positive, neutral, or negative. The second step of the analysis involved looking for recurrent themes across cases, within the 3 kinds of comments – positive, neutral, and negative. The neutral comments tended to be explanations of why the reduced-load arrangement was working out well.

Two indicators of manager’s degree of absence were constructed from interview data: days in the office, and a rating of managerial accessibility when not in the office. The days in office variable was computed as follows: We counted the number of days Mon.-Fri. that the target manager typically spent time in the workplace office. The two job share cases were exempted from the analysis, since they involved by definition one of the three partners in the job share being in the office every day. The range was 2 to 5 days, and the mean was 3.9 days. The managerial accessibility variable was based on written summary descriptive information provided by the researcher involved in the case. Accessibility was categorized as high, medium, or low, based on the extent to which the target manager maintained communication with the workplace office, direct reports, clients or other co-workers on non-work days or hours. Some target managers studied kept in touch through cell phone, voice mail, and/or e-mail throughout the week regardless of the official work schedule. Others created very clear boundaries and were virtually unreachable on their days "off." Yet others generated mechanisms for access in dire straits, but encouraged subordinates to either solve the problems themselves or postpone dealing with them until the manager was back in the office. In only 6 cases was accessibility rated "low" or (1); 17 cases were rated medium (2), and 24 cases high (3). The mean was 2.4. Nevertheless, in all cases the managers reported working fewer hours than they had worked prior to their reduced load arrangements, and fewer hours than their peers in comparable positions.

**Timing of the Entire Data Collection Process.** The entire data collection process (quantitative and qualitative included) took place from August 1996 until March 1998. The target
managers’ interviews, also conducted during this timeframe, each lasted about 1.5 hours. The other interviews lasted about 45 minutes on average. All interviews were audio-recorded and transcribed verbatim for analysis.

ANALYSIS

As part of our preliminary analysis, we calculated the mean scores across all direct report respondents in each work group, then merged the resulting information with the information we have about the manager of the group. The subsequent data analysis was ultimately conducted with the aggregate data for the 42 managerial cases. Our preliminary analysis also involved the techniques for data screening that were outlined by Tabachnick and Fidell (2001). The data appeared to be well-conditioned, and no outliers were found.

RQ #1: To what extent are managers on reduced-load work arrangements perceived as effective by their direct reports?

Reduced-load managers were perceived as effective by their direct reports, as indicated by the quantitative data. Namely, there were high average scores for overall effectiveness ratings (mean = 7.2 out of 9, s.d.=1.1). The qualitative data further support this quantitative finding: Of the 86 direct report questionnaires which had qualitative comments, 78 included positive comments about their managers.

The most frequently occurring theme, found in 16 cases was: 1) that there was no impact of the reduced-load arrangement; and 2) that their boss was a very effective manager. Comments indicative of these themes were as follows:

“There has been no negative impact on her ability to help me succeed.”

“She is more effective than my previous manager who worked full-time.”
"How many hours she works is totally irrelevant. She’s simply the best manager I’ve ever had and more effective than her peers on full-time."

Interestingly, the fact that the managers were absent for family related reasons did not appear to adversely influence their direct reports’ assessments of effectiveness at all. In contrast, another theme among the positive comments, found in 9 cases, was that the direct reports approved of the organization’s willingness to offer alternative work arrangements in general. They felt that their boss was setting a good example of work-life balance, and that their boss was supportive of subordinates’ requests for alternative work arrangements.

"Her success in balancing her work-life has made me more satisfied in my job. She’s very understanding and open to accommodating others’ personal constraints."

RQ #2: To what extent is the degree of managerial absence related to direct reports’ perceptions of managerial effectiveness?

The performance appraisal literature suggests that the extent of absence will be related to direct reports’ perceptions of their managers’ overall effectiveness. Therefore, we examined the relationships between managerial effectiveness and the two indicators of managerial absence: (1) days in the office, and (2) ratings of managerial accessibility when not in the office. The Pearson r correlations indexing each of these relationships were small and non-significant (r = -.10, p = .56 (n.s.) and r = .18, p = .27 (n.s.)) for days in the office and ratings of accessibility, respectively. Correlation tests were also performed using tests designed for categorical data (e.g., Kendall, Spearman), because the accessibility variable had a small range, and is an ordinal, not an interval variable. The results of these other
correlational tests were also not significant.

Although degree of absence did not appear to be related to direct reports’ perceptions of managerial effectiveness, some comments found in the qualitative section of the questionnaires helped to provide some food for thought: The most common theme in explanations made about why the reduced-load arrangements were perceived as working so well was that the critical ingredient was having a group of direct reports who are highly skilled, experienced, motivated professionals who can solve their own problems and are accustomed to working autonomously or as part of a self-directed team. This explanation was found in 11 cases, and the following quote represents a good example of this point of view.

“The key to ______’s success is putting together a staff of self-motivated people who can solve their own problems, who have lots of experience, and who also prefer to work autonomously. It’s a win-win situation!”

Another theme in the positive comments in general, found in 6 cases, was that the direct reports like the increased independence, autonomy, and greater responsibility they had as a result of their managers’ reduced-load arrangement. These comments support the neutralizers and substitutes perspective of leadership (Kerr & Jermier, 1978; Podsakoff, Macjenzie, et al. 1993; Podsakoff, Niehoff, et al. 1993) which similarly suggests that leadership matters less when direct reports are (a) highly competent, (b) accustomed to working effectively as part of a team, and (c) are doing intrinsically satisfying work which (d) provides direct feedback about performance.

Another frequently occurring theme in the positive comments was that the reduced-load had NOT reduced Direct Reports’ access to their managers. There were 12 cases in which this theme emerged.
“She’s always accessible, even on her ‘off’ days.”

This refers to data collected on degree of absence (reported earlier) that showed that these reduced-load managers tended to maintain fairly high accessibility, even when they were officially “not working”. This theme is also consistent with Luthans et al’s (1988) view that one of the behaviours that is most important to being an effective manager is communication.

**RQ #3: What aspects of managers’ performance are most strongly associated with direct reports’ perceptions of overall effectiveness?**

To address this research question, we conducted a median split on the effectiveness variable. The median was 7.5. All managers with effectiveness scores less than or equal to 7.5 were assigned to a "lower effectiveness" group; those greater than 7.5 were assigned to a "higher effectiveness" group.

We then conducted a multivariate analysis of variance to compare the two groups of managers on the four work factors described by their direct reports. The omnibus test was significant (F (4,38) = 2.112, p < .05). The results of the univariate analyses of variance demonstrated differences between effective and ineffective managers on two of the four factors.

First, more effective managers were rated as providing more work and career guidance to their direct reports than less effective managers (F (2,38) = 2.84, p < .001). In addition, perceptions of managerial effectiveness were related to work complexity (F (1, 131) = 5.8, p < .01). That is, managers whose reduced-load work arrangements did not increase the direct reports’ perceived work burden were rated as more effective than managers whose reduced-load work arrangements resulted in more work (and more complicated work) for their direct reports. HR skills may be understood to include the capability of defining job descriptions in a manner that does not create complicated
interdependencies among direct reports. Thus, this finding seems to support the HR skills aspect of Luthans’ paradigm.

From a qualitative perspective, two recurrent themes found in explanations of why the reduced load works well provide further support for Luthans’ perspective of the importance of key managerial behaviours like communication and managing things from a human resource perspective. The first theme was that the reduced load works because he or she is an outstanding manager, has very strong communication skills and knows how to build good relationships and commitment; as one respondent put it:

“She empowers her staff and recognizes our accomplishments.”

The second theme was that it works because of the careful orchestration of an effective work schedule and appropriate replacement persons taking over the eliminated part of the manager’s job.

Interestingly, despite the suggestion from the advocates of employee empowerment (Lin, 1998; Whetten & Cameron, 1998) that enhanced autonomy would be appreciated by direct reports because of the developmental opportunities it offers, no differences were observed between effective and less effective managers on ratings of enhanced autonomy. Similarly, despite the view from the substitutes/neutralizers literature that cohesiveness in a work group is a key factor in lessening the need for leadership, co-workers’ qualifications proved far more significant than the social climate among them: Indeed, there were no differences between effective and less effective managers on ratings of increased collegiality.

**DISCUSSION**

**Theoretical Implications**

This paper offers a number of theoretical contributions. First, it provides an interesting
counterpoint to the performance appraisal literature, in that it shows quite definitely that reduced-load work managers -- regardless of the degree of their load reduction, their reason for load reduction, or their industry -- are not perceived to be ineffective as managers. Direct reports did not express any concerns about their managers’ capacity to judge subordinate performance, nor did they feel that their career development potential was in any way hindered.

Second, it provides partial support to paradigms that qualify the importance of a continuous leadership presence, such as the key managerial behaviours paradigm (Luthans et al., 1988) and the substitutes/neutralizers paradigm (e.g., Podsakoff, Mackenzie et al., 1993). Specifically, the success of the reduced-load managers in this study was attributed in part to contextual factors (substitutes/neutralizers like colleague capabilities and intrinsically-satisfying work that provides direct feedback about performance) and in part to managerial factors (communication and HR skills). As long as these key contextual variables and managerial behaviours are present, direct reports do not appear to perceive any decrement in managerial effectiveness, regardless of the degree of managerial absence. It may be that these variables interact: Namely, the behaviours that Luthans identified (e.g., good communication and HR skills) could be important for setting up an environment that permits the substitutes/neutralizers to be useful. Effective managers use their communication/HR skills to carve out the job tasks and create a work climate that minimizes complex interdependencies, thus making it easy for their qualified direct reports to carry on without them. Of course, the direct reports’ lack of "burdensome" feelings could be due in part to their own high qualifications for their jobs (noted earlier as fitting the substitutes/neutralizers view), but they do seem to attribute a bit of their non-complex workload to their managers’ effectiveness at setting things up to not be complicated.

At the same time, the results of this study raise questions about the significance of other
variables identified as important by the substitutes/neutralizer and the employee empowerment paradigms. Variables such as group cohesiveness and the opportunity for enhanced autonomy did not prove significant in relation to direct reports’ perceptions of managerial effectiveness. The fact that increased collegiality didn't matter for perceptions of managerial effectiveness seems to further reinforce the important of the substitute "qualified direct reports". As long as one's colleagues know how to do their jobs, it doesn't really matter whether the colleagues are super fun to work with. Although the literature on the neutralizers/substitutes paradigm had identified group cohesiveness as an important variable, this study seems to indicate that it is a lot less important relative to the substitute/neutralizer variable of "direct report competence".

**Practical Implications**

This paper also holds practical implications for organizations that may be considering implementing reduced-load work. Namely, such organizations should be reassured that reduced-load work arrangements are perceived by direct reports to have *little* detrimental effect on either their development or on their performance evaluations, judging by the direct reports’ high ratings of their reduced-load work managers’ effectiveness. Accordingly, organizations that have hesitated to implement reduced-load work among managers with direct reports (due to the concern that such arrangements will have detrimental effects for their direct reports) may now wish to reconsider their policies. Similarly, managers seeking reduced-load work (who have had the direct-report issue presented to them as an obstacle against reduced-load work for managers) may also refer to this study as evidence that direct reports do not perceive themselves as disadvantaged by such arrangements.

**Limitations**

It should be noted that the report is primarily descriptive, rather than prescriptive, and so
readers should be cautious in interpreting the results. In addition, the sample was not selected to be statistically representative of the overall population of professionals and managers working reduced-load. This poses at least three limitations:

First, most of the reduced-load managers were medium to high-level managers, which means they were generally responsible for the work of fairly high level professional or technical people who did not need direct supervision. Only about 1/3 of the managers were in the first level of management, where one assumes more direct contact occurs between boss and subordinates and where a greater need exists for orienting and training new employees; accordingly, these lower level managers were under-represented in the sample.

Second, even on days the managers were present in the workplace office, it was not easy for managers to either observe or evaluate the work carried out by their direct reports, because the nature of direct reports’ work was largely knowledge-based. So conventional models of performance evaluation that require supervisors to make direct observations would not be expected to apply. On the other hand, as most projections about the changing nature of work predict an increase in knowledge-based work, perhaps new models of performance appraisal are needed, and the findings from this study may be of some use.

Third, although this study was designed to examine a wide variety of cases of reduced-load work, whether they were working well or not for various stakeholders, the sample selection process probably led to a bias in more successful cases, because of the stringent conditions for inclusion. That is, for the reduced-load managers to be included in the study, they had to be willing for us to interview their bosses and co-workers, as well as survey their direct reports anonymously. However, an effort was made to include not-so-successful cases, and there is good evidence that this was achieved to
some extent. There were several cases, for example, where the reduced-load arrangement had ended shortly before the data were collected.

Finally, the direct reports’ perceptions of their managers’ effectiveness essentially represents an evaluation of the reduced-load work managers’ performance. Therefore, a final limitation of this paper is the same as that for all studies which involve upward appraisals: Research on 360-degree feedback indicates upward appraisals are reasonably reliable but not perfect. Nonetheless, although upward appraisals provide but one picture of the effectiveness of a manager, it is the picture that was being sought by this paper.

In view of the above limitations, future research should explore the relationships investigated here in more detail. Namely, it seems worthwhile to investigate these relationships with lower-level managers, and with direct reports whose work is not necessarily knowledge-based; to consult with more direct reports in failed reduced-load arrangements as well as successful ones.
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**TABLE 1:**

Demographic Information - Target Manager Sample

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Female</td>
<td>92%</td>
</tr>
<tr>
<td>% with Post-Graduate Degree</td>
<td>49%</td>
</tr>
<tr>
<td>% with Children</td>
<td>94%</td>
</tr>
<tr>
<td><strong>MEAN</strong></td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>38.4</td>
</tr>
<tr>
<td>Salary</td>
<td>$63,535 (U.S.)</td>
</tr>
<tr>
<td>Spouse/Partner Salary (US$)</td>
<td>$100,821 (U.S.$)</td>
</tr>
<tr>
<td>No. Yrs. On Reduced-Load</td>
<td>3.8</td>
</tr>
<tr>
<td>Percent Load Reduction</td>
<td>74%</td>
</tr>
<tr>
<td>Hrs./Wk. Current</td>
<td>34</td>
</tr>
<tr>
<td>Hrs./Wk. Before</td>
<td>51</td>
</tr>
<tr>
<td>Yrs. Experience</td>
<td>12</td>
</tr>
<tr>
<td>Age of Youngest Child</td>
<td>4.6</td>
</tr>
<tr>
<td>Age of Oldest Child</td>
<td>7.1</td>
</tr>
<tr>
<td>INDUSTRY</td>
<td># PARTICIPATING ORGANIZATIONS IN THIS INDUSTRY</td>
</tr>
<tr>
<td>--------------------------</td>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>9</td>
</tr>
<tr>
<td>Financial</td>
<td>6</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>4</td>
</tr>
<tr>
<td>Professional/Managerial Services</td>
<td>3</td>
</tr>
<tr>
<td>Consumer Goods</td>
<td>2</td>
</tr>
<tr>
<td>Health Care Services</td>
<td>1</td>
</tr>
<tr>
<td>Non-Profit</td>
<td>2</td>
</tr>
<tr>
<td>Pharmaceuticals</td>
<td>2</td>
</tr>
<tr>
<td>Natural Resources</td>
<td>1</td>
</tr>
<tr>
<td>Food Services</td>
<td>1</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>31</strong></td>
</tr>
<tr>
<td>Item</td>
<td>(1) Autonomy</td>
</tr>
<tr>
<td>---------------------------------------------------------------------</td>
<td>--------------</td>
</tr>
<tr>
<td>Provides greater Autonomy</td>
<td>.71</td>
</tr>
<tr>
<td>More control over Work content</td>
<td>.84</td>
</tr>
<tr>
<td>More control over Pace of work</td>
<td>.88</td>
</tr>
<tr>
<td>Made me more independent</td>
<td>.62</td>
</tr>
<tr>
<td>Increased ability to accomplish critical tasks</td>
<td>.44</td>
</tr>
<tr>
<td>Harder to get access to work info (R)</td>
<td>.51</td>
</tr>
<tr>
<td>Hampered my professional Development (R)</td>
<td>.40</td>
</tr>
<tr>
<td>Reduced knowledge and expertise in work group (R)</td>
<td>.78</td>
</tr>
<tr>
<td>Reduced the amount of coaching or mentoring (R)</td>
<td>.74</td>
</tr>
<tr>
<td>No effect on amount of feedback</td>
<td>.57</td>
</tr>
<tr>
<td>Decreased clarity of goals and objectives (R)</td>
<td>.48</td>
</tr>
<tr>
<td>Increased cooperation in work group</td>
<td>-</td>
</tr>
<tr>
<td>Increased communication in work group</td>
<td>-</td>
</tr>
<tr>
<td>Increased my work load (R)</td>
<td>-</td>
</tr>
<tr>
<td>Own job more complicated (R)</td>
<td>-</td>
</tr>
<tr>
<td>Unrotated eigenvalues</td>
<td>3.69</td>
</tr>
<tr>
<td>-----------------------</td>
<td>------</td>
</tr>
<tr>
<td>% of variance (Cumulative)</td>
<td>24.60</td>
</tr>
</tbody>
</table>

*Items marked “R” were reversed scored; only factor loadings > .3 are shown in table. N = 15*