Happiness, Health, or Relationships? Managerial Practices and Employee Well-Being Tradeoffs

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Executive Overview

Although managerial practices are often structured with the explicit goal of improving performance by increasing employee well-being, these practices frequently create tradeoffs between different dimensions of employee well-being, whereby one aspect of employee well-being improves but another aspect of employee well-being decreases. We call attention to the multi-dimensional nature of well-being and highlight the importance and prevalence of these well-being tradeoffs. Our review sheds new light on the effects of managerial practices on employee well-being, and offers guidelines for managing and mitigating well-being tradeoffs.

Employee well-being is a hot topic in organizational life. The popular press is full of books that offer guidelines for protecting and promoting employee satisfaction, fulfillment, and health (Bakke, 2005; Dalai Lama & Cutler, 2003). Organizations that foster employee well-being are honored by awards, such as *Fortune* magazine's annual list of the "100 Best Companies to Work For," and are recognized by current and prospective employees as desirable places to work. The American Psychological Association (2006) is now offering awards to psychologically healthy workplaces, and the Great Place to Work® Institute (2006) is seeking to document and implement steps for organizations to improve the quality of employees' lives.

Leaders, managers, supervisors, and employees alike believe that making employees happier and healthier increases their effort, contributions, and productivity (Fisher, 2003). Accordingly, leaders and managers devote considerable organizational resources to enhancing employee well-being in various ways, from professional development and employee recognition practices to healthcare benefits and free employee assistance programs (Hartwell et al., 1996). Human resource managers regularly monitor employee well-being through surveys (Rynes et al., 2002), and leaders publicly emphasize their organizations' commitments to employee well-being. For example, General Motors (2006) recently stated, "We are committed to protecting the health and safety of each employee as the overriding priority of this Corporation. There will be no compromise of an individual's well being in anything we do." Even governments have become involved in employee well-being: the Himalayan kingdom of Bhutan has maintained a national happiness index since 1972, which has begun to attract the attention of other governments and the mass media (Revkin, 2005).

Consistent with these trends, research shows that employee well-being is an important concern for organizations. Extensive evidence indicates that employee well-being has a significant impact on the performance and survival of organizations by affecting costs related to illness and health care (Danna & Griffin, 1999), absenteeism, turnover, and discretionary effort (Spector, 1997), organiza-

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tional citizenship behavior (Podsakoff et al., 2000), and job performance (Judge et al., 2001; Wright & Cropanzano, 2000). Accordingly, managerial practices ranging from work redesign and incentive compensation to team building and safety initiatives are often structured with the explicit goal of improving performance by increasing employee well-being. It is difficult to overestimate the impact that these managerial practices have on various dimensions of employee well-being. Managerial practices affect: 1) the psychological well-being of employees by shaping their satisfaction with their jobs and lives (Judge & Watanabe, 1993); 2) the physical well-being of employees by influencing their health, in terms of outcomes such as cardiovascular disease, blood pressure, and workplace accidents (Danna & Griffin, 1999); and 3) the social well-being of employees by providing opportunities for interpersonal relationships and by treating employees with varying degrees of fairness (Kramer & Tyler, 1996).

However, managing employee well-being is a complex task. Well-intentioned managerial practices frequently have mixed effects and unintended consequences for employee well-being. Our analysis of recent research suggests that managerial practices often result in employee well-being tradeoffs, improving one dimension of employee well-being while undermining another. For example, research on work redesign practices shows that enriching jobs to increase stimulation and challenge typically increases job satisfaction but often causes physical strain (Campion & McClelland, 1993). Similarly, job rotation serves to make work more interesting by providing variety but can enhance stress and strain by placing higher demands on employees (Martin & Wall, 1989). The purpose of this paper is to call attention to the importance and prevalence of these well-being tradeoffs and examine how they can be mitigated.

We begin by defining employee well-being in order to set the stage for our discussion of how managerial practices lead to employee well-being tradeoffs. Second, we discuss how four sets of managerial practices directed at changing the task, reward, social, and physical dimensions of organizational contexts have often resulted in employee well-being tradeoffs. We draw on the empirical literatures on employee well-being, work redesign, incentive compensation, team-building, and safety practices to illuminate the concept of well-being tradeoffs. Third, we explore the possibility that these managerial practices need not always lead to tradeoffs; they also can lead to well-being synergies, simultaneously decreasing or increasing multiple dimensions of employee well-being. Finally, we offer recommendations for managers to mitigate well-being tradeoffs and promote well-being synergies. Our review thereby sheds new light on the effects of managerial practices on employee well-being.

What is Employee Well-Being?

In order to understand well-being tradeoffs, we need to consider the meaning of well-being itself. When managers think of well-being, they often do so in a narrow fashion, restricting their considerations to one dimension such as job satisfaction. However, we define well-being more broadly as the overall quality of an employee's experience and functioning at work (Warr, 1987). This holistic definition is based on the healthcare, philosophy, psychology, and sociology literatures, which converge on three core dimensions of well-being: psychological, physical, and social. There is surprising agreement across these disciplines about the core elements of well-being.

Healthcare researchers use the term health to describe "A state of complete physical, mental and social well-being and not merely the absence of disease or infirmity" (World Health Organization, 1946). Similarly, philosophers have suggested that well-being consists of a person's psychological, physical, and social functioning (Nussbaum, 2001; Sen, 1993). The psychological dimensions include agency, satisfaction, self-respect, and capabilities. The physical dimensions include nourishment, shelter, health care, clothing, and mobility. The social dimensions include participating in the community, being accepted in public, and helping others.

Likewise, psychologists and sociologists often define well-being in terms of these same three dimensions. In fact, psychologists have developed a proposal for a national well-being index that includes psychological, physical, and social parameters in order to capture a person's well-being in its entirety (Diener & Seligman, 2004), and sociologists have offered similar conceptualizations (Allardt, 1993). Together, these interdisciplinary perspectives suggest that a person's well-being can be assessed in terms of these three dimensions. The psychological approach defines well-being in terms of subjective experience and functioning, the physical approach defines well-being in terms of bodily health and functioning, and the social approach defines well-being in terms of relational experience and functioning. These are the three key dimensions of well-being because they are valued as ends in and of themselves rather than as means to other ends (see Finn, 1992).

Happiness: Psychological Well-Being

Psychologists and other social scientists have devoted several decades to the study of psychological well-being, which focuses on the subjective experiences of individuals. Psychologists tend to focus on two components of psychological well-being: hedonic and eudaimonic (Ryan & Deci, 2001). The hedonic component is concerned with subjective experiences of pleasure, or the balance of positive and negative thoughts and feelings in individuals' judgments. In organizations, research on job satisfaction represents the hedonic approach to understanding psychological well-being: job satisfaction is defined in terms of employees' subjective judgments about their work situations (Locke, 1976; Weiss, 2002). However, some scholars have argued that job satisfaction is a passive state, describing satisfied employees as "contented cows" (Koprowski, 1981, p. 459) and arguing that "a high level of job satisfaction probably is closer to a state of bovine contentment than a state of happiness" (Ledford, 1999, p. 30). These scholars prefer to study the eudaimonic component of psychological well-being, which is concerned with fulfillment and the realization of human potential. In organizations, research on meaning and engagement represents the eudaimonic approach to understanding psychological well-being: meaning is defined in terms of employees' feelings of fulfillment and purpose in their efforts (Wrzesniewski et al., 2003).

Health: Physical Well-Being

Physical well-being has been extensively studied in the social and natural sciences in terms of both objective physiological measures and subjective experiences of bodily health (Testa & Simonson, 1996). Organizational researchers study the link between work and employee physical health in at least three ways. First, work is a potential source of injury or disease (Danna & Griffin, 1999). Second, work can be a source of stress (Karasek & Theorell, 1990). Third, work is a source of benefits that allow, directly and indirectly, for the purchase of healthcare services in geographical areas that do not otherwise provide universal healthcare (Adler et al., 1993).

Relationships: Social Well-Being

Social well-being refers to the quality of one's relationships with other people and communities (Keyes, 1998). Whereas psychological well-being and physical well-being are properties of the individual employee, social well-being focuses on the interactions that occur between employees (Bradbury & Lichtenstein, 2000). Organizational researchers study social well-being in terms of trust, social support, reciprocity, leader-member exchange, cooperation, coordination, and integration (Adler & Kwon, 2002; Gerstner & Day, 1997; Kramer, 1999).

Tough Choices and Mixed Effects: Managerial Practices and Employee Well-Being Tradeoffs

Now that we have described the nature of employee well-being, we examine how managerial practices can lead to well-being tradeoffs. Tradeoffs are a common feature of organizational life (Weick, 1992). For example, managers must often make tradeoffs in choosing between short-term profits and long-term innovation (March, 1991), setting goals that increase performance but may encourage unethical behavior (Schweitzer et al., 2004), and performing tasks such as layoffs that may achieve a greater good but harm others in the process (Molinsky & Margolis, 2005; Tetlock et al., 2000).

Because employee well-being is a complex concept, with multiple dimensions, it is possible for tradeoffs to exist between differing dimensions of well-being. Our analysis of recent research suggests that managerial practices frequently cause well-being tradeoffs by enhancing one aspect of well-being, such as psychological well-being, while decreasing another aspect of well-being, such as physical well-being. In this paper, we illustrate well-being tradeoffs by reviewing evidence on four different managerial practices: work redesign, incentive compensation, team-building, and safety practices. We focus on these four practices because they represent essential steps that every organization must take to function effectively. All organizations must make decisions about what jobs and tasks to assign, what compensation to offer, how to coordinate employees' efforts, and how to protect the physical welfare of employees. Moreover, researchers have suggested that managers can change four dimensions of organizational contexts—task, reward, social, and physical—to improve employee well-being (Danna & Griffin, 1999; Hackman & Oldham, 1980; Johns, 2006; Parker & Wall, 1998). To illustrate well-being tradeoffs, we selected one managerial practice from each of these categories that has been shown to have important consequences for employee well-being. Below, we summarize research on how each of these managerial practices can result in employee well-being tradeoffs.

Enriching Tasks: Work Redesign Practices

Work redesign practices focus on increasing employee well-being by changing the task dimension of organizational contexts. Work redesign practices focus on increasing psychological engagement by enriching assigned tasks. Much of current thinking about work redesign practices is based on the Job Characteristics Model (JCM; Hackman & Oldham, 1980), which proposes that tasks can be enriched to provide greater skill variety (being challenged to use a wide range of capabilities), task significance (opportunities to benefit other people), task identity (opportunities to do a whole, identifiable piece of work), autonomy (the chance to make decisions about how and when to do the work), and feedback (receiving information about how well one is performing). According to the JCM, skill variety, task significance, and task identity enable employees to experience their work as more meaningful; autonomy leads employees to feel personally responsible for their work; and feedback provides employees with clear knowledge of the results of their work (Hackman & Oldham, 1980). Indeed, research shows that when tasks are enriched to create feelings of meaningfulness, responsibility, and knowledge of results, employees experience higher levels of job satisfaction (Fried & Ferris, 1987).

More recently, scholars have learned that although these work redesign practices often increase job satisfaction, they can also undermine employee health. Enriched jobs challenge employees to stretch their skills to complete complex, demanding work and take on personal responsibility for consequential tasks. These challenges often lead to strain, effort, fatigue, and overload (Campion & McClelland, 1991, 1993). They can even increase the risk of cardiovascular disease (Melamed et al., 2006). As a personal injury trial lawyer explains:

> *They say, and I believe it's true, that trial lawyers and surgeons have the highest percentage of drug addiction, of alcoholism, of eating disorders, of mental illnesses. I read in the paper every day of a friend that I knew—young forties, fifties—dropping dead of a heart attack or having a stroke. It's a very stressful thing. It does havoc to your body and to your disposition. My boy has told me already that the last thing in the world he wants to be is a lawyer because his daddy is too nervous (Bowe et al., 2000, p. 505).*

For example, clerical employees in a large financial services company reported short-term increases in satisfaction when they were given more responsibility (higher psychological well-being), but these changes were associated with long-term increases in overload, physical strain, fatigue, and health complaints—i.e., lower physical well-being (Campion & McClelland, 1991, 1993). In summary, research indicates that work redesign practices can increase psychological well-being but decrease physical well-being, providing clear evidence of well-being tradeoffs.

Increasing Rewards: Incentive Compensation Practices

Incentive compensation practices focus on increasing employee well-being by changing the reward dimensions of organizational contexts. Incentive compensation practices are monetary and non-monetary benefits provided to employees in exchange for performance. The purpose of incentive compensation practices is to enhance performance by aligning the interests of those who work for the company with the interests of those who own the company (Eisenhardt, 1989; Gerhart & Rynes, 2003). Some research suggests that incentive compensation may lead to increased job satisfaction, as employees are pleased at the prospect of earning higher pay and recognize that effort can bring valued rewards (Eisenberger et al., 1999; Greene, 1973; Miceli et al., 1991; Smith et al., 1992). These findings are consistent with the predictions of expectancy theory, which proposes that employees will be more motivated and satisfied when they believe that their actions can bring about valued outcomes (Van Eerde & Thierry, 1996; Vroom, 1964). They are also consistent with the predictions of equity theory, which proposes that employees will be more motivated and satisfied when they receive the rewards that they feel they deserve (Adams, 1965).

However, researchers have discovered that although incentive compensation may enhance the satisfaction of many employees, it can harm their interpersonal relationships (Bloom, 1999; Gardner, 1999). The basic logic is as follows (see Kerr, 1975): managers hope for teamwork, but reward individual effort. Incentive compensation often introduces inequity into the organization as some employees begin to earn more than others. This inequity encourages employees to compare their earnings with the earnings of their coworkers. Rather than working with and supporting each other, employees use the earnings of coworkers as benchmarks for their own earnings; they begin to see pay as a zero-sum game. They are hesitant to help each other, worrying that coworkers will take advantage of them. As competition replaces cooperation, incentive compensation practices can undermine social well-being.

Indeed, research shows that incentive compensation practices can introduce inequity that leads employees to compete with each other for earnings, eroding trust, cooperation, mutual support, and helping (Ferraro et al., 2005; Munkes & Diehl, 2003; Yorges, 1999). If employees perceive inequities, it is likely that high performers will either leave the organization due to cognitive dissonance—they will seek another job where they will be paid what they deserve—or reduce their performance level to make it congruent with the outcomes that they receive (Adams, 1965). For example, research shows that organizations with greater pay dispersion have higher managerial turnover (Bloom & Michel, 2002). Thus, the literature on incentive compensation practices highlights potential tradeoffs between psychological and social well-being. It is worth noting that many organizations have tried to avoid these costs by introducing pay secrecy policies that prevent employees from discussing their pay. These initiatives often backfire; in one organization, a group of employees resisted pay secrecy by wearing signs that displayed their salaries to the entire office (Colella et al., 2007).

Improving Relationships: Team-Building Practices

Team-building practices focus on increasing employee well-being by changing the social dimension of organizational contexts. Team-building practices focus on improving interpersonal relations and cohesion at work in order to enhance employee performance (Buller & Bell, 1986; Katzell & Thompson, 1990). The techniques used in team-building practices include collective problem-solving, brainstorming, and goal-setting activities. Researchers have discovered that well-designed team-building practices can improve the quality of interpersonal interactions and group cohesion (Thye & Lawler, 2002).

However, research suggests that although team-building practices often increase social well-being, they may decrease psychological well-being. Although some employees enjoy working in groups, many strongly prefer to work independently (Cummings, 1981; Hackman & Oldham, 1980). Research suggests that requiring employees to work in teams may undermine their feelings of autonomy, thereby decreasing their job satisfaction (Campion et al., 1993). As an employee at a production company explains, "That's the main thing you're doing. Assisting. You have to forgo your individuality and become . . . an appendage" (Bowe et al., 2000, p. 264). In summary, the team-building literature underscores well-being tradeoffs by highlighting the challenge of designing managerial practices that enhance both social and psychological well-being.

Enhancing Health: Safety Practices

Safety practices focus on increasing employee well-being by changing the physical dimension of organizational contexts. Safety practices are designed to increase performance by decreasing the likelihood of injury, illness, absenteeism, death, and other adverse outcomes for employees (Fleming & Lardner, 1999). Researchers initially found a series of positive effects of safety practices on health (Cohen & Margolis, 1973; Smith et al., 1978).

However, by examining psychological consequences of safety practices along with physical consequences, scholars have discovered that safety practices can undermine employee satisfaction. Employees often prefer the comfort and image of working without safety equipment (Hofmann et al., 1995). For example, the National Hockey League introduced a policy requiring players to wear helmets in 1979. The policy improved players' physical well-being, promoting safety and preventing head injuries. However, it threatened players' psychological and social well-being, as many felt that their autonomy was being compromised at the hands of management. A similar controversy is underway at present about whether hockey players should be required to wear face visors. There is widespread consensus that the visors protect physical well-being, but "Many players 'look down' upon the visor, believing that wearing no facial protection is a sign of increased masculinity and toughness" (Stevens et al., 2006, p. 239).

Similarly, coal miners often perceive adopting safety precautions as an indicator of weakness (Hopkins, 1984). Although the precautions are introduced to promote their health, coal miners are frustrated by requirements to comply. Thus, when managers require safety equipment, employees often react negatively, and find their jobs less enjoyable. Eventually, safety practices that undermine satisfaction can lead employees to resent supervisors and avoid following the policies (Cohen & Colligan, 1997). Thus, an initial detrimental effect of safety practices on psychological well-being can, over time, undermine social well-being while also failing to increase physical well-being.

Managerial Implications: From Tradeoffs to Synergies

Our review of well-being tradeoffs engendered by work redesign, incentive compensation, team-building, and safety practices offers valuable implications for organizational research and practice. First, our analysis shows that well-being tradeoffs are an important but underappreciated consequence of various managerial practices. Our focus on tradeoffs reveals the mixed effects and unintended consequences of practices commonly believed to be beneficial to employee well-being. Second, we accentuate the value of attending to multiple dimensions of employee well-being in the design and implementation of managerial practices. In addition to highlighting tradeoffs, we suggest that managerial practices can also cause synergies by affecting multiple dimensions of employee well-being in the same direction. These synergies can follow one of two directions—either positive or negative.

Positive well-being synergies occur when managerial practices have a beneficial impact on multiple dimensions of employee well-being. We suggest that careful consideration of the diverse impacts of managerial practices on employee well-being may allow organizations to achieve positive well-being synergies. With greater attention to how managerial practices may affect multiple dimensions of employee well-being, organizations have succeeded in minimizing well-being tradeoffs and designing practices that synergistically increase multiple dimensions of employee well-being. For example, with safety practices, managers have achieved positive well-being synergies by involving employees in the design of safety practices, which makes it possible to develop policies that simultaneously increase physical, psychological, and social well-being (e.g., Cohen & Colligan, 1997). As a second example, with work redesign practices, managers have achieved positive well-being synergies by applying the insight that challenging tasks are motivating but stressful. Evidence shows that by attending to well-being tradeoffs, managers can redesign tasks in clusters to balance complexity and specialization, and thereby promote both job satisfaction and physical health (Morgeson & Campion, 2002). Managers have done so by assigning employees to work on clusters of tasks that are both meaningful and manageable, making sure that the clusters as a whole are challenging but not too overwhelming, stressful, or demanding.

Of course, synergies can also be negative. Negative well-being synergies occur when managerial practices have an adverse impact on multiple dimensions of employee well-being. For example, a manager may introduce a new safety policy to promote physical well-being, but if the policy threatens employees' feelings of autonomy and their masculine images, they may refuse to comply with the policy. Thus, the policy would fail to increase physical well-being, while decreasing psychological well-being by fostering frustration and decreasing social well-being by creating conflict with managers. As a second example, Frances O'Grady, Deputy General Secretary for the Trades Union Congress in the United Kingdom, noted that a British software company recently created a negative well-being synergy in an attempt to reduce work-family conflict. Managers tried to teach employees' children to put less pressure on their parents, who would then presumably be more comfortable working long hours, but the effort backfired: employees became upset and angry at managers (O'Grady, 2007). Thus, the initiative appeared to decrease both psychological and social well-being among employees.

Recommendations for Managing Tradeoffs and Synergies

These examples show that it is possible for managers to implement practices in ways that are more likely to avoid negative well-being synergies, minimize tradeoffs, and achieve positive well-being synergies. What action steps can organizations take to do so? We suggest that organizations have two broad options: (1) influencing managerial *attention* by encouraging managers to *notice* the impact of their actions on employee well-being, and (2) influencing managerial *motivation* by encouraging managers to *value* the impact of their actions on employee well-being.

Noticing Impact on Well-Being: Increasing Managerial Attention

Managers are often simply unaware of the multiple well-being consequences of the practices that they design and implement. There are several attentional biases related to acquiring, processing, and storing information that may prevent managers from noticing well-being tradeoffs (Heath et al., 1998; Kahneman et al., 1982). Below, we identify three action steps for selecting and training managers to overcome these attentional biases, increasing the chance that they will *notice* the impact of their actions on employee well-being.

1. Think more *broadly* about who is affected and how. Managers tend to collect small samples of biased, available information (Heath et al., 1998). Managers are likely to consider how their practices affect nearby individuals without contemplating the effects of these practices on other individuals. For example, a manager developing a new incentive compensation plan for a marketing department may fail to consider how it will affect employees in the finance department of the same organization. Similarly, managers are likely to consider how their practices affect dimensions of well-being that are salient to them without contemplating other dimensions of well-being. For instance, a manager who is strongly concerned about physical safety may focus on the physical well-being implications of this policy without attending to its psychological and social well-being implications. In these circumstances, managers may not be fully aware of how their actions will affect others. They are thus likely to design and implement practices that have unexpected and unintended consequences for employee well-being. Organizations that train managers to carefully consider who will be affected by their actions and how these constituents will be affected may improve the chances that managerial practices will have a positive effect on employee well-being (Molinsky & Margolis, 2005). It is also possible to select managers who are high in integrative complexity—i.e., they tend to think in shades of gray rather than black and white—as these managers are more likely to recognize tradeoffs, inconsistencies, and contradictions in their practices (Tetlock et al., 1993).

2. Think about *long-term* impact. Managers are likely to emphasize the short-term and discount the future (Laverty, 1996). For example, managers may fail to consider the long-term negative consequences of a work redesign practice that provides challenging work but, over time, may undermine the health of employees. In these circumstances, managers may not be fully aware of when their actions will affect others. Accordingly, they may design and implement practices that have negative consequences for employee well-being. Organizations that train managers to carefully consider longer time horizons for the effects of their practices (Bluedorn & Standifer, 2006) and select managers oriented toward future thinking (Mosakowski, 2000) may increase the likelihood that managerial practices will be beneficial to employee well-being. For example, it has been shown that asking managers to think about events that happened in the past leads them to think more broadly about events that may happen in the future (Bluedorn & Standifer, 2006). Thinking about the past leads managers to consider broader time horizons, which they apply when looking forward. Organizations may use this technique to encourage managers to think ahead about the long-term impact of their practices.

3. Collect more information on employees' *attitudes* about current practices. Managers tend to generate explanations that are shallow and narrow rather than broad and deep (Heath et al., 1998). For example, a manager enacting a work redesign practice to enhance the complexity of a job may be unaware that the work is already sufficiently challenging for most employees. Similarly, a manager championing a new incentive compensation plan may not recognize that current dissatisfaction with pay is rooted in employees feeling devalued by the organization rather than underpaid. In these circumstances, managers may be unaware that their understanding of current problems in the organization is misguided. As a result, they may be likely to pursue practices that have unexpected employee well-being consequences. Organizations may improve the chances that managerial practices will increase employee well-being by training and rewarding managers for more actively seeking feedback on employee attitudes and opinions (Ashford et al., 2003). Indeed, a study of nearly 1,000 American firms showed that companies that administer regular attitude surveys enjoy higher retention and lower turnover, as well as higher productivity and firm performance (Huselid, 1995). Thus, it appears that attitude surveys may be beneficial to employee well-being and organizational performance. Of course, in order for surveys to achieve these benefits, managers must be willing to act on the feedback that they receive. Otherwise, rather than appreciating the opportunity to express their opinions, employees are likely to react with cynicism and frustration (Cummings & Worley, 2005). It is also possible to select managers who are high self-monitors—i.e., they tend to carefully evaluate the role of their actions in their social environments (Gangestad & Snyder, 2000).

Valuing Impact on Well-Being: Increasing Managerial Motivation

Managerial attention is not the only cause of well-being tradeoffs. In many situations, managers notice the impact of their actions on employee well-being but are not *motivated* to act on their observations. There are several motivational biases related to how managers tend to prioritize particular actions, outcomes, and interpretations that may prevent them from being concerned about the multiple well-being consequences of the practices that they design and implement (Kunda, 1990). Below, we identify two action steps for selecting and training managers to overcome these motivational biases, increasing the chance that they will *value* the impact of their actions on employee well-being.

1. Broaden the *range of outcomes* important in the organization. Managers tend to value economic and rational outcomes more so than human relations outcomes (Buenger et al., 1996; Meglino & Korsgaard, 2004), and work organizations and academic institutions tend to shape managers in this direction (Ferraro et al., 2005; Ghoshal, 2005; Walsh et al., 2003). Thus, a manager implementing a new safety insurance policy may be concerned with maximizing profits rather than enhancing employee well-being, and managers advocating a work redesign practice may be concerned with furthering their own careers but not with protecting and enhancing the well-being of employees. Managers are thus likely to carry out practices with little concern for how these practices affect the well-being of employees, and these practices are likely to be planned and enacted in ways that bring about unexpected consequences for the well-being of these employees. Organizations that provide managers with greater exposure to employees' preferences, and to the impact of their actions on employees, may increase the probability that managerial practices are conducive to employee well-being (Grant, 2007; Grant, in press; Grant et al., 2007). For example, the medical technology company Medtronic helps managers understand their impact on patients by connecting them to the medical professionals and patients affected by their products. As former CEO Bill George (2003, p. 82 and p. 88) explains:

> *New managers lost sight of the imperative to serve customers personally and wound up spending most of their time in internal meetings . . . Recognizing the power of personal observation, we insisted that engineers, scientists, and managers get into hospitals to witness implant procedures . . . Patients come to the company to meet with employees and to share their stories about how Medtronic products changed their lives. Six patients. Six life stories. Six miracles. A Medtronic executive once told me that all Medtronic employees have a 'defining moment' in which they come face to face with a patient whose story deeply touches them.*

It may also be possible to broaden the range of important outcomes in organizations by selecting managers who endorse the value of concern for others (Meglino & Korsgaard, 2004).

2. Be willing to *reconsider practices*. Managers tend to justify and rationalize their initial choices (Staw & Ross, 1989). Specifically, when they discover that they have made unfavorable decisions, managers tend to increase their commitments to these decisions in order to justify them. For example, a manager may receive negative feedback from employees about a new safety policy that she has initiated. Although the manager is aware that the policy may undermine the psychological well-being of employees, she may be motivated to continue enacting the policy in order to justify her earlier commitment. Similarly, an employee who has advocated a new team-building practice may observe its initial negative effect on the social well-being of coworkers, but may continue to lobby for the practice in order to justify his effort. Because managers are motivated to escalate their commitments to unfavorable practices, these practices are likely to yield negative consequences for employee well-being. Organizations that train managers to engage in more thorough reasoning, reevaluate their decisions, and discount sunk costs may enhance the chances that managerial practices will be beneficial to employee well-being (Nisbett et al., 1987). For example, Toyota has attempted to do this by teaching a "Five Why" technique, encouraging managers to ask "why" five times when making decisions. This appears to increase the likelihood that managers will consider multiple possibilities and reevaluate their decisions (Heath et al., 1998). Similarly, Bridgestone Tire has developed a practice of gathering employees from different areas of the organization to watch each other work and identify areas for improvement (Heath et al., 1998). It is also possible to select managers who have high tolerance for ambiguity—i.e., they are comfortable with multiple interpretations and do not seek closure or resolution before conducting careful evaluations (Kruglanski & Webster, 1996).

Conclusion

We have illustrated how managerial practices often have unintended consequences for employee well-being, resulting in tradeoffs that prevent these practices from achieving intended objectives. We have described how work redesign, incentive compensation, team-building, and safety practices often increase one dimension of employee well-being while decreasing another, and we have identified steps that managers may take to avoid these tradeoffs and achieve well-being synergies. Our paper thereby highlights a series of important pathways for enhancing the well-being of employees and their organizations.

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