

## My Manager Moved: Manager Mobility and Subordinate Career Outcomes



Managers change jobs with some frequency. Considerable research has focused on the implications of these moves for both the managers and their organizations. But what about subordinates who are left behind? What happens to their careers?

This study aims to answer these questions by analyzing the career moves of over 30,000 direct reports in a large United States-based healthcare company over an eight-year period, focusing specifically on the ways in which a change of managers affected subordinates' subsequent earnings and chances of promotion.

### **EARNINGS**

Managers who replaced the movers put the squeeze on pay increases. Merit pay boosts declined slightly, while annual bonuses and long-term incentive (LTI) awards decreased by four and 17 percent, respectively. Notably, the largest cuts occurred among subordinates who had worked with departing managers the longest.

Analyses showed that long working relationships fostered strong personal relationships, which, in turn, resulted in higher than average performance ratings and, thus, larger pay increases for longer-term subordinates. This was especially true in the case of bonuses and LTI awards, where managers had the most wriggle room. Since incoming managers had neither working nor personal relationships with their subordinates, once they took control the earlier signs of managerial sponsorship dissipated. (Although, there was some evidence that it had begun to reappear within a couple of years.)

### **PROMOTIONS**

Managerial mobility had no discernible effect on within-unit promotion rates. But it did exert a considerable effect on cross-unit promotion rates. Once new managers came on board, subordinates were 15 percent more likely than they had been to leave their units for promotions to other units within the firm. Again, the most likely movers were those who had worked with departing managers the longest.

While many of these longer-term subordinates may have considered moving in the past, at some point they had settled in, hesitant to leave managers with whom they had close ties.



Managerial departures broke these bonds, freeing them to entertain thoughts of moving on. For some, awareness that they have lost the accrued advantages of supervisory sponsorship may have incited a search for greener pastures as well. Certainly, not all forsaken subordinates were inclined to take the plunge, but clearly many more than usual were - and did.

## IMPLICATIONS

These results provide a cautionary tale for both organizations and employees.

For organizations, relational embeddedness – excessive interdependence between managers and subordinates – is worth tracking for two reasons. First, to ensure that it doesn't – either intentionally or otherwise – reflect or result in favoritism, especially where managers have considerable say over important decisions such as work assignments, learning opportunities, pay, and promotions. Scrutiny is particularly important where many shorter-term subordinates are women, people of color, and others in protected classes who are key to company efforts to enhance diversity and inclusion. And second, it is important to ensure that relational embeddedness isn't reflective of talent hoarding – the bottling up of particularly capable subordinates – which research shows is common and often leads to unwanted turnover among the best and the brightest, as well as negative effects on the bottom line.

Employees, in turn, would do well to be on the watch for relational inertia – excessive comfort in the current state. Have the benefits of hanging in with a particularly benevolent boss become so seductive that, perhaps subconsciously, explorations of potentially preferable opportunities never quite occur? Better to squelch the inertia and weigh the benefits and costs of current arrangements from time to time. It might be preferable to go with the flow for a while. Or it might be best to cut the cord and leave. Either way, it pays to exercise some control over timing, rather than risk being blindsided by an unanticipated disruption of the status quo and compelled to make crucial career decisions on the fly.

## WRAP-UP

Results obtained in one organization may or may not generalize to others in different circumstances and with different policies and practices. So further research is required not only to determine the universality of the present results, but also to extend this line of inquiry to other important employee, as well as organizational, outcomes (e.g., propensity to leave a firm altogether). As always, those interested in discussing these issues further – and/or conducting related research in their organizations – are encouraged to contact Professor Keller, CAHRS's resident expert on internal labor markets and their implications for individuals and organizations.



**This ResearchBrief by the three authors below is based on the paper "My Manager Moved! The Effects of Supervisor Mobility on Subordinate Career Outcomes," *Organization Science*.**



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