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**LEADING WITH EMOTIONAL LABOR AND AFFECTIVE LEADERSHIP CLIMATE AS  
ANTECEDENTS TO ENTREPRENEURIAL EFFECTIVENESS**

**A dissertation submitted in partial fulfillment of the requirements for the degree of Doctor of  
Philosophy in Business at Virginia Commonwealth University**

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This dissertation is dedicated to my loving mother, Etta W. Batchelor.

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## **Chapter 1: Introduction**

In his influential *Academy of Management Review* article, Baron (2008) states that “careful attention to the potential influence of affect may assist scholars in the field of entrepreneurship in addressing several important questions” (p. 277). Herein we use affect to assist in the understanding of leadership on both subordinate attitude and firm performance, in the field of entrepreneurship. To this end, it is important to understand what it means to lead with respect to emotion. To lead, one must understand that not only are followers creatures of emotional but so are leaders. Thus to lead effectively, one must understand one’s own emotions, the emotions of one’s followers, and how these two sets of emotions influence one another. The intention of the study is to investigate the method leaders use to display emotions to their subordinates, how these emotions are perceived by followers, and how these processes affect the firm.

### **Context**

This study is based in the context of entrepreneurship. All participants included in this study are entrepreneurs and their subordinates. I extend facets of work in the areas of organizational behavior and industrial and organizational psychology on emotion to what is already known about emotion in entrepreneurship. Much of the work on emotions in entrepreneurship deals with affect as a trait of the entrepreneur, such as the work by Baron (Baron, 1998, 2007, 2008; Boren, 2010; Clarke, 2011; Craig & Lindsay, 2002; Zakarevicius & Zuperka, 2010). In this study I take a behavioral approach to my analysis of emotions in entrepreneurship while at the same time noting the contributions by those such as Baron on trait differences.

When investigating entrepreneurs this study looks at “entrepreneur” as a role rather than a person, similar to that described by Gartner (2001). I intend to investigate what emotional behaviors, such as emotional labor, will lead to positive outcomes for both subordinates and the firm. Entrepreneurs are ideal for this type of study because, as leaders, entrepreneurs’ actions are much less restricted than those of typical managers, who must work within the confines of their organization’s rules and norms. This freedom allows entrepreneurs to freely express a greater range of emotions than their counterparts in organizations. Further, managers are often subjected to enforcing organizational constraints on their subordinates, which they may or may not agree with, but are forced to follow. For instance, a manager may be required to enforce a strict dress code for his subordinates, when he feels such enforcement is neither necessary nor appropriate. Entrepreneurs, in part, are free from this type of constraint (Batchelor, Harris, & Gibson, 2011; Gosserand & Diefendorff, 2005); this freedom results from entrepreneurs, as leaders, occupying positions of high authority allowing them greater discretion to deviate from display rules than their less powerful subordinates (Hunt, Gardner, & Fischer, 2008).

Kuemmerle (2002) and others (Dew & Sarasvathy, 2007; Low & Abrahamson, 1997; Zott & Huy, 2010) note that entrepreneurs will do whatever it takes to gain the confidence of their stakeholders, such as customers and investors. Herein, I extend this reasoning to include employees, and outline how emotions can be used to influence employee attitudes in a way that is beneficial to both the subordinate and firm. In reference to the field of entrepreneurship, I believe this study is important because it identifies a method for entrepreneurs to use their behavior in order to achieve positive outcomes (Shane, 2008).



## **Leading With Emotional Labor**

Emotional labor was originally defined as “management of feeling to create a publicly observable facial and bodily display” (Hochschild, 1983, p. 328). Through the years this concept has evolved. Most notably, researchers have identified three distinct methods of performing emotional labor, ranging from faking emotions to expressing the emotions one truly feels (Diefendorff, Croyle, & Gosserand, 2005; Glomb & Tews, 2004). In this area, faking emotions is in general, linked to negative outcomes and expressing more genuine emotions is, in general, linked to positive outcomes (Brotheridge & Lee, 2003). Much of this work centers on service or other lower level jobs.

Humphrey (2005) was the first to introduce emotional labor as a leadership tool. Humphrey and colleagues (2008) expounded on this idea, proposing leaders engage in emotional labor to a much greater extent than do service workers. Specifically, leaders are required to use a broader range of emotions, as compared to the mostly positive emotions of service workers. Further, leaders must manage their emotions and the emotions of their subordinates. They must exercise judgment in determining the appropriate emotional expression for the individual and situation while not violating the norms of society or their organization for displaying emotion. Later, Humphrey and his colleague Ashkanasy proposed that, in order to lead effectively, leaders must be in touch with their own emotions in order to express them appropriately to subordinates (Ashkanasy & Humphrey, 2011a). Such relationships are the focus of this study.

### **Test of a Model**

The emotional labor model for leaders proposed by Humphrey et al. (2008) is a comprehensive model incorporating emotional labor, emotional contagion, leadership, social

identity, and other concepts relevant to leaders and organization. The purpose of this study is to test the aspects of the model relevant to leader genuine emotional labor strategy, how the leader expresses emotion, and how these perceptions influence the attitude of subordinates. I find the area of entrepreneurship ideal for this type of study because of the freedom entrepreneurs have to express emotion, relative to those operating within the confines of traditional organizations (Batchelor et al., 2011). Specifically, I intend to investigate how the genuine emotional expression of an entrepreneur influences the way he or she is perceived by subordinates and firm performance.

This study proposes that leaders who employ the genuine form of emotional expression will have a positive effect on the attitude of their subordinates. I conclude by investigating how these subordinate attitudes affect firm performance.

### **An Emerging Field of Study**

In the two years since its publication, the concept of “leading with emotional labor” is garnering a substantial amount of support. For instance, several areas of research are incorporating this concept. Multiple dissertations are investigating the work on leading with emotional labor in areas such as the nature of work (Vie, 2010), follower-leader relationships (Ritchie, 2009), and emotions in organizations outside the United States (Salleh, 2009). Further, many book chapters in various areas such as organizing (Gabriel, Fineman, & Sims, 2000), ethics (Hawver, Pollack, & Humphrey, 2008), and friendship in leadership (Schriesheim & Neider, 2008) include this topic. In their review of emotions in organizational behavior research Ashkanasy and Humphrey (2011b) list leading with emotional labor as a primary model for understanding how leaders influence the mood of others. Additionally, leading with emotional

labor was highlighted as a topic of interest in a recent Emotional Network symposium titled “Through the Looking-Glass of Emotional Labor: An Alternative Lens and Perspectives” (Emonet, 2008).

Leading with emotional labor is also receiving increasing attention in peer reviewed articles on leadership. Gardner, Fischer, & Hunt (2009a) use the concept to explain the role of leader expectations of appropriate emotional displays. Gooty, Connelly, Griffith, & Gupta (2010) discuss how leading with emotional labor is used to influence stakeholders. And, Connelly and Ruark (2010) use the concept to explain how leaders have greater emotional requirements placed upon them than do followers. Many other examples of peer reviewed articles incorporating this topic exists, such as: Brotheridge et al. (2008), Kellett, Humphrey, & Sleeth (2009), Blau et al. (2010), Ooi and Ek (2010), and Wegge, Van Dick, and von Bernstorff (2010).

### **Purpose**

The purpose of this study is to test the key propositions of the concept of leading with emotional labor relevant to leader genuine emotion and firm performance. The context of entrepreneurship was chosen for two reasons. First, the concepts of emotional labor are new to this area. Second, entrepreneurs are more free to use emotions at work than traditional managers, if they so choose. Thus, they offer a unique opportunity to investigate how a wide array of emotions can be used to influence organizational members.

## **Chapter2: Literature Review: An Examination of Emotions and Leadership**

### **Introduction**

The purpose of this chapter is to review the existing literature on the use of emotion in the workplace, how affect is investigated within the fields of entrepreneurship and leadership, and how affect is transmitted within organizations. I begin with an overview of the concept of emotional labor, its antecedents, forms, and consequences which are, to this point, mostly investigated within the area of service work. Next, the discussion turns to how affect is investigated within the field of entrepreneurship, including a discussion of several theories used to understand emotions within this area. This is followed by a discussion of how the genuine emotion of leaders affects their employees and firm. Finally, this chapter concludes with a discussion on how emotional contagion influences those within organizations.

### **Emotional Labor**

Before the discussion of emotional labor is possible, it is necessary to define a few terms relevant to this topic and study. Affect is an umbrella term used to describe a broad range of terms from emotion, to moods, to dispositional affect (Barsade & Gibson, 2007). Emotions are relatively intense short lived reactions elicited by a target (Barsade & Gibson, 2007). Moods are more diffuse in that they describe an individual's general positive or negative feelings and are not focused on a specific target (Barsade & Gibson, 2007). Finally, dispositional affect is a personality trait pertaining to an individual's underlying tendency to experience positive or negative moods or experiences (Barsade & Gibson, 2007). Because the focus of this study is behavior rather than individual traits, any reference to affect or emotion will not pertain to dispositional affect.

The study of how individuals manipulate emotional display at work was first introduced by Hochschild (1979, 1983) in the investigation of flight attendants and their interactions with passengers. Her examination, like much of the early work on emotional labor, was limited to the context of service jobs. Hochschild (1983) defined emotional management (the precursor to the term emotional labor) as the “management of feeling to create a publicly observable facial and bodily display” (p. 328). Here service workers perform emotional labor whenever they alter their emotional expressions as part of their job duties (Hochschild, 1979, 1983). Further, she states that organizations either explicitly or implicitly specify “feeling rules” that indicate the emotions employees should feel while performing their job duties. For example, a flight attendant may smile at a rude passenger, because it is the appropriate response to his organization’s “service with a smile” feeling rule. For the most part, Hochschild (1979, 1983) focused on the negative side of the interplay between work and emotion. In this study, I intend to investigate how emotions at work can result in positive outcomes for leaders and followers alike.

### **Emotional Labor Strategies**

Hochschild (1979; 1983) further described two ways in which employees manage their emotional displays at work: surface acting and deep acting. Surface acting involves displaying emotions that are faked. When individuals engage in surface acting they make no effort to truly feel the emotion they are displaying; they are simply going through the motion of following what they perceive to be the appropriate display rules dictated by their position and/or organization.

Deep acting distinguishes itself from surface acting in that it involves an attempt to actually experience or feel the desired emotion (Grandey, 2003). Hochschild (1979, 1983) identifies two methods of accomplishing deep acting. One can actively attempt to evoke the

required emotions or use imagination and/or previous memories to invoke similar emotions (such as excitement or happiness) to comply with display rules. The key difference between surface acting and deep acting is an attempt to feel the emotion. To further illustrate, Diefendorff, Croyle, & Gosserand (2005) contrast the two by describing surface acting as “acting in bad faith” and deep acting as “acting in good faith” (p. 340).

### **Display Rules**

Hochschild’s (1979, 1983) use of the term “feeling rules” to describe how organizations attempt to control employee’s emotional displays incorrectly implies that organizations can somehow regulate the emotions employees feel internally. However, because organizations can only regulate observable emotional displays and not internal feelings, Rafaeli and Sutton (1987) argued that the term “display rules” is more accurate. These display rules often reflect general social norms; for example, in the United States there is a general social norm that waiters and waitresses should smile and express friendly, positive emotions towards customers.

Alternatively, there can be very specific organizational norms that regulate emotional expression in much greater detail or that place a greater emphasis on displaying emotions at work (Ashforth & Humphrey, 1993; Hochschild, 1979, 1983; Humphrey et al., 2008; Kelly & Barsade, 2001; Rafaeli & Sutton, 1987; Van Maanen & Kunda, 1989). Further, local branches of an organization may develop their own local norms that vary somewhat from the overall organizational norms based on the unique history of interactions among the employees, managers, and customers (Kelly & Barsade, 2001). Also, the norms of society play into the interactions between individuals within firms (Hunt et al., 2008).

Although organizational display rules that require “service with a smile” (Pugh, 2001) and other friendly, positive emotional expression may be the most common, other organizational display rules may require the expression of all forms of emotions, even negative ones such as anger and sadness. Humphrey et al. (2008) classified the types of emotional labor performed by service workers into three categories: (1) customer service jobs, in which service workers (restaurants, retail, hotels, etc.) generally display positive emotions related to being friendly and helpful; (2) caring professions, where organization members such as doctors, nurses, social workers, and other helping professionals express sympathy; and (3) social control jobs, in which policemen, credit collectors, bouncers, and those in similar occupations must express irritation, anger, aggression and dominance. Although service workers are generally required to portray pleasant emotions which are normally beneficial to express; the hectic work pace and repetitive nature of performing these expressions may make performing such displays stressful and lead to emotional dissonance and others perceiving these actions as inauthentic. With regard to the later two categories, the emotional display rules call for employees to frequently express unpleasant emotions that many people outside those professions would express only during relatively infrequent traumatic events. In caring professions, employees are routinely required to express sadness and sympathy—negative emotions that people associate with major sicknesses, family deaths, or similar problems. Social control agents must portray emotions such as anger and irritation which are unpleasant to the point that they are often suppressed by those not required to do so. Here the three categories from Humphrey et al. (2008) serve to show that, depending on occupation, a full range of emotional displays may be required to perform one’s job effectively, rather than the narrow positive range of emotion depicted by Hochschild (1979, 1983).

Emotional labor is also classified according to frequency, intensity, variety, and duration (Morris & Feldman, 1997). Brotheridge and Lee (2003) developed a six-faceted Emotional Labor Scale that measured these four facets plus surface acting and deep acting. Consistent with their theoretically derived expectations, they found support for a six factor structure. When comparing deep acting to surface acting, they found that deep acting was associated with positive outcomes, such as a sense of accomplishment, and of the six facets only surface acting was positively related to emotional exhaustion.

### **Genuine Emotion**

Hochschild's (1979, 1983) original description of emotional displays stated that workers must exert effort to either fake the appropriate emotional response (surface acting) or attempt to feel the desired emotion (deep acting). To increment these methods, Ashforth & Humphrey (1993) identify a third method which requires little effort to display the appropriate emotions. They point out that sometimes an individual's genuine and naturally expressed emotions are in line with the display rules of an individual's profession or position. In these instances, no additional effort is needed to conform to one's organizational display rules. For example, a history professor may truly care about instilling an interest in the past to students by showing genuine excitement for the field during lectures. Here no additional effort is needed to prompt the required emotional displays because they are already aligned with the genuine emotional expressions of the individual.

In support of genuine emotional displays, Glomb and Tews (2004) found that genuine emotional displays are valid forms of emotional labor and factor separately from deep acting and surface acting. Likewise, Diefendorff et al. (2005) found empirical evidence that genuine



emotion, surface acting, and deep acting are indeed three distinct ways of expressing emotions at work. Diefendorff et al. (2005) demonstrated that those high on expressing genuine natural emotions rated higher on extraversion and agreeableness, whereas those using surface acting strategies were lower on extraversion, conscientiousness, and agreeableness while higher on neuroticism. Here, deep acting was associated only with agreeableness. Thus those who use genuine emotional expression score better on the Big Five personality dimension than do those who use the other two strategies. Moreover, genuine emotional is shown to result in better service effectiveness because customers respond more favorably to genuine emotional expressions so long as they comply with organizational emotional display rules (Hennig-Thurau, Groth, Paul, & Gremler, 2006).

Genuine emotion is the focus of this study for two reasons. First it is the most recently developed form of emotional labor, first identified by Ashforth and Humphrey (1993). Much work is already present on the surface acting and deep acting forms of emotional labor since their first conceptualization by Hochschild (1979, 1983). Although there is a recent surge in interest in the area of genuine emotional labor (i.e. Cheung & Tang, 2009; Gardner et al., 2009a; Hunt et al., 2008; H. M. Johnson & Spector, 2007; Montgomery & Panagopolou, 2005; Salmela, 2005; Van Dijk & Brown, 2006), more research is still needed in the area of genuine emotion and how it influences important organizational and individual variables.

Second, genuine emotion has close ties to leadership theories such as authentic leadership. Authenticity is defined as “owning one’s personal experiences, be they thoughts, emotions, needs, preferences, or beliefs, processed captured by the injunction to know oneself” (Luthans & Avolio, 2003, p. 241). Authentic leaders, as the name implies, are genuine in their behaviors and motivations (Avolio, Walumbwa, & Weber, 2009). Thus it is somewhat intuitive

that authenticity and genuine emotional are similar in their underpinnings. Further the ideas proposed by Ashforth and Humphrey (1993) that displays of genuine emotion at work can lead to positive outcomes is in line with the positive organizational underpinnings of authentic leadership. Finally, authentic leadership is linked to important individual and firm outcomes similar to those included in this study; such as commitment, satisfaction, and performance (Walumbwa, Avolio, Gardner, Wernsing, & Peterson, 2008).

### **Outcomes of Emotional Labor**

Research on emotional labor shows that, depending on the method, it can lead to either positive or negative effects on employees. In general, the negative effects are a result of emotional dissonance, or the discrepancy between the actual emotions experienced by the employee and those required by the display rules they must follow (Bono & Vey, 2005). These negative outcomes tend to result when surface acting is the primary method used to comply with display rules. Here, surface acting is associated with negative outcomes such as emotional exhaustion, depersonalization, physical complaints, and distancing (Bono & Vey, 2005; Brotheridge & Lee, 2003). Alternatively, the display strategies of deep acting and genuine emotion tend to be associated with positive outcomes such as personal accomplishment, identification, authenticity, and well-being (Ashforth & Humphrey, 1993; Brotheridge & Lee, 2003). Whenever possible, deep acting and genuine emotion are preferable methods of display rule compliance when compared to surface acting. One caveat exists for the positive outcome of identification. It is proposed that over identification with one's job may lead to internalization of job role related failures that negatively affect well-being (Ashforth & Humphrey, 1993). Thus, regardless of the emotional labor strategy employed, proper management of emotions is critical at all levels if one is to effectively manage both his or her emotions and the emotions of others.

To better understand this role of managing emotions, Ashkanasy (2003) proposed a multi-level model of emotions to demonstrate how pervasive emotions are within organizations and within and between individuals and groups. His model of emotions within organizations consists of five levels: (1) within-person, (2) between persons (3) interpersonal transactions (4) groups, and (5) organization-wide. It is important to note that the model begins with the within-person level; this points to how state based emotions are an emergent process within organizations. Ashkanasy and Humphrey (2011) build upon this conceptualization, extending that because emotion is a “basic human characteristic” it must be considered whenever individuals are organized, making it a central component to be considered when investigating leadership within organizations.

## **Entrepreneurship**

In this section a definition of entrepreneurship is given to define the population of interest and scope of this study. A distinction is made between the self-employed and those engaged in entrepreneurial activities. Next, I review the major works in this field concerning affect. This section concludes by exploring some of the theories used to understand the relationship between affect and the entrepreneur.

### **Entrepreneurship Defined**

While the distinction between the self-employed and those employed by others is clear, the distinction between those defined herein as entrepreneurs and other self-employed individuals warrants clarification. Some argue that distinct differences exist between entrepreneurs and small business owners. Many of those who suggest a difference claim it centers on risk-taking propensity along with the pursuit of profit and growth (Carland, Hoy,

Boulton, & Carland, 1984; Stewart, Watson, Carland, & Carland, 1998). A meta-analysis on this topic by Stewart and Roth (2001) found entrepreneurs to have a higher tolerance for risk than managers. Here, entrepreneurs are viewed as having a higher tolerance for risk and actively engage in efforts to exploit opportunity and grow their organization. For instance, some small business owners may engage in these activities; while others, may be considered “lifestyle entrepreneurs” who have long since ceased to engage in activities designed to expand their enterprise (Shane, 2008).

Others disagree with this risk taking view of the entrepreneur. For instance, Miner and Raju (2004) identified 14 studies not included in the Stewart and Roth (2001) meta-analysis. With the addition of these studies, Miner and Raju (2004) bring into question entrepreneurs’ tolerance for risk, suggesting that entrepreneurs may be more risk averse than managers. One thing is clear; the jury is still out on the risk propensity of entrepreneurs relative to that of business managers. For this reason, I choose a definition that does not explicitly focus on risk taking behavior. For the purpose of this paper, I define entrepreneur “a major owner and manager of a business venture who is not employed elsewhere” (Brockhaus, 1980, p. 150).

Having defined the object of this investigation, it is now important to define the scope of what is considered the field of entrepreneurship. There is disagreement on precisely what entrepreneurship is and how its study should be approached. It is common to define the entrepreneur in terms of “who the entrepreneur is” and “what he or she does” (Venkataraman, 1997). Here, the distinction of the field of entrepreneurship from other fields clearly fails to focus on opportunity exploitation and its relevance to firm survival. Davidson and Wiklund (2001) specifically state that for entrepreneurship, as a field, to contribute to the cumulative growth of knowledge it must “address [the] pursuit of opportunity” (2010, p. 23). Hence, the

study of self-employed individuals not interested in growth and opportunity is distinct from the study of those engaged in the discovery and exploitation of opportunity.

Gartner's (1988) definition of entrepreneurship takes a rather extreme stance by removing the individual and business as a going concern stating, "entrepreneurship is the creation of new organizations" (p. 26). Although this statement focuses on opportunity exploitation, it fails to consider the role of "entrepreneur" and its influence on the process. For this reason, I choose a definition that focuses on both opportunity exploitation and variation in how opportunity is identified and that will include self-employed individuals with existing firms. Thus this study views entrepreneurship as encompassing independently owned businesses, their owner-managers, and their efforts to exploit opportunity (see, Davidsson, 2005).

### **Affect in Entrepreneurship**

The central focus of this study is how emotion or affect is used to enhance the abilities and effectiveness of entrepreneurs. This form of research has been investigated in the field of industrial and organizational psychology and organizational behavior for decades. Affect is found to influence a wide range of business processes (George & Brief, 1992; Weiss, Nicholas, & Daus, 1999). Specifically, affect is shown to influence judgments such as self-efficacy (Saavedra & Earley, 1991), creative problem solving through increased positive mood (Isen, 1999), helping behaviors encouraged by positive mood (Isen & Baron, 1991), general performance (Weiss & Cropanzano, 1996), negotiations through enhancing cooperation (Baron, 1990), and commitment (Rutherford & Holt, 2007). Thus, the proper form and level of affect is clearly linked, in the areas of organizational behavior and industrial and organizational

psychology, to many positive outcomes. Table 1 lists the studies published in peer reviewed journals focusing on entrepreneurship and emotion.

\*\*\*\*\* Insert Table 1 About Here \*\*\*\*\*

While the study of affect is widespread within organizational behavior and industrial and organizational psychology, its benefits are not as widely investigated in the area of entrepreneurship. This may be due in part to the reluctance of some entrepreneurship researchers to investigate individual differences. For instance, Baum and Locke (2004) describe individual characteristics as distantly related to organizational level outcomes such as performance. They describe how the traits of entrepreneurs do have influence and explanatory power on firm level performance, but the effects are indirect through non-trait mechanisms (e.g., goals, efficacy, and vision). Holt, Rutherford, and Clohessy (2007) found that context and process influenced corporate entrepreneurship but not individual characteristics. These findings for entrepreneurial traits on performance are corroborated by studies in other areas of psychology that show indirect effects for aggregated individual traits (Baum, Locke, & Smith, 2001) and laboratory studies showing goals and self-efficacy mediating the effects of personality and performance (Locke, 2001).

Others disagree with the perspective of a distal relationship between personality and firm level entrepreneurial outcomes, rather providing evidence of a more proximal relationship between these two categories of variables. When investigating the relationship between the big five personality traits and the ultimate firm level outcome, survival, Ciavarella, Buchholts, Riordan, Gatewood, & Stokes (2004) found a link between personality and venture survival. Specifically, conscientiousness was positively linked to firm survival and openness to new

experiences negatively related to firm survival. This perspective of a direct link between entrepreneur personality and firm performance clearly does not coincide with the indirect link perspective; clearly more investigation is needed to clarify this disagreement.

One promising avenue of consensus is introduced by Baron (2008). His central proposition is that “affect, because of its pervasive effects on many aspects of cognition and behavior, does indeed influence key aspects of the entrepreneurial process” (p. 337). His thesis being that affect may mediate individual and macro-level variables. Thus, affect may serve to link individual characteristics and dispositions to outcomes such as performance. I will later argue that genuine emotional labor may be a mechanism entrepreneurs can use to influence their affect and that of their subordinates in order to obtain positive outcomes. Thus, behavioral differences, such as propensity for displaying genuine emotion, may influence subordinates which may lead to positive firm level outcomes.

Other areas of entrepreneurial research point to the importance of emotion to both the institution of entrepreneurship and the survival of entrepreneurial firms. Schumpeter (1942) expressed pessimism about the future of entrepreneurship concerning possible routinization of the process and the emerging ability of large firms to innovate.

Goss (2005) rebuffs this view, proposing that the social and emotional aspects of entrepreneurship spur innovation. He describes how emotions, such as pride and shame, can cause one to overcome innovation killers associated with social sanctions. Goss (2008) describes a model where interactions involving membership rituals, symbols, and exchange rituals lead to emotional processes which motivates entrepreneurs and those around them. Thus interpersonal interactions and their subsequent emotional reactions are capable of counteracting the

suppression effects of routinization (boredom and frustration) on innovation as described by Schumpeter (1942).

Cardon et al. (2005) uses a parental metaphor to demonstrate the importance of emotion in entrepreneurship. Just as parents nurture their children from birth through adulthood, entrepreneurs nurture their business from nascence to post emergence. They describe how entrepreneurs who develop a personal connection and shared identity with their business should be more successful than those who do not, as with neglectful parents when compared to nurturing, caring parents. Cardon et al. (2005) describe the importance of emotion or “passion” in this process. In other words, they propose that entrepreneurs who develop an emotional attachment to their organization should be more likely to succeed than those who do not, highlighting the importance of emotion in the entrepreneurial process.

To further clarify the role of passion and emotion in entrepreneurship, Cardon, Wincent, Singh, and Drnovsek (2009) propose an identity based approach to understand this process. They describe how certain roles occupied by an entrepreneur are more salient to one’s self-identity than others. Thus the fulfillment of salient roles will result in “intense positive feelings” which will guide the behavior of entrepreneurs resulting in more engagement when performing these activities. When an entrepreneurs’ self-identity matches the roles critical for survival they should be more successful than others without this alignment. Shane and Venkataraman (2000) described how emotion can have negative effects on the firm by clouding one’s judgment and precluding reason. Here, Cardon et al (2009) take a more balanced view where reason and emotions are “interdependent,” with emotion, associated with role fulfillment enhancing self-identity, and reason working together to motivate and regulate the goal directed behavior of entrepreneurs.



Peck (1984) uses emotion to bring clarity to the topic of entrepreneurial adaptation. In this theoretical work, he outlines the difficulties situational ambiguity and human behavior bring into the adaptation process. In this discussion he describes how a healthy personality that balances reason and passion, without one dominating the other, is necessary for entrepreneurs to successfully adapt.

In a single case study focusing on one agricultural small family business, Craig and Lindsay (2002) look at how the family dynamic plays into the entrepreneurial process. They find that family members associated with this business form emotional attachments to the traditions and cultures of their business. In this instance they conclude that these emotional attachments can inhibit the entrepreneurial process when they prevent changes that threaten these emotional attachments. In these types of situations, understanding how emotion affects decision process may help to prevent such negative outcomes.

Dodd (2002) looks to metaphor from academic writing to develop a model of entrepreneurship in the United States. In relation to emotion, he finds that passion is the most predominant metaphor pertaining to the relationship between the entrepreneur and firm. Examples of this relationship often use terms such as love, romance, and passion. The parental metaphor by Cardon et al. (2005) is an example of such a relationship.

When referring to the direction of entrepreneurship education, Gibb (2002) turns to emotion as a key component for future instruction. He outlines how the act of entrepreneurship is a stressful process that entrepreneurship graduates may not be equipped to handle. Instruction on emotional intelligence, on how to understand one's emotions and the emotions of others, is recommended as a solution. Thus in order to deal with these stressors, entrepreneurship

professors should instruct their students on how to recognize emotions in themselves and others and respond appropriately.

Shepherd (2003, 2004) builds upon the work of Gibb (2002). He first describes how emotion is an important component of how entrepreneurs learn from failure. If not managed properly emotional reactions to failure may result in an anti-failure bias in decision making that may cloud judgment and impede the entrepreneurial process. In their literature review, Fayolle and Gailly (2008) identify this problem as essential to the science of entrepreneurship. Shepherd (2004) proposes that entrepreneurship educators should incorporate concepts relating to how entrepreneurs and students feel into their classes. This effort should aim to educate students on how to manage and regulate their emotions and learn from failure.

In relation to entrepreneurial ethics, Buchholz and Rosenthal (2005) describe the role of emotion. Their concrete view of ethics, as opposed to abstract views, focuses on how emotions play into determining what is ethical when one looks at concrete situations as opposed to abstract moral principles. In these situations, it is theorized that one cannot divorce emotion, desire, and interest from the decision process in deciding what is ethical.

In his review of the writings of Schumpeter, Goss (2005) outlines how emotion is key to counteracting the routine of entrepreneurship referred to by Schumpeter. Goss outlines how, as long as individuals interact socially, entrepreneurship will continue to exist. Here social interaction is seen to necessarily involve emotion. With concern to entrepreneurship, from Goss's (2005) point of view, this emotion will cause some individuals to innovate.

While not referring directly to the works of Schumpeter, Hannon (2006) offers a conceptual work that describes how to be effective: entrepreneurs must do more than just follow

a routine. Using a dance metaphor, he describes how dancers must do more than merely perform a sequence of dance steps; they must convey emotion when performing to produce the desired effect. Hannon (2006) argues that the same applies to entrepreneurs; they must do more than perform the routines of an “entrepreneur.” Thus to be effective, entrepreneurs must convey insight, purpose, and emotion when interacting with others.

In an analysis of structured interviews, Schindehutte, Morris, and Allen (2006) conclude that emotional elements play a prominent role in entrepreneurship. Through this series of structured interviews, they find that emotion plays a role in achieving peak performance, experience, and flow during situations of stress and uncertainty.

Grichnik, Smeja, and Welppe (2010) empirically examine the intersection of entrepreneur affect, opportunity evaluation, and exploitation. They found that positive affect positively influenced opportunity evaluation and negatively influenced opportunity exploitation. Negative affect had a negative effect on both opportunity evaluation and exploitation. They found that emotion changes perception and decision making, due to unrelated situations, in entrepreneurship. Work by Shepherd (2011) builds upon these findings, theorizing that the emotional state and emotional intelligence of an entrepreneur can influence the attractiveness of an opportunity.

In an empirical examination of student perceptions, Zakarevicius and Zuperka (2010) found personal characteristics to be important to the field of entrepreneurship with relation to need for achievement, internal control, tendency toward risk, and self-reliance. They concluded that the ability of individuals to analyze their emotions and values is related to the development of entrepreneurship.

Finally, in an ethnographic study of three entrepreneurs, Clarke (2011) found that entrepreneurs use symbols, such as setting, props, dress, and expressiveness, to regulate emotions. These symbols were shown to influence stakeholders, identity, control, and emotional regulation. From these findings, Clarke (2011) concluded that these behaviors are linked to entrepreneurial effectiveness.

This discussion of how some within entrepreneurship use affect and emotion highlights how these concepts can add to the cumulative knowledge within entrepreneurship. The next section identifies several theories developed by those within entrepreneurship to understand the role of emotion.

### **Models and Theories**

One model used to understand the effects of affect specific to entrepreneurship is the affect infusion model. The central tenant of “affect infusion” is that the current affective states of individuals, such as entrepreneurs, can influence decisions and judgments (Baron, 1998). Entrepreneurs often have a stronger attachment to their companies than do other individuals, leading to a greater likelihood of frequently experiencing intense emotions pertaining to their work than do non-entrepreneurs (Baron, 1998). Those under high levels of stress and emotion may experience feelings, thoughts, and emotions that interact in a way which leads to distortions in cognition (Oaksford, Morris, Grainger, & Williams, 1996). Hence, the affect infusion model outlines how affective states caused by one source can influence judgments in other areas (Forgas, 1995). Baron (1998) showed that, with a sample of entrepreneurs, irrelevant affective states can influence decisions unrelated to the source of this affect. Further, positive affect tends to prime pleasant thoughts and negative affect tends to prime unpleasant thoughts, with these

priming effects influencing decisions made and perceptions of entrepreneurs. This may explain why owners and managers of high performing firms are less likely to perceive some problems, such as specific human resource management problems (see, Tocher & Rutherford, 2009). This provides evidence that entrepreneurs and their decisions are indeed affected by affect. More importantly, leaders capable of suppressing irrelevant affective states when making decisions should be more effective than leaders who cannot effectively control their emotions. Humphrey (2008) identified this self-management of emotions by leaders as a key component of his concept of leading with emotional labor. Thus, if managed properly, the positive outcomes associated with positive affect may be conceptually extended to leaders, including those engaged in entrepreneurial activities.

A second model from industrial and organizational psychology and organizational behavior extended to entrepreneurship is a variation of person-organization fit. The central tenant of this theory is that individuals choose where they work and what line of work they pursue based on factors such as attitude, culture, and abilities (Kristof, 1996; Van Vianen, 2000). Markman and Baron (2003) extend this concept to the study of entrepreneurship and entrepreneurs by describing what they term “Person-Entrepreneur Fit.” This fit is the extent to which the personal characteristic of the entrepreneur and the requirements of being an entrepreneur match. They emphasize that this fit may be more vital in entrepreneurial setting than others because of the types of situations often encountered by entrepreneurs, in their quest to exploit opportunity. They identify a dichotomy of situations: strong situation in which there is very little room for expression of human variation and weak situation where individual differences have a marked effect on how the situation is handled (Chatman, 1989). Markman and Baron (2003) express the view that entrepreneurs encounter mostly weak situations where

individual variation is extremely pronounced. Here certain behaviors are instrumental in success; thus, those entrepreneurs who exhibit the correct behaviors are more likely to be successful than those who do not. In this context, person-entrepreneur fit can be used to answer the question of why some entrepreneurs succeed while others fail (Markman & Baron, 2003).

One can combine the two concepts of person-entrepreneur fit and affect infusion to describe a situation where entrepreneurial success is more likely. Thus entrepreneurs whose genuine emotions align well with the display rules of their profession are more likely to be successful than those who do not. In support of this supposition, Foo, Uy, and Baron (2009) showed that affect does matter in entrepreneurship. Their study found that negative affect predicts effort toward immediately required tasks and positive affect predicts effort beyond what is immediately required by the entrepreneur. This shows that entrepreneurs need to experience and display both positive and negative emotions to fulfill both short term and long term functions. Further, negative affect is shown to signal that things are not going well (Carver, 2003). Thus affect can direct the actions and judgments of the entrepreneur (affect infusion) and, through signaling, those of subordinates. Here, as described in person-entrepreneur fit theory, entrepreneurs who are capable of feeling and expressing a wide range of emotions, often required in weak situations common to entrepreneurs, should result in a better fit with the profession and thus increased likelihood of success.

Another area of interest concerning affect and the entrepreneur is the importance of social skill. Baron and Markman (2000) propose that an entrepreneur's social skills and ability to interact face-to-face can influence their likelihood of success. Social skill is defined as "specific competencies that help them [entrepreneurs] interact effectively with others" (Baron & Markman, 2000, p. 106). These skills may involve "proactive strategies" designed to enhance

legitimacy with stakeholders (Rutherford, Buller, & Stebbins, 2009). Here social skills are viewed as a tool, which can be enhanced with training, used on both those within (e.g., employees) and outside the entrepreneurial firm. For the purposes of this study, I focus primarily on the effect on subordinates within firms.

As described by Baron and Markman (2000), an entrepreneur must be adept to interacting face-to-face with subordinates in order to be effective and survive. Here the affect of the entrepreneur plays a crucial role in this process. Earlier, it was illustrated how negative affect is shown to predict immediate task effort and positive affect to predict effort beyond what is immediately required for entrepreneurs (Foo et al., 2009). Further affect is as an effective signal to others. Thus, through emotional contagion (Hatfield, Cacioppo, & Rapson, 1993), entrepreneurs who are able to express the appropriate affective states, those high in person-entrepreneur fit, should exhibit higher levels of the form of social skills needed to effectively influence the actions of subordinates. Indeed, Baron and Markman (2000) proposed that persuasion in face-to-face interactions is an important facet of entrepreneurial social skill which is linked to a higher likelihood of financial success. Additionally, they note that social skills can be enhanced, through training, allowing those with lower levels of person-entrepreneur fit to be more effective through training. For example, entrepreneurs who have difficulty expressing the appropriate affect required may be able to develop techniques, over time, for feeling and expressing these emotions.

\*\*\*\*\* Insert Figure 1 About Here \*\*\*\*\*

One final model relevant to this study is the passion contagion model outlined by Cardon (2008). As depicted in Figure 1, this model shows how the passion of the entrepreneur is

transferred, through contagion and leadership perceptions, to their employees. Specifically, passion leads to more frequent emotional displays to employees, employees will mimic these displays and feelings, and these processes will influence employee perceptions of their entrepreneur, with all this influencing employee identification and organizational meaningfulness. This model adds context to the passion contagion research by Chang (2001), who states that “once passion is present and reinforced throughout an organization, it becomes contagious” (p. 110). The primary contribution of this model by Cardon (2008) is that it gives entrepreneurship a starting point to begin discussion and investigation into how entrepreneurs can use emotion to influence their subordinates.

Taken as a whole, research on affect and emotion in entrepreneurship is underrepresented but growing; Table 1 clearly shows an increase in peer reviewed articles on this topic over time. One purpose of this paper is to build upon the existing groundwork in this area. By applying concepts from organizational behavior and industrial and organizational psychology, I intend to further elucidate the relationship between affective behavior and positive outcomes relevant to entrepreneurship.

### **Emotional Contagion**

The use of emotion as an influence strategy at work is the centerpiece of this study. The primary model of this study, Figure 2, depicts how a leader’s genuine emotion influences follower attitudes and therefore firm performance. As the flow of this model implies, the emotional displays of the leader affect the emotions or affect of subordinates. Thus, the emotions of the leader flow to others within his or her organization. In other words, one individual’s emotions are contagious to another resulting in the automatic and unconscious transfer of



emotions (Hatfield et al., 1993). Within organizational behavior research, this transfer is termed emotional contagion, defined as the “tendency to automatically mimic and synchronize the facial expressions, vocalizations, postures, and movements with those of another person and, consequently, to converge emotionally” (Hatfield et al., 1993, p. 5). This process of spreading affect is the linchpin that ties the various aspects of this model together.

Demonstrating the power of emotional contagion, early work found that simply sitting two individuals beside one another in silence for two minutes resulted in emotional contagion (Friedman & Riggo, 1981). Chartrand and Baugh (1999) explained such an occurrence as being due to the human tendency to mimic facial expressions, vocalizations, postures, and movements of another resulting in the individual experiencing the emotion that is being mimicked. In organizational behavior research focusing on emotional labor, Pugh (2001) found that the positive affect of service workers was related to the positive affect of customers, through the process of emotional contagion.

Turning to emotional contagion in the context of leadership, leader’s mood is shown to influence team members’ moods and group affective tone (Sy, Cote, & Saavedra, 2005). Further, the influence of leader’s emotions on followers is shown to be strong because leaders are highly salient members within their group or organization (Connelly, Gaddis, & Helton-Fauth, 2002). Further, Snodgrass (1985) found that lower status individuals, such as subordinates or followers, tend to have a “heightened awareness” to the emotions of their superiors. More recent research shows a clear link between the positive affect of leaders and followers (S. K. Johnson, 2008). Additionally, follower affect is related to how subordinates perceive leaders. Together, this body of research supports that emotional contagion occurs between leaders and followers and influences subordinates perceptions of his or her leader.

The following chapter discusses the concept of leading with emotional labor. This concept explains how leaders can use emotion to influence their subordinate's emotions in order to produce desirable firm outcomes. Thus, leading with emotional labor is a combination and extension of the work on emotional labor and emotional contagion, specific to the leadership context.

### **Chapter 3: Leading with Emotional Labor: A mechanism for linking behavior to performance and other outcomes in entrepreneurship**

In this chapter, the concept of “Leading with Emotional Labor” is introduced. This concept differs from much research on emotional labor by focusing on the leader instead of subordinates. This is especially true in service industries and when conforming to display rules. It is proposed that by using the appropriate emotional displays leaders can influence the attitude of their subordinates through the process of emotional contagion. A model and hypotheses are introduced to understand and test these relationships.

#### **Leading With Emotional Labor**

Humphrey (2005, 2006) was the first to introduce the phrase “leading with emotional labor” and to develop a systematic model of how leaders use emotional labor at work. Humphrey (2008) describes leading with emotional labor as “the whole process in which leader emotional displays influence subordinates’ moods and thus their performance” (p. 5). Humphrey et al. (2008) distinguished the emotional labor performed by leaders from that performed by service workers, particularly those employed in customer service, caring professions, and social control. This use of emotional labor to influence subordinates is accomplished by using one or a combination of the three methods of displaying emotions outlined earlier (surface acting, deep acting, and expressing genuine emotion). The purpose of this study is to empirically examine the key propositions of leading with emotional labor concerning its effects on subordinates, perceptions of the entrepreneur, and entrepreneurial effectiveness through the emotional labor strategy of genuine emotion.

Leading with emotional labor is an extension of previous work on emotional labor. Whereas emotional labor research focuses primarily on service and caring professions, leading with emotional labor extends the emotional labor concept by focusing on how leaders can use emotional displays to influence subordinates. Additionally, with leader emotional displays as the primary mechanism of interest, positive subordinate and firm outcomes are proposed to occur when the proper emotions are displayed (Humphrey et al., 2008). Thus through emotional contagion, differences in leaders' emotional displays can lead to positive outcomes for both subordinates and the firm. Finally, leading with emotional labor proposes that leaders who successfully influence the moods of their followers are more effective (Humphrey et al., 2008). Here the focus is on the positive aspects of leadership and work, with success defined in terms of both increased employee attitude and performance.

One key component of leading with emotional labor is determining the correct emotion to display for the situation and individuals involved. Here the use of emotional labor differs between subordinates and leaders (Humphrey et al., 2008). Subordinates such as service and sales workers tend to have a limited range of appropriate emotional displays to choose from when dealing with others. For instance, a salesperson is typically only required to express positive and caring emotions such as happiness and enthusiasm when dealing with customers. Anger or other negative emotions are not acceptable. In many service settings, the highly repetitive nature of the work makes judgment about which emotions to portray relatively easy since the expected emotional displays are well-rehearsed and easily understood.

Leaders, on the other hand, are required to express a wide range of emotions from anger to empathy in order to effectively manage the actions and emotions of others (Humphrey et al., 2008). For example, a manager may need to express anger with one employee who is exhibiting

willful poor performance, sympathy to another employee who is experiencing a personal crisis, and upbeat, positive emotions to uninspired workers. Thus, leaders such as entrepreneurs must be able to display the emotions appropriate for the individual and situation, whereas service workers usually must perform emotional labor appropriate for only one setting consisting of a narrow set of emotions.

Leaders must often exercise considerable judgment and discretion when deciding which emotions to display. Should they respond with sympathy to a late employee, and inquire about his or her personal problems, or respond with irritation or even anger? This use of judgment is the key to understanding how emotional labor differs for leaders versus followers. Effective leaders must be in touch with their own emotions and the emotions of others in order to express the appropriate emotion to subordinates (Ashkanasy & Humphrey, 2011). Leaders have additional responsibilities above those of subordinates. They must manage their personal emotions and the emotions of others in a way that reduces stress and inspires productivity, while remaining in line with the goals of their organization.

Display rules often reflect general social norms; for example, in the United States there is a general social norm that waiters and waitresses should smile and express friendly, positive emotions to customers. However, there can also be very specific organizational norms that regulate emotional expression in much greater detail or that place a much greater emphasis on emotional labor (Ashforth & Humphrey, 1993; Hochschild, 1979, 1983; Humphrey, 2008; Kelly & Barsade, 2001; Rafaeli & Sutton, 1987; Van Maanen & Kundra, 1989). In addition, local branches of an organization may develop their own local display rules that vary somewhat from the overall organizational norms based on the unique history of interactions among the employees, managers, and customers (Kelley & Barsade, 2001).

Entrepreneurs, as leaders, are generally freer than others to set the emotional display rules for their organization, but the autonomy leaders have to set display rules or to follow display rules is fairly complicated. Ashforth and Humphrey (1993) describe display rules as conforming to societal, occupational, and organizational norms. From this definition, we see that leaders may have greater influence on the display rules of their organization than less powerful others (Hunt et al., 2008), but do not have this greater influence on the norms of society or on their occupation. As Humphrey (2008) describes, sometime leaders have more or less autonomy than their followers for displaying emotion. He discusses how leaders are likely to face working conditions that could create negative emotions, like frustration, that are opposite to what they desire to display. Here leaders are not free to set a display rule that these negative emotions (frustration) are appropriate, because they will violate societal and occupational norms the leader has no control over. Thus, so long as organizational display rules do not violate the norms of society, the emotional displays expected by subordinates, or the emotional abilities of the leader, they should lead to positive outcomes and allow the leader to predominately express genuine emotion.

### **Emotional Displays and Dissonance**

It is important to understand the impact of these emotional display methods on leaders. If the required display rules are not in line with the leader's genuine emotions, he or she is required to engage in surface acting or deep acting. Although using surface acting can be effective, it results in detrimental effects on leaders such as emotional exhaustion and depersonalization (Humphrey, 2008). In their quantitative review of the effects of performing emotional labor on service workers, Bono & Vey (2005) found a link between emotional exhaustion and discrepancies between felt and expressed emotions. Thus, the greater the emotional dissonance,

or distance between what leaders and managers feel and what they must express, the greater the level of emotional exhaustion. Thus, of the three emotional labor strategies, surface acting results in the highest level of emotional dissonance. Further, surface acting is shown to relate negatively with authenticity, indicating that others are able to perceive when someone is faking emotions (Brotheridge & Lee, 2002). This loss of authenticity may be relevant to leadership perceptions. In general, the emotional dissonance created by the distance of one's true feelings and their outward emotional displays is generally associated with negative outcomes (Bono & Vey, 2005), making more genuine strategies for displaying emotion preferable. For this reason, this dissertation focuses primarily on the emotional labor strategy of genuine emotion and its outcomes in the entrepreneurship context.

More genuine methods of displaying emotions are not associated with these negative outcomes. For example, deep acting is shown to be related to positive outcomes such as personal accomplishment and negatively related to depersonalization (Brotheridge & Lee, 2002). Further, Ashforth and Humphrey (1993) proposed that more genuine displays of emotion can lead to increased identification with one's work, making the expression of emotion more enjoyable, leading to increased well-being. This is in essence the goal of leading with emotional labor, using genuine emotion to increase productivity and enjoyment at work.

In sum, leading with emotional labor proposes that leaders have a predominant method of displaying emotions at work. Those that use emotional labor to influence subordinates will be more effective. Further, those that use a genuine method of performing emotional labor will be more effective as leaders than those faking emotions (e.g., surface acting), while experiencing higher levels of well-being in the process. These positive effects manifest themselves through genuine emotional expression as compared to leaders using surface acting predominantly. These

genuine emotional displays affect the attitudes of subordinates which lead to positive firm outcomes such as performance.

## **Synthesis**

The hypotheses herein intend to test the concepts of leading with emotional labor, associated with genuine emotion. They explain how leader affective behavior influences entrepreneurial performance similar to that proposed by Baron (2008) by showing that leaders' (entrepreneurs') emotional displays (displays of affect) influence the general attitudes in the subordinate and firm performance in Figure 2.

\*\*\*\*\* Insert Figure 2 About Here \*\*\*\*\*

The primary purpose of this study is to build upon the suggestion by Baron (2008) that the affect of entrepreneurs can lead to positive outcomes, such as those studied in entrepreneurship. Here affect should affect subordinates through the process of emotional contagion. Thus, when an entrepreneur displays positive or negative affect it will influence the attitude of subordinates through emotional contagion causing subordinates to “automatically mimic and synchronize expressions, vocalizations, postures, and movements with those of another person’s [the entrepreneur] and consequently to converge emotionally” (Hatfield et al., 1993, p. 153-154). Through emotional contagion, emotional displays can spread throughout organizations and influence behavior of its members (Barsade, 2002). Empirical research shows that this effect is more pronounced for leaders than others within organizations because subordinates focus their attention on leaders (Sy et al., 2005). Through emotional contagion, the affect of the entrepreneur can influence how followers feel (George, 2000). Hence, if an entrepreneur uses genuine emotion effectively to influence the attitude of subordinates, he or she



should have more committed and satisfied employees, if the leader is displaying these characteristics him or herself.

Affect is linked to several positive work outcomes. Cropanzano et al. (1993) found support for the link between affect and global satisfaction. Affect is linked to withdrawal behaviors such as turnover intentions (George & Bettenhausen, 1990). And, affect is shown to moderate the relationship between support and creative performance (Madjar, Oldham, & Pratt, 2002). Here creative performance is especially relevant in this context due to the weak situations often encountered by entrepreneurs (Markman & Baron, 2003). Indeed creativity should be considered crucial to solving the novel problems entrepreneurs encounter in their quest for their ultimate performance/effectiveness goal of survival (Shane, 2008), as proxied herein as firm performance.

Thus, entrepreneurs who successfully use emotional labor to influence the attitudes of their subordinates should expect to see the desirable effects associated with positive affect. Here, in line with the work of Baron (2008), the behavioral process of influencing the emotions of subordinates, through leading with emotional labor, should result in desirable firm and subordinate outcomes.

To bring as much clarity as possible to this situation, I intend to test whether the genuine emotion of an entrepreneur affects firm performance directly and through employee attitude. This relationship will support the propositions of Baron (2008) that a mediator may exist between emotion and entrepreneurial success. Ashforth and Humphrey (1993) define the emotional labor strategy of genuine emotion as the “genuine experience of expected emotion” (p. 94). Here expected emotions are those that comply with display rules which are a function of

societal, occupational, and organizational norms. Thus, in an ideal situation, the genuine emotions of a leader (entrepreneur) align with the emotions expected of them by their organization and society. Further, it is shown that authentic emotional displays lead to higher levels of positive affect (Hennig-Thurau et al., 2006).

When properly aligned, leader genuine emotion can positively influence the attitude of subordinates (W. L. Gardner, D. Fischer, & J.G. Hunt, 2009b; Hunt et al., 2008). Hunt et al. (2008) elaborate upon this point by describing how using genuine emotion is challenging for leaders. This is because the display rules leaders must follow, in order to express appropriate emotions, are a function of societal norms, occupational norms, and organizational norms (Ashforth & Humphrey, 1993); thus, appropriateness can be a difficult goal to achieve. Additionally, appropriate leader emotions are a function of situational requirements and leader behavior (Hunt et al., 2008). To achieve a favorable impression by followers, a leader's genuine emotion should match both overall general display rules and the display rules specific to the situation at hand (Hunt et al., 2008).

The propositions by Gardner et al. (Gardner et al., 2009a) on this subject relating to the outcomes of leader's use of genuine emotion are summarized here. He shows that when a leader's genuine emotions are consistent with display rules, they lead to positive outcomes, such as favorability of follower impression, perceived authenticity, leader felt authenticity, trust in leader, and leader well-being. These propositions are consistent with other works on emotional labor, in general, such as Brotheridge and Lee (2002) and Shulei and Miner (2006). Gardner et al. (2009a) also propose that genuine leader emotion can lead to negative outcomes such as low favorability of follower impression and low trust in leader when these emotions do not match display rules. Ashforth and Humphrey (1993) acknowledge this by recognizing that not all

genuine emotions comply with display rules. Further, not all genuine emotions are considered either desirable or a form of emotional labor.

Gardner et al. (2009a) further explain how display rules encompass audience expectations. Thus to be appropriate, leader emotions should match the expectations of subordinates. To be perceived appropriate leader genuine emotions must be in sync with the expectations of followers. When the genuine emotions of a leader do not match the expectations of followers, they result in the leaders being perceived as out of touch by followers (Gardner et al., 2009a). This can result in leader behavior being perceived as out-of-bounds by subordinates leading to unfavorable impressions and unfavorable emotional reaction by followers (for a similar discussion see, Dasborough, 2006; Dasborough & Ashkanasy, 2002; Simons, 2002).

This discussion is intended to demonstrate how genuine emotional displays by leaders have been proposed to lead to both positive and negative outcomes depending on their appropriateness. Referring to negative outcomes, Hunt et al. (2008) state that “we expect the favorability of audience impressions to be reduced when genuine emotional displays violate situational display rules, since those leaders may be seen as emotionally out-of-touch and lacking in social skills” (p. 51). Table 10, taken from Gardner et al. (2009), further illustrates this point, indicating that genuine displays of emotion by leaders can lead to low follower impression and trust in leader when they are inconsistent with display rules. Further display rules “designate expected emotional presentation by social actors” (Hunt et al., 2009, p. 48), indicating that the expectations of subordinates come into play in determining the outcomes of leader emotional displays. Thus in order to achieve positive outcomes, leaders should use genuine emotions “that are in sync with audience expectations” (Gardner et al., 2009, p. 472) and follow organizational,

occupational, and societal display rules (Ashforth & Humphrey, 1993) all of which are contingent upon situational requirements.

The key point of this study, with concern to leader genuine emotional displays, is that the direction of effect for genuine emotion is dependent on whether or not it “corresponds” to display rules, situational requirements, and expectations of appropriate behavior. Thus “correspondence” should lead to favorable outcomes and a lack of “correspondence” should lead to negative outcomes. In other words, what is positively related to favorable outcomes is not merely the display of genuine emotion but the display of appropriate genuine emotion in alignment with display rules. Inappropriate genuine emotional displays by leaders should be negatively related with favorable outcomes.

The hypotheses presented herein describe the positive and negative effects of genuine emotion just mentioned. A positive indirect effect of genuine emotion on firm performance through subordinate general attitude and a negative direct effect of genuine emotion on firm performance are hypothesized, representing the “correspondence” and lack of “correspondence” just mentioned. As of the date of this study, the researcher is not aware a measure for appropriate emotional displays to represent this “correspondence.” For this reason the preceding theoretical discussion is used to interpret the findings of this study. The indirect and direct paths between leader genuine emotion and firm performance likely represent the difference between positive emotions, such as enthusiasm and appreciation, and negative emotions such as anger.

Leaders’ use of the emotions they genuinely feel can, when used correctly, positively influence their subordinates. Entrepreneurs are generally motivated by their business enterprises and thus are likely to feel enthusiastic about their jobs, as theorized by Dodd (2002), Cardon et

al. (2009; 2005), Cope (2005), and Hannon (2006). Thus they should be expected to normally display enthusiastic, positive emotions. Moreover, entrepreneurs likely want to improve the motivation of their employees and may genuinely feel the urge to express positive appropriate emotions to employees and customers. Although genuine emotions may result in negative outcomes, when they violate display rules, situational requirements, and expectations proper alignment of leader genuine emotion should result in a positive influence on the attitude of subordinates as formally stated in the following hypothesis.

- H1. Leader genuine emotional displays that align with display rules, situational requirements, and subordinate expectations, will be positively related to subordinate general attitude.

Predictors of subordinate attitude are also supported as predictors of effectiveness. In their well known meta-analysis, Judge, Thoresen, Bono, and Patton (2001) found the correlations between satisfaction and individual performance to be .30. Commitment is linked positively to performance and negatively with turnover (Allen & Meyer, 1996; Meyer, Stanley, Herscovitch, & Topolnytsky, 2002). Thus subordinate attitudes can be seen as indicators of entrepreneurial effectiveness at the firm level, manifesting itself as firm performance, as stated in the following hypothesis.

- H2. Subordinate general attitude will be positively related with firm performance.

The next two hypotheses herein empirically test the supposition from Baron (2008) that affect plays a key role in the entrepreneurial process. Here the model presented in Figure 3 is tested where employee general attitude mediates the relationship between the genuine emotional of the entrepreneur and firm performance. It is argued herein that mediation occurs when

leaders' genuine emotional expressions comply with social expectations and improve employee morale. In their meta-analysis, Judge and Kammerer-Mueller (2008) found support that positive mood does lead to increased performance. However, leaders' genuine emotional expressions such as irritation, anger, or frustration are in conflict with the social expectation to treat employees with consideration and would not improve employee attitudes and positively influence performance. Thus we expect mediation because only those leader genuine emotions that improve employee morale would improve performance. Leader genuine emotions, like anger or irritation, which do not improve employee morale, may even be harmful. All considered, it is asserted herein that genuine emotion has a positive effect on the general attitude of subordinates which, in turn, has a positive effect on firm performance, as stated in the following hypothesis.

H3. Subordinate general attitude mediates the relationship between leader genuine emotion and firm performance.

The discussion now turns to the possible negative effects of genuine or natural emotions on performance. As noted earlier, Hunt et al. (2008) illustrate how, to be effective, genuine emotion should match display rules. Further, Gardner et al. (2009) proposed that genuine leader emotional dissonance, this discrepancy between leader genuine emotion and display rules, can lead to negative outcomes such as low follower impression and low trust in leader. Humphrey (2002) was one of the first to identify managing subordinate mood as a key duty of leaders. He proposed that managers can either add to or reduce the frustration and optimism of subordinates with emotional displays. When looking at leadership specifically, McColl-Kennedy and Anderson (2002) found leadership to have a significant positive correlation with optimism and a significant negative correlation with frustration. Thus it is reasonable to assume that emotional leadership plays a role in this process.

Leader behavior can be viewed as an affective event influencing the behavior of those around a leader. Weiss & Cropanzano (1996) point out that affective states can influence behavior. Thus leader emotional displays can affect their subordinates. When these reactions are out-of-bounds or out-of-touch with subordinate expectations and display rules they can have a negative effect on performance. Thus when leaders abuse their authority and display unacceptable genuine emotions there are repercussions for performance. Indeed, Humphrey (2000) notes that certain environmental conditions and job characteristics can overwhelm leaders leaving them incapable of conforming to display rules. For example, the economic downturn of the past few years may result in pressure on entrepreneurs that cause them to genuinely feel negative emotions, they are unable to regulate, which has a downward influence on their firm.

Here it is argued that when environmental factors, job characteristics, or inappropriate use of authority result in a leader displaying genuine emotions that are either negative or outside the bounds of what is considered acceptable, thus not “corresponding” to display rules, firm performance will suffer. For this reason, the following hypothesis is presented:

H4. Leader genuine emotion, that does not align with display rules, situational requirements, and subordinate expectations, will have a negative direct influence on firm performance, after controlling for its indirect effects through subordinate general attitude.

The hypotheses presented herein test the relationships proposed in Figure 2. This model is designed to represent the key propositions of “leading with emotional labor,” concerning genuine emotion, as extended by Humphrey and colleagues (2008). Building upon the work of Baron (2008) it is proposed that affect influences the relationship between entrepreneur behavior

and desirable firm outcomes. I use the tenants of “leading with emotional labor” to describe how some entrepreneurs manipulate and/or communicate affect through the mechanism of emotional contagion, in order to obtain desirable entrepreneurial outcomes that indicate entrepreneurial effectiveness. This test in an entrepreneurial setting is appealing because the concepts of “leading with emotional labor” may be more pronounced in stressful situations such as those frequently encountered by entrepreneurs.



## Chapter 4: Methods and Procedures

### Sample

The researcher designed a survey for business owners and their subordinates composed of several previously validated scales. Together these items comprise a methodology that measures perceptions of entrepreneurs and their subordinates concerning various concepts related to the study of affect in entrepreneurship and organizational behavior. Each potential respondent (entrepreneur) received a packet of surveys. The packets included one leader survey (Appendix A.) and three subordinate surveys (Appendix B.). A cover letter was included in each packet explaining the purpose of the study (Appendix C.), four self-addressed stamped envelopes (one for each respondent per packet), and directions for completion (Appendix D.). Each packet includes a statement indicating that the leader survey should only be filled out by the proprietor and the subordinate surveys should be given to three subordinates along with one return envelope each.

A total of 324 survey packets were distributed for this study. Surveys were distributed through the small business institute of a large southeastern university, personal contact with a loose association of trade and service entrepreneurs in North Carolina, and personal contact with local entrepreneurs in the greater Richmond, Virginia area.

Of the 324 survey packets distributed, responses were received for all or part of 105 packets, resulting in a response rate of 32.4 percent. Responses were received from 105 individual entrepreneurs and 147 subordinates; of these, 65 firms returned one entrepreneur survey and one subordinate survey, 38 returned one entrepreneur survey and two subordinate surveys, and two firms returned one entrepreneur survey and three subordinate surveys (Table 4).

These responses resulted in 252 usable responses and 147 leader-follower dyads. There was one instance where an entrepreneur completed the subordinate survey; this response was not included in the analysis.

Respondents ranged in age from 18 to 66 with a mean leader age of 48 and mean subordinate age of 34. Seventy-nine percent of leaders were male while 50 percent of subordinates were female. With regard to ethnicity, leaders were 92.5 percent Caucasian, 4 percent Asian, 2 percent African American, and less than 2 percent other. Subordinates were 83.7 percent Caucasian, 9.5 percent African American, 3.4 percent Hispanic, 2.7 percent Asian, and less than 1 percent other.

It is important to note the economic conditions present during the sampling for this study. Responses were obtained during an economic downturn. It is possible that these extreme environmental conditions could have consequences on the responses obtained. For instance, some leaders may feel and express genuine negative emotions like frustration, irritation, and anxiety more frequently than under normal economic conditions. Thus, if the current study took place under different economic conditions results may differ.

## **Procedures**

## **Measures**

### **Leader**

*Surface Acting.* The emotional labor strategy of surface acting is measured using a modified version of the seven items of the surface acting scale developed by Diefendorff et al. (2005). Five of these items were originally modified from Grandey's (2003) surface acting scale

and two from the emotional dissonance scale of Kruml and Geddes (2000). In this study, items were modified to fit the contexts encountered by entrepreneurs and to assess the entrepreneurs' propensity for surface acting. A typical example follows: "I fake a positive mood when interacting with my employees." Participants responses are scored on a 5-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). The calculated coefficient alpha for this scale in this study is .88.

*Deep Acting.* The emotional labor strategy of deep acting is measured using Diefendorff et al.'s modified version of three items from Grandey's (2003) deep acting scale and one item from Kruml and Geddes' (2000) emotional effort scale. In this study, items were modified to fit the contexts encountered by entrepreneurs and to assess the entrepreneurs' propensity for deep acting. A typical example follows: "I try to experience the emotions I must show to my employees." Participants responses are scored on a 5-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). The computed coefficient alpha for this scale is .92.

*Natural/Genuine Emotion.* The propensity of an entrepreneur to use natural or genuine emotion when interacting with employees is assessed using the scale from Diefendorff et al. (2005). This scale consists of three original items and one adapted from Kruml and Geddes (2000). In this study, items were modified to fit the contexts encountered by entrepreneurs. A typical example follows: "The emotions I express to my employees are genuine." Participant responses were scored on a 5-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). The computed coefficient alpha for the scale in this study is .88.

Firm Performance

Much effort was put into subjective firm performance scale selected for this study. Several different subjective performance scales were considered (Dess & Robinson, 1984; Lumpkin & Dess, 1996; McDougall, Covin, Robinson, & Herron, 1994; Tang, Tang, Marino, Zhang, & Li, 2008; Wang, 2008). Based on a review of the top entrepreneurship journals it appears that Dess and Robinson's (1984) three item scale is considered the criterion of subjective performance measures in the field of entrepreneurship. This scale asks entrepreneurs to rate their firm performance over the past year on three dimensions (sales, assets, and overall performance) to similar firms in their region. Entrepreneurs responded on a ten item scale ranging from 1 (lowest) to 10 (highest). The computed coefficient alpha for the scale in this study is .86.

#### Subordinate

*Subordinate General Attitude.* The general attitude of subordinates is measured with three variables *intention to quit*, *job satisfaction*, and *affective commitment*. Intention to quit is measured using three items used by Bishop, Scott, and Burroughs (2000). Two items were originally taken from Cammann, Finchman, and Kless (1979), the third was originally modified from Landau and Hammer (1986). An example item is "I often think about quitting." Participants responded on a 7-point Likert scale ranging from 1 (very inaccurate) to 7 (very accurate). This item was reverse scored. The computed reliability of the measure in this study is .94.

Job satisfaction is measured using 3 items from Caman, Finchman, Jenkins, and Klesh's (1983) measure. Items from this scale ask respondents to rate how they feel about aspects of their job such as "All in all, I am satisfied with my job." Participants responses are recorded on a 5-point Likert scale ranging from 1 (very dissatisfied) to 5 (very satisfied). The computed coefficient alpha for the scale in this study is .63.

Affective commitment is measured using eight items from the affective commitment scale (ACS) developed by Allen and Meyer (1990). An example item is "I enjoy discussing my organization with people outside of it." Participant responses are recorded on a 7-point Likert scale ranging from 1 (strongly disagree) to 7 (strongly agree). The computed coefficient alpha for the scale in this study is .88.

#### Additional Descriptives

Additional variables such as tenure with current organization, firm age, firm size, and industry were recorded. Leader tenure ranged from one to 41, with a mean of 15. Subordinate tenure ranged from one to 26, with a mean of seven. Firm age ranged from one to 98, with a mean of 17. Firms ranged in size from one to 190, with a mean of 15. Leaders were given six options when categorizing their industry. 56.5 percent reported service, 21.8 percent reported retail, 12.9 percent reported manufacturing, 4.8 percent reported construction, 1.4 percent reported wholesale, and 1.4 percent reported other. Leaders were given the following four options to report how their business was obtained: founded, inherited, purchased, other. Respondents indicated that 79.6%, 7.5%, and 12.9% obtained their business through founding, inheritance, and purchase respectively

## Chapter 5: Results

### Confirmatory Factor Analysis

The data in this study is analyzed with structural equation modeling (SEM) using the software program LISREL. Before conducting the primary analysis some preliminary validation is needed. For this reason, confirmatory factor analysis (CFA) was performed for the constructs included in this study. This was conducted to confirm that factor structure of genuine emotional labor, subordinate general attitude, and firm performance.

A CFA for the latent variable genuine emotional labor was conducted to determine if the three items used to represent this construct were consistent and appropriate. The three items fit well, resulting in a saturated model. The latent variable of genuine emotional labor explained .78, .91, and .80 of the variance in genuine emotion (see Figure 4), indicating that each latent variable explains a substantial amount of variance in each item. All three items were significant at the .05 level.

\*\*\*\*\* Insert Table 5. About Here \*\*\*\*\*

A CFA for the latent variable subordinate general attitude was conducted to determine if the three indicators of job satisfaction, intention to quit, and affective commitment fit the data well. Table 6 summarizes the fit indices of the alternative models tested to confirm the factor structure of this latent variable. The first CFA was performed with a three factor structure consisting of job satisfaction, affective commitment and intention to quit. This structure did not fit the data well according to the specifications outlined by Klein (2005) and Burnette and

Williams (2005). Specifically, the most common fit indices (Williams & O'Boyle, 2008), CFI and RMSEA were outside the bounds of what is considered acceptable, .86 and .21 respectfully. Due to these findings, alternative models were explored, Table 5 summarizes these findings.

Because the affective commitment items included reverse scored items, it is possible that these items were affecting the fit of the model. For this reason, a CFA was performed on a model with a reverse and positive method factor (Figure 5). This model fit the data well. As Table 6 indicates, this model resulted in a CFI of .97, NFI of .94, and RMSEA of .098. This structure is used in the full model analyzed in this study.

Next, a CFA for the latent variable subjective firm performance was performed to determine if the three items corresponding to sales growth, return of assets, and overall firm performance representing the construct were consistent and appropriate. The three items fit well, resulting in a saturated model (Figure 6). The latent variable of firm performance explained 1.00, .74, and .69 of the variance of sales growth, return on assets, and overall firm performance respectfully, indicating that the latent variable explains a substantial amount of the variance in each item. All three items were significant at the .05 level.

### Model Construction

The main analysis is conducted in a manner consistent with the six step procedure outlined by Klein (2005). Step one of this process is to specify the model. This involves creating two graphical representations a priori. The first is a path model linking latent variables to each other and a second structural model that is more specific, with additional paths linking indicator variables to their latent variables (Figure 3.). Figure 2 represents the path model. It graphically represents the latent variables of interest in this study. For instance, genuine emotion is an

exogenous variable directly related to firm performance and the latent variable of subordinate general attitude which has a direct relationship with the latent variable firm performance. As depicted in the structural model, Figure 3, each latent variable is reflected by three or more indicator variables, as recommended by Burnette & Williams (2005).

Step two involves identifying the model. This is accomplished by demonstrating that the model results in one unique set of estimates. In doing so, it is necessary to establish that the model has zero or more degrees of freedom. Degrees of freedom are calculated based on the number of elements in the covariance matrix less the number of estimated parameters. Based on the aggregation methods used in this study, the covariance matrix of the proposed model consists of 10 elements and the model in Figure 3 includes 13 estimated parameters, resulting in 32 degrees of freedom. Because the calculated degrees of freedom are not negative, it is not necessary to fix any variable for the purpose of identification. These procedures result in one unique estimate for each parameter and the model converges.

The third step in Klein's (2005) process involves preparing for analysis. The measures selected and data collections procedures for this study are outlined in an earlier section. The collected data was screened for issues such as random responding, missing responses, and outliers. Distributions and box plots were analyzed for responses on each item and respondent to identify any response issues or data input errors. Any input errors, such as a response of 6 for a scale ranging from 1 to 5, were corrected. Although some responses appeared to deviate more than others from the mean on the item level, none consistently deviated on a respondent level, indicating that there were no clear violations with concern to random responding.



Indicators are aggregated and parceled in accordance with the methods of relating latent variables to indicators outlined by Williams (2010). As depicted in figure 3, the indicators of genuine emotion use the total disaggregation method.

Indicators of subordinate general attitude are aggregated according to the structure identified from the CFA performed on this latent variable. The total aggregation method was used for intention to quit and job satisfaction. This is first justified by CFA and because there are few (three) items for these indicators and the two constructs are considered to be unidimensional. This model of total aggregation is further justified because it does not require a large sample size and the model has ample degrees of freedom so there is no need to inflate the degrees of freedom for identification. The responses for intention to quit were reverse scored from the original responses.

The subordinate general attitude item of affective commitment was split into two parcels. This form of aggregation was chosen because the CFA for this latent variable shows there was both a positive and negative method factor because of the reverse scoring of four of the eight affective commitment items. For this reason, one parcel, affective commitment positive, is composed of positively worded affective commitment items and the other parcel, affective commitment negative, is composed of the negatively worded affective commitment items.

Indicators of firm performance used the total disaggregation method. Each of the three items from the Dess & Robinson (1984) subjective performance scale is used as separate indicators of this latent variable. These three items represent sales growth, return on assets, and overall firm performance respectively.

\*\*\*\*\* Insert Figure 7 About Here \*\*\*\*\*

\*\*\*\*\* Insert Figure 8 About Here \*\*\*\*\*

Next the model is evaluated. Here analysis is conducted, and the procedures identified by Mulaik and Millsap (2000) designed to ensure structural parameter estimates are accurately estimated is followed. Evaluation of the model involved several facets designed to examine the overall model fit and each parameter estimate (Kaplan, 2000). The z-value of each parameter estimate is evaluated to determine if the parameter is different from zero, thus significant. The magnitude of the obtained chi-square value is assessed, with a low score indicating small residuals and relative good fit. The most common fit indicators such as RMSEA and CFI is assessed (Williams & O'Boyle, 2008). Competing models (discussed below) are compared using a chi square difference test and other overall fit indices such as SRMR and RMSEA (Anderson & Gerbing, 1988).

\*\*\*\*\* Insert Table 8. About Here \*\*\*\*\*

As depicted in Figure 8, the proposed model shows entrepreneur genuine emotion affecting subordinate general attitude which affects firm performance. The analysis shows that this model fits the data relatively well. All indicators are significant predictors of their latent variables. Further, each indicator represents a substantial amount of variance in its respective latent variable. These values range from .63 for job satisfaction to 1.0 for performance item one (sales growth). Further, the fit indices for this model indicate the model fits the data well,  $X^2 = 81.19$ , CFI = .94, NFI = .91, NNFI = .92, RMSEA = .09, SRMR = .10. Table 8 summarizes these results.

Next we turn to the path coefficients of the proposed model to test the hypotheses presented herein. As Figure 8 indicates, the path coefficient of the gamma matrix from genuine

emotion to subordinate general attitude is significant. With a value of .38 this is a moderate to high coefficient. This provides support for hypothesis one which states that the genuine emotion of the entrepreneur is positively related to the general attitude of their subordinate. These results are corroborated by the regression results presented in Table 6. Here, it is shown that there is a significant ( $p < .05$ ) correlation for entrepreneur general emotion with the subordinate variables of intention to quit, overall affective commitment, and both affective commitment parcels; the correlation with job satisfaction is significant at the  $p < .10$  level.

To investigate hypothesis two, the path in Figure 8 between subordinate general attitude and firm performance is explored. The path coefficient between these two latent variables is moderate at .19 and significant at the  $p < .05$  level. This provides support for hypothesis two. Turning to the regression results in Table 6, all three subordinate general attitude items have significant correlations of .20, .19, and .19 for intention to quit, job satisfaction, and affective commitment respectively. These significant correlations seem to support hypothesis two that there is a positive relationship between subordinate general attitude and firm performance.

To provide clarity for evaluating hypothesis three, the proposed model is compared to an alternative model (Figure 7.). The mediated relationship is examined in a manner consistent with the methods outlined by Williams (2010) and Demerouti (2004). An alternative model is presented identical to the proposed model presented in Figure 8 except for the direct path between leader genuine emotional labor and firm performance, thus a fully mediated model. This alternative model is specified and identified in the same manner as the original proposed model. All parceling is consistent with the proposed model.

The alternate model represents a relationship where subordinate general attitude fully mediates the relationship between leader genuine emotion and firm performance (Figure 7). The proposed model represents a relationship where subordinate general attitude partially mediates the relationship between leader genuine emotion and firm performance (Figure 8). Thus the difference in the two models is the direct path between leader genuine emotion and firm performance.

The two models were first compared using a chi-square difference test. The alternate fully mediated model resulted in 33 degrees of freedom and a chi-square of 89.85. The proposed partially mediated model resulted in 32 degrees of freedom and a chi-square of 81.19. A chi-square difference test revealed that the difference did exceed the critical value necessary to indicate that the proposed model is a significant improvement over the alternate model. Additionally, the fit indices (Table 8) of the two models were examined in accordance with the suggestions of Williams (2010) and do not invalidate the findings of the chi-square difference test.

These findings show that the proposed, partially mediated, model is an improvement over the alternate fully mediate model. We now look at the path coefficients of the proposed model to test hypothesis two. In this model we see the relationship between subordinate general attitude and firm performance is positive, significant, and of moderate magnitude, thus providing support for hypothesis two.

Finally, hypotheses three and four propose that subordinate general attitude partially mediates the relationship between leader genuine emotion and firm performance. Referring to the alternate model (Figure 7) it is shown that the path between leader genuine emotion and

subordinate general attitude is significant but not the path between subordinate general attitude and firm performance. This finding and the comparison of the alternate fully mediated model with the partially mediated proposed model both fail to support that a fully mediated relationship is a significant improvement.

The chi-square difference test conducted earlier shows that the proposed model is a better fit with the data and the fit indices (Table 8) show the model fits the data well. When interpreting the path coefficients it is shown that the partially mediated model fits the data well. Here both gamma paths and the beta path are significant. In support of hypothesis four the direct path between leader genuine emotion is of the opposite sign than the indirect path. This may explain why the bivariate correlation (Table 6.) between genuine emotion and firm performance is small and non-significant. The indirect effect of leader genuine emotion on firm performance is .07, the direct effect is -.26 resulting in a total effect of -.19. Interpretation of these findings is given in the following chapter.

One additional alternative model is explored. Diefendorff et al. (2005) found support for three distinct methods of performing emotional labor, specifically surface acting, deep acting, and genuine emotion. Although this study focuses exclusively on the method of genuine emotion specific to leaders and its effects of both subordinates and firm performance, it is of value to see how the model proposed herein compares to an alternative model including all three forms of performing emotional labor.

\*\*\*\*\* Insert Table 9 About Here\*\*\*\*\*

To conduct this model comparison, a CFA was first performed to verify the factor structure identified by Diefendorff et al. (2005). This CFA included surface acting, deep acting,

and genuine emotion. Parameters were specified in a manner consistent with those in the originally published factor structure (Diefendorff et al., 2005). Items were assigned in accordance with the description provided in the “measures” section of this paper. In accordance with Diefendorff et al. (2005) the error variances of two deep acting items were allowed to freely correlate. The results of this CFA are presented in Table 9 along with the fit indices of alternate factor structures. This analysis shows that the original three factor structure proposed by Diefendorff et al. (2005) fit the data best.

The model constructed with the three factor structure of emotional labor did not fit the data well. This model resulted in a chi-square of 348.65, 128 degrees of freedom, RMSEA of .11, and CFI of .92. These fit indices are outside the bounds of what is considered to indicate adequate model fit. Additionally, all four paths in the proposed path model were not significant. Altogether the results of this structure show that both the fully mediated model originally proposed and the alternate partially mediated model in this study, both of which used genuine emotion as the sole exogenous variable, fit the data better than the three factor model.

Finally, an additional analysis was performed to analyze if nonindependence issues were present in this study. Leader subordinate dyads were used in this study. Sixty-nine percent of these dyads consisted of only one leader and only one subordinate from the same firms. Thirty-eight percent of these firms consisted on one leader linking to two or three (only two cases) subordinate ratings. It is possible that these multiple subordinate dyads are not independent. To determine this study’s sensitivity to such issues the partially mediated model presented herein was rerun. This additional model was run identically to the proposed model but excluding dyads where one leader matched to two or more subordinates. This modified model resulted in an n of 65 independent dyads. The resulting model fit the data well with a RMSEA of .095 and CFI of

.94. All gamma and beta paths were in the same direction and of the same relative magnitude as the proposed model. These results are interpreted to indicate that nonindependence does not present undue effects on the results of this study.

## Chapter 6: Discussion

One of the key contributions of this study is to provide a much needed empirical test to the area of emotion in entrepreneurship. The vast majority of work in this area has been theoretical up to this point, as Table 1 Shows. While theoretical groundwork is crucial to the cumulative growth of knowledge, empirical evaluation is also necessary to validate these theories. The following discussion highlights the key findings of this study in these areas.

Most notably the results of this study substantiate much of the work by Baron (2008). He stated that “affect, because of its pervasive effects on many aspects of cognition and behavior, does indeed influence key aspects of the entrepreneurial process” (p. 337). He goes on to describe how there must be some link that ties individual characteristics or dispositions to important entrepreneurial outcomes such as firm performance. With a sample of entrepreneurs and their employees this study finds general support for his theories on this topic.

It is found that the emotional behavior of an entrepreneur with regard to displaying genuine emotion, has a significant effect on both the attitude of their subordinates and firm performance. Further, subordinate attitude, based on reflective affective measures, influences firm performance. These results demonstrate the pervasive effect of emotion in entrepreneurship that Baron (2008) speaks of. The model presented herein is full of emotion, specific to the leader and subordinate, suggesting how the emotions of the leader spill over to both effect subordinate attitude and firm performance.

The proposed model (Figure 8) shows emotion to have both positive and negative effects with regard to the effect of genuine emotion, which is consistent with the works of Ashforth and Humphrey (1993), Hunt et al. (2008), and Gardner et al.(2009a). The authors proposed that the



genuine emotion of leaders can have both positive and negative effects. They outlined how emotions that align with display rules will result in positive effects and emotions that do not align with display rules will result in negative effects. The results of this study are interpreted to substantiate these claims.

The effects of genuine emotions of the leader on subordinate attitude, in this study, are shown to be positive leading to a positive effect on firm performance. It is likely that these positive effects are the results of genuine emotional displays that align with display rules and the subordinate expectations. Thus when entrepreneurs display appropriate emotions, such as concern, encouragement, and sympathy, this will have a positive effect on subordinate attitude. The results herein that show an increase in subordinate affect leads to increased firm performance substantiates the claims by Baron (2008) that individual entrepreneurial behaviors can have an indirect effect on firm performance.

The model supported in this study also shows the genuine emotion of the entrepreneur to have a negative direct effect on firm performance, after controlling for indirect effects on firm performance. It is interpreted herein and consistent with the propositions of "leading with emotional labor," that this direct path is the result of genuine emotional displays by entrepreneurs that do not comply with display rules which leads to perceptions of their behavior as being out-of-bounds and out-of-touch (see, Gardner et al., 2009a; Hunt et al., 2008) with the expectation of society, occupational members, and his or her organization (see, Ashforth & Humphrey, 1993). Genuine leader emotions, such as anger, hostility, and aggression, that do not match situational requirements and display rules result in negative outcomes. This may be the result of leaders becoming overwhelmed by environmental conditions and job characteristics,

causing them to act out emotionally in an inappropriate manner (hostility, anger, aggression), as described by Humphrey (2000).

Emotional outbursts from feeling overwhelmed may be the result of poor person-entrepreneur fit (Markman & Baron, 2003). Thus, entrepreneurs whose natural abilities do not match well with the role of entrepreneur may become more easily overwhelmed than others, resulting in more out-of-bounds behavior which can effect firm performance. These resulting emotions can hinder the entrepreneurial process because negative affect is shown to hinder opportunity exploitation and evaluation in entrepreneurs (Grichnik et al., 2010). Further, inappropriate emotions and out-of-bounds behavior can be viewed by those inside and outside the firm as signals relaying information about the firm (see, Clarke, 2011). Negative emotion may signal to stakeholders that things are not going well, possibly making resource acquisition more difficult. It is theorized that positive emotions can draw others to support the entrepreneurial process (Goss, 2008). Conversely, it is possible that negative emotions may push others away from the entrepreneurial process, which may partially explain the negative relationship between genuine emotional labor and firm performance.

This study also refines the findings of McColl-Kennedy and Anderson (2002). They found that, in general, transformational leadership has a negative correlation with frustration and a positive correlation with optimism. The present study seems to indicate that the emotions leaders display may be a substantial component of what McColl-Kennedy and Anderson (2002) define as leadership. Thus out-of-bounds behavior by leaders may lead to the frustration and appropriate behavior may lead to the optimism McColl-Kennedy and Anderson (2002) speak of. In the present study optimism may be a component of what leads to positive indirect

performance implication for firm performance and frustration may be a component of what leads to negative direct performance implication for firm performance.

#### Leading with emotional labor

These findings on the effect of leader genuine emotion on firm performance through subordinate attitude also support the concepts by Humphrey (2002) of leaders as mood managers and many of the propositions by Humphrey and colleagues (2008) concerning the concept of “leading with emotional labor.” The results of this study, which show a strong significant correlation between genuine leader emotion and subordinate attitude, clearly suggests that leader emotions do influence the attitudes of subordinates. Thus, when appropriate, leaders should let their true emotions show. This is especially true for the entrepreneurs. Entrepreneurship is understood to be an emotional process for the entrepreneur (Baron, 2007; Cope, 2005; J. J. Goss & John, 2011). Further, entrepreneurs are seen to have a nurturing relationship with their firm, much like parents with their children (Cardon et al., 2005). As long as entrepreneurs do not abuse their authority or lack the required abilities, their genuine emotions should match well with those required of their role. Thus entrepreneurs should let their emotions flow and become contagious to their employees, thus managing the mood and tone of their organizations.

This study also validates many of the propositions outlined in the theory of “leading with emotional labor” (Humphrey et al., 2008). For one, this theory proposes that leaders who successfully influence the moods of subordinates are more effective. This influence is exerted through mood management, of self and follower, resulting in increased performance. The results of Figure 8 provide support for these propositions. It is demonstrated that leader genuine emotion does result in improved performance through the attitude (mood) of subordinates.

Another key component of the propositions of “leading with emotional labor” is that mood influence must be “successful” in order to have the desired effects. Thus, one can lead with the wrong form of emotional labor. This theory specifies that leaders must exercise judgment and discretion when displaying emotion to have the desired effect. For instance, leaders should not abuse their authority in a way that is damaging to their subordinate’s well-being, such as being overly aggressive, hostile, and disagreeable. Further leaders may often be required to hide their true emotions in times of great stress and uncertainty, and show confidence in order to preserve the mood or affect of followers. Abuse of authority and display of inappropriate emotion, i.e. “leading with the wrong type of emotional labor,” may explain the negative moderate direct correlation between leader genuine emotion and firm performance and provide support for this aspect of Humphrey and colleagues’ (2008) theory.

“Leading with emotional labor” also proposes that identity plays a role in the outcomes of leader emotion. Here identification is seen as a mixed bag. It can lead to positive outcomes for leaders, such as well-being, when this identification with one’s role as a leader (entrepreneur) matches with the requirements of one’s position. This well-being results because identification makes displaying the emotions necessary for one’s position enjoyable, allowing a leader to display their genuine emotions. It may be that identification as an entrepreneur makes it easier for leaders to display the proper emotions thus partially explaining the strong positive relationship between leader genuine emotion and subordinate attitude. This finding seems to support this contention of “leading with emotional labor.”

Further, identification is proposed by Ashforth and Humphrey (1993) and Humphrey and colleagues (2008) to lead to negative outcomes under certain conditions. Specifically, some negative outcomes result when role failure is linked to leader well-being. Thus entrepreneurs

who over identify with this role may suffer decreased well-being when things are not going well within their firm, when environmental circumstances are overwhelming, or when job characteristics make the job difficult . This decreased well-being, as a result of over identification, may manifest itself in out-of-bounds leader behavior. This out-of-bounds of behavior is outside the lines of what is deemed appropriate for “leading with emotional labor.” In stressful situations, where things are not going well, leaders may need to use the emotional labor strategy of deep acting, as proposed by Humphrey et al. (2008). The negative relationship between genuine emotion and firm performance under certain circumstances may be the result of stressful situations, such as the current economic environment. Thus an optimum level of identification is necessary to reap the positive effects of emotional labor, i.e. the mediated path in Figure 8. This is a level where identification makes displaying emotions enjoyable but does not lead to internalization of failure.

#### Comparison models

Finally, two additional models were run to compare the proposed partially mediated model focusing on genuine leader emotion. One model replaced leader genuine emotion with leader surface acting and the other model replaced leader genuine emotion with leader deep acting. The results of the model with surface acting are presented in Figure 9. This model fit the data rather well resulting in a CFI of .95 and RMSEA of .085. All paths are significant. Interestingly, the path from surface acting to subordinate general attitude and firm performance are in the opposite direction of the proposed genuine emotion model.

Figure 10 represents the results of the deep acting model. All beta and gamma paths are significant, the CFI of this model is acceptable at .90, but the RMSEA is just outside the bounds

of what is considered acceptable at .128. As with the surface acting model just mentioned, the paths from deep acting to subordinate general attitude and firm performance are in the opposite direction of those in the proposed partially mediated genuine emotion model.

The results of these two alternate models are interpreted as follows. Both surface acting and deep acting are not genuine forms of emotions because they both involve displaying emotions one does not feel (Hochschild, 1979, 1983). Thus individuals may be able to pick up that these emotions are not genuine, effecting how they are perceived by subordinates. This difference may explain the opposite signs for the relationship between deep acting and surface acting with subordinate general attitude when compared to genuine emotion in the proposed model.

It is explained herein that genuine emotion may have either positive or negative effects depending on display rules, expectations, and situational requirements. It is possible that the same is true for surface and deep acting. We see in the alternate surface acting and deep acting models that both these latent variables have a positive relationship with firm performance (opposite their relationship with subordinate general attitude) which is opposite the relationship shown in the proposed model with genuine emotion. It is possible that these positive effects occur under circumstances where one's genuine emotions are not appropriate, not expected by others, or do not fit situational requirements; where "faking" emotion is used as a strategy of compliance. These results corroborate the recommendations of this study; that, under certain circumstances, leaders should not display their genuine emotions when they do not "correspond" with display rules, situational circumstances, and expectations.

## Future directions

Future research on the influence of leader emotion on follower attitude and firm performance should investigate the impact of discrete emotion on this process. For instance, Glomb and Tewes (2004) developed an instrument, discreet emotion emotional labor (DEEL), designed to measure leader expressions of positive and negative emotion. Researchers exploring this avenue should investigate models, similar to the one presented herein, that evaluate which emotions are linked positively and negatively with firm performance and subordinate attitude. Specifically, are effects different for leaders who generally exhibit negative emotions such as anxiety and irritation than those generally expressing positive emotions such as happiness and liking? This could bring clarity to which emotions are causing the positive and negative effects on firm performance and subordinate attitude presented in Figure 8.

Future researchers should exercise caution in distinguishing between what are positive and negative emotions and what are appropriate emotions. In some situations leaders are required to display negative emotions, such as frustration with poor performance, that are completely appropriate. Indeed, a measure should be developed and tested that distinguishes between appropriate and inappropriate leader behavior when testing these relationships.

Reverse causation should also be investigated in the future. It is possible that negative environmental conditions, such as the current economy or firm performance may cause the negative effects of genuine emotion presented herein. Specifically, future researchers should investigate whether poor firm performance, due to the economy, is causing entrepreneurs to increasingly display negative emotions.

Additionally, future research should investigate the interplay between the findings of this study and leadership theories. Of the top leadership theories currently being investigated in top

tier peer reviewed journals, transformational and authentic leaders should be investigated first. The influence of leader genuine emotion on these theories, specific to leader perceptions, should be explored. Specifically, does displaying genuine emotion result in leaders being perceived as more transformational or authentic.

It is understandable that greater expression of genuine emotion should enhance the four dimensions of transformational leadership identified by Judge and Piccolo (Judge & Piccolo, 2004). It seems that these effects should be most pronounced in the dimension of charisma, which is said to involve appealing to followers on an emotional level. It seems that genuine emotions should be more effective than “faked” emotional displays. Effects should also be seen in the other three dimensions of inspirational motivation, intellectual stimulation, and idealized consideration through enhancing a leader’s ability to articulate a vision, solicit ideas, and attend to follower needs respectively.

Effects of leader genuine emotion expression should also influence follower perceptions of authentic leadership. It is understandable that genuine leader emotions should be intuitively perceived as more authentic than “faked” emotions. With reference to the four factor structure of authentic leadership identified by Gardner, Avolio, Luthans, May, and Walumbwa (2005), genuine emotion should be most pronounced in the dimension of relational transparency. A key component of this dimension is presenting one’s authentic self. Here, genuine emotional displays are perceived as presenting oneself as one truly is. Genuine emotion should relate to balanced processing, internalized moral perspective, and self-awareness through reacting to suggestions genuinely, self-regulating one’s behavior, and displaying stable self-esteem, respectively.



## Practical implications

In their book, *The power of nice: How to conquer the business world with kindness*, Thaler and Koval (2006) outline the importance of being “nice” when interacting with others, suggesting that being nice should be automatic. The findings in this study, of a positive indirect influence of leader genuine emotion on firm performance, seem to support this general concept. It is the recommendation of this study that leaders should make displaying positive emotions to their employees and other stakeholders a habit. This habitual behavior should lead to more genuine emotional displays and enhanced leader effectiveness.

As outlined earlier, there are organizational, societal, and occupational display rules that influence subordinate expectations and therefore determine what behavior is “appropriate” or “inappropriate” for the situation. To the extent possible, leaders should remove restrictive organizational display rules, allowing for the free expression of emotion within their firms. This freedom should lead to a greater use of genuine emotion within their firm fostering the positive outcomes associated with genuine emotions, such as increased identification and well-being; avoiding the negative outcomes associated with the overuse of surface acting, such as depersonalization and emotional exhaustion.

Leaders should only fake emotions when absolutely necessary. This study supports the idea that authentic displays of emotion will have a positive effect on the attitude of subordinates which will enhance firm performance. Thus, in situations where the emotions of the entrepreneur and the displays necessary to perform this role are aligned well, one should let his or her genuine emotions flow. If this alignment is not present or the entrepreneur is overwhelmed by situational constraints, this study provides support to the idea that these genuine displays may be harmful. In these situations it is recommended that a leader use the emotional labor strategy of deep acting.

Building upon this study's findings of a positive relationship between leader genuine emotion and subordinate attitude, it is recommended that leaders take proactive efforts to create positive affective events where they can display positive genuine emotions to subordinates. For instance, leaders should make time for their organization members to engage in purely fun activities, such as company picnics. These types of events can serve to elevate employee attitudes by creating situations where employees and leaders are not required to perform emotional labor to "fake" being happy.

Finally, according to the suggestions on Humphrey (2000), during times of crisis or negative events, it may be necessary for leaders to mask their genuine emotions. For instance, leaders experiencing doubt or anxiety, during times of crisis, should make an effort to display confidence to inspire subordinates. During these events, leaders should use the emotional labor strategy of deep acting or, as a last resort, surface acting to display emotions that are more positive than what they actually feel. Thus, through emotional contagion, these positive emotions should increase subordinate feelings of confidence and optimism.

### Limitations

It is possible that the economic downturn of the past few years affects the generalizability of these results. The unusually high levels of stress felt by the entrepreneurs sampled in this study may have caused them to express more negative emotions than usual. These entrepreneurs may feel themselves to be in a crisis during this downturn causing them to express their worries and doubts to others more frequently and openly. One entrepreneur stated that "38 businesses have closed in Carytown [her business area] in the past two years." Statements like these made to

stakeholders would not be common during normal economic conditions. As discussed herein, such statements may have negative effects on both subordinate attitude and firm performance.

The cross-sectional nature of this study is a further limitation. Because respondents were only contacted at one point in time, it is inappropriate to make strong claims of outcomes to genuine emotions based solely on this data. Subsequently, this study is unable to determine the effects of outside events, such as the economy, on the results presented herein. The area of emotional labor research could benefit from more longitudinal research studies designed to identify such effects.

This study used self-report questionnaires to obtain information from respondents. This presents a limitation to this study because such questionnaires suffer from issues related to common method variance (Spector, 1987). Common method variance may bias estimated relationships when both the predictor and criterion variables are obtained from the same source (i.e. questionnaires). Future research may avoid these issues by obtaining data from direct observation of emotional expressions with techniques such as those used by Rafaeli (1989).

The use of questionnaires may further limit the findings of this study due to demand characteristics and social desirability. The institutional review process of the university where this research was conducted required a cover letter to be attached to each survey distributed. This cover letter required the researcher to disclose a general description of the study. It is possible that this may have influenced the expectations of respondents thus affecting their response choices. Although anonymity was assured to all respondents, it is possible that respondents nonetheless responded in a socially desirable manner, possibly out of fear that the control number used to match leaders and subordinate responses could be used for identification purposes.

Because of the constraints on their time, entrepreneurs, as a whole, are a difficult group to survey. It is possible that a larger sample size may result in more interpretable results. Unlike, many studies on emotional labor, which consist of homogenous samples where respondents are required to perform high levels of emotional labor, this study has the strength of a heterogeneous sample. Unfortunately these heterogeneous subgroups were neither large enough nor of equal size, prohibiting subgroup analysis.

## Conclusion

This study finds leader genuine emotion do influence firm performance in two ways. First it can result in positive effect on subordinate attitude which, in turn, increases firm performance. Second, it can result in negative direct effect on firm performance after controlling for the indirect effects just mentioned. These results are interpreted herein to provide support to the claims by many (Ashforth & Humphrey, 1993; Gardner et al., 2009a; Humphrey et al., 2008; Hunt et al., 2008) that properly managed genuine leader emotion should lead to positive outcomes and improperly managed genuine leader emotion should lead to negative outcomes. Here, proper management is contingent upon displaying emotions that “correspond” with display rules, situational requirements, and audience expectations. Thus, it is recommended herein that leaders closely monitor their behavior, predominately using genuine emotional displays when appropriate and deep acting when their genuine emotions do not align with the requirements of their role.

Further, this study finds support for many of the key propositions of “leading with emotional labor” by finding that leader emotions do influence the attitudes of subordinates, leaders must exercise discretion when displaying emotion, and proper use of genuine emotions

can improve performance by improving subordinate mood. These findings support the idea of leaders as “mood managers.” Here, leaders should strive to “lead with the right type of emotional labor,” using their discretion to produce the appropriate emotional displays that will maximize the mood of their subordinates.

Finally, this study provides much needed quantitative testing to the area of emotion in entrepreneurship. Most literature in this area relies on anecdotal evidence, such as the parental (Cardon et al., 2005) and dance (Hannon, 2006) metaphors, to understand the role of emotion in this area. This study is one of only a few to provide evidence that the emotions of the entrepreneur can have effects on firm performance. While such a relationship is proposed by Baron (2008), this is the first study this researcher is aware of that provides support to his claims of a pervasive effect of emotions on entrepreneurship.

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Table 1. Summary of published studies on emotion and entrepreneurship

Author (Year)	Sample	Analysis	Measure of emotion	DV	Key findings or theory on entrepreneurship and emotion
Peck (1984)	Theory	NA	NA	NA	Balance is needed between entrepreneurial emotion and reason
Baron (1998)	Theory	NA	NA	NA	Affective states can influence the decisions and judgments of entrepreneurs
Shane & Venkataraman (2000)	Theory	NA	NA	NA	Emotion can cloud judgment and preclude reason
Craig & Lindsay (2002)	Single Case Study	NA	NA	NA	Emotional attachment to core family business can inhibit the entrepreneurial process
Dodd (2002)	Metaphor Examination	NA	NA	NA	Many entrepreneurial metaphors emphasize emotion and use emotion to describe the relationship between the entrepreneur and his or her venture
Gibb (2002)	Theory	NA	NA	NA	Emotional intelligence should be included in entrepreneurship education
Shepherd (2003)	Theory	NA	NA	NA	Emotion may assist researchers in understanding how the self-employed learn from business failure
Shepherd (2004)	Theory	NA	NA	NA	Entrepreneurial organizations should learn to help employees manage their emotions
Buchholz & Rosenthal (2005)	Theory	NA	NA	NA	Emotion plays a role in the moral decision making activity of entrepreneurs

Table 1 (ctd). Summary of published studies on emotion and entrepreneurship

Author (Year)	Sample	Analysis	Measure of emotion	DV	Key findings or theory on entrepreneurship and emotion
Cardon et al. (2005)	Theory	NA	NA	NA	The passion associated with parenting is parallel to that of entrepreneurship
Cope (2005)	Theory	NA	NA	NA	Entrepreneurship is an emotionally intense process
Goss (2005a)	Theory	NA	NA	NA	Social interaction and emotion can provide insight to entrepreneurial behavior
Goss (2005b)	Early writings of Schumpeter	NA	NA	NA	Emotion can serve to counteract the routinization of entrepreneurship thus fostering innovation
Hannon (2006)	Theory	NA	NA	NA	Uses a dancer metaphor to understand how if one is to engage in entrepreneurship it requires more than just performing the tasks required of this role
Schindehutte et al. (2006)	Interviews/ Quantitative data	Mean differences	NA	Peak performance, experience, and flow	Emotion plays a role in how entrepreneurs perform tasks associated with venture creation and growth, emotion plays a role in entrepreneurial motivation
Baron (2007)	Theory	NA	NA	NA	Emotion is a key behavior performed by entrepreneurs
Baron (2008)	Theory	NA	NA	NA	Attention to affect may assist researchers in answering several questions in entrepreneurship
Cardon (2008)	Theory	NA	NA	NA	Affect infusion model
Fayole (2008)	Theory	NA	NA	NA	Entrepreneurship education should include the use of emotion to deal with the failure and chaos



Table 1 (ctd). Summary of published studies on emotion and entrepreneurship

Author (Year)	Sample	Analysis	Measure of emotion	DV	Key findings or theory on entrepreneurship and emotion
Goss (2008)	Theory	NA	NA	NA	Emotional energy can draw others to support or join entrepreneurial ventures
Cardon et al. (2009)	Theory	NA	NA	NA	Intense positive feelings guide behavior
Foo et al. (2009)	46 Entrepreneurs	HLM	Positive and negative affect schedule		Negative affect predicts entrepreneur effort towards immediate tasks; Positive affect predicts entrepreneur effort toward non-immediate tasks
Boren (2010)	Theory	NA	NA	NA	Emotion may increase creativity in entrepreneurship possibly increasing opportunity
Grichnik et al. (2010)	Empirical – 40 entrepreneurial firms	ANOVA	PANAS	Opportunity	Positive emotions affected opportunity evaluation positively and exploitation negatively, negative emotions influenced opportunity exploitation and evaluation
Zakarevicius & Zuperka (2010)	Empirical – 124 students	Regression	Topic importance questions	Topic importance questions	The development of entrepreneurship is related to the capacity of an individual to understand one's own emotions
Clarke (2011)	Ethnographic study	Three entrepreneurs	NA	NA	Entrepreneurs use visual symbols to regulate emotions
Goss et al. (2011)	Autobio. accounts of social entrep.	NA	NA	NA	Emotion is a key dimension of entrepreneurial agency

Table 1 (ctd). Summary of published studies on emotion and entrepreneurship

Author (Year)	Sample	Analysis	Measure of emotion	DV	Key findings or theory on entrepreneurship and emotion
Shepherd (2011)	Theory	NA	NA	NA	The emotional state and emotional intelligence of an entrepreneur may influence the attractiveness of an opportunity

Table 2. Summary of measures – Leader survey

<b>Description</b>	<b>Author</b>	<b>Items</b>
Interactive Empathy	Kellett et al., 2006	5
Ability To Express Emotions	Jordan, 2001	3
Ability To Identify Emotions	Jordan, 2001	3
Discreet Emotions Emotional Labor (DEEL)	Glomb & Tewes, 2004	9
Turnover Questions	2 From Conversation With Sven	2
PANAS	Watson, Clark, & Tellegen, 1988	20
Creativity Performance	Tierney, Farmer, & Graen, 1999	6
Subjective Performance	Dess & Robinson, 1984	3
Emotional Exhaustion	Maslach & Jackson, 1981 (Maslach Burnout Inventory) From Lee and Ashforth, 1990	9
Emotional Labor Strategy (SA, DA, NE)	Diefendorff et al., 2005	14
Big Five Inventory	Rammstedt & John, 2007	10
Satisfaction	Caman et al., 1983	3
Emotional Regulation	Gross & John in press	10
<b>Total</b>		<b>97</b>

Table 3. Summary of measures – Subordinate survey

Description	Author	# Items
Discreet Emotions Emotional Labor (DEEL)	Glomb & Tewes, 2004	9
Interactive Empathy (Rating Leader)	Kellett et al., 2006	5
Ability To Express Emotions (Rating Leader)	Jordan 2001	3
Ability To Identify Emotions (Rating Leader)	Jordan 2001	3
PANAS	Watson, Clark, & Tellegen, 1988	20
Emotional Regulation (Rating Leader)	Gross & John in press	4
Rating of Leader	Kellett et al., 2006/Humphrey, 1985	9
Subjective Performance	Dess & Robinson, 1984	3
Authentic Leadership (need to add addl items)	Walumbwa et al., 2008	16
Transformational Leadership	Podsakoff et al., 1990	23
Organizational Citizenship Behavior	Van Dyne & Le Pine, 1998	6
Affective Commitment	Meyer & Allen, 2007	8
Emotional Exhaustion	Maslach & Jackson, 1981 (Maslach Burnout Inventory) From Lee and Ashforth, 1990	9
Intention to Quit	Bishop, Scott, & Burroughs, 2000	4
Big Five Inventory	Rammstedt & John, 2007	10
Satisfaction	Caman et al., 1983	3
<b>Total</b>		<b>135</b>

Table 4. Response summary

	Firms	Dyads
Single subordinate response	65	65
Two subordinate responses	38	76
Three subordinate responses	2	6
Total	105	147

Table 5. General Attitude Confirmatory Factor Analysis Results (Subordinate)

General Attitude CFA (Subordinate)	Model 1 1 Factor (Sat., AC, Int. Quit)	Model 2 4 Factor (AC+, AC-, Sat, Int. Quit)	Model 3 3 Factor (Sat, AC, Int. Quit)	Model 4* 3 Factor (AC, Sat, Int. Quit) with Reverse Method Factor	Model 5 3 Factor (AC, Sat, Int. Quit) with Reverse and Positive Factor	Model 6 3 Factor (AC, Sat., Int. Quit.) with Higher Order
CFI	.86	.96	.82	.96	.97	.82
NFI	.84	.93	.78	.94	.95	.78
NNFI	.83	.94	.77	.95	.96	.77
RMSEA	.21	.11	.17	.11	.098	.17
SRMR	.095	.065	.10	.060	.051	.10
DF	77	71	74	68	61	74
Chi Square	535.54	216.36	361.68	198.26	153.24	361.68

AC+Indicates positively worded affective commitment items

AC- Indicates negatively worded affective commitment items

Table 6. Means, standard deviations, and correlations between study variables

	M	SD	N	1	2	3	4	5	6	7
1. Natural Emotion	3.41	.60	147							
2. Intention Quit (RS)	4.43	1.67	146	.27*						
3. Job Satisfaction	3.79	.67	146	.15+	.56*					
4. Aff. Commit	4.85	1.05	147	.35*	.81*	.58*				
5. Aff. Commit Pos	5.14	1.02	147	.18*	.71*	.52*	.85*			
6. Aff. Commit Neg	4.56	1.35	147	.40*	.73*	.51*	.92*	.57*		
7. Firm Performance	6.31	1.01	140	-.01	.20*	.19*	.19*	.23*	.12*	

\* Significant at  $p < .05$  level

+ Significant at  $p < .10$  level

Table 7. Means, standard deviations, and correlations between study indicators

	M	SD	N	1	2	3	4	5	6	7	8	9	10
1. Natural Emotion 1	3.56	.69	147	1									
2. Natural Emotion 2	3.42	.68	147	.71*	1								
3. Natural Emotion 3	3.24	.67	147	.62*	.73*	1							
4. Intention Quit (RS)	4.43	1.67	146	.23*	.34*	.16*	1						
5. Job Satisfaction	3.79	.67	146	.10	.21*	.08	.56*	1					
6. Aff. Commit Pos	5.14	1.02	147	.15+	.19*	.15	.71*	.52*	1				
7. Aff. Commit Neg	4.56	1.35	147	.28*	.45*	.34*	.73*	.51*	.57*	1			
8. FP Sales Growth	6.25	1.22	140	-.10	-.15+	-.07	.14+	.12	.19*	.06	1		
9. FP ROA	6.23	1.04	139	-.06	-.14	.00	.08	.12	.10*	.02	.79*	1	
10. FP Overall	6.44	1.07	140	.16*	.11	.16	.32*	.30*	.30*	.23*	.73*	.52*	1

\* Significant at  $p < .05$  level

+ Significant at  $p < .10$  level



Table 8. Fit indices for SEM models

Proposed and alternative partially mediated model	Alternate fully mediated model	Proposed partially mediated model
CFI	.93	.94
NFI	.90	.91
NNFI	.91	.92
RMSEA	.09	.09
SRMR	.09	.10
DF	33	32
Chi Square	89.85	81.19

Table 9. Emotional Labor Confirmatory Factor Analysis Results (Leader)

Emotional Labor CFA (Leader)	Model 1 3 Factor (SA, DA, NE)+	Model 2* 3 Factor (4 Item SA, DA, NE)+	Model 3 3 Factor (SA, DA, NE)	Model 4 2 Factor (SA + DA, NE)	Model 5 2 Factor (SA, DA + NE)	Model 6 1 Factor (SA+DA+NE)
CFI	.92	.94	.84	.79	.84	.78
NFI	.89	.92	.79	.77	.82	.75
NNFI	.90	.92	.81	.75	.81	.74
RMSEA	.15	.13	.15	.26	.21	.26
SRMR	.093	.054	.093	.15	.16	.15
DF	74	41	74	76	76	77
Chi Square	257.04	142.09	257.04	524.02	411.35	552.67

N = 105

+ Error terms of two DA items were allowed to freely correlate

Chi-square difference shows Model 2 significant improvement over Model 1

Table 10. Leader emotional displays and outcomes

Emotional display	Consistent with display rules?	Favorability of follower impression	Perceived authenticity	Leader felt authenticity	Trust in leader	Leader well-being
Genuine Display of Emotions	Yes	High	High	High	High	High
	No	Low/Moderate	High	High	Low/Moderate	High

Source: (Gardner et al., 2009a)

Figure 1. Passion Contagion Model (Cardon, 2008)

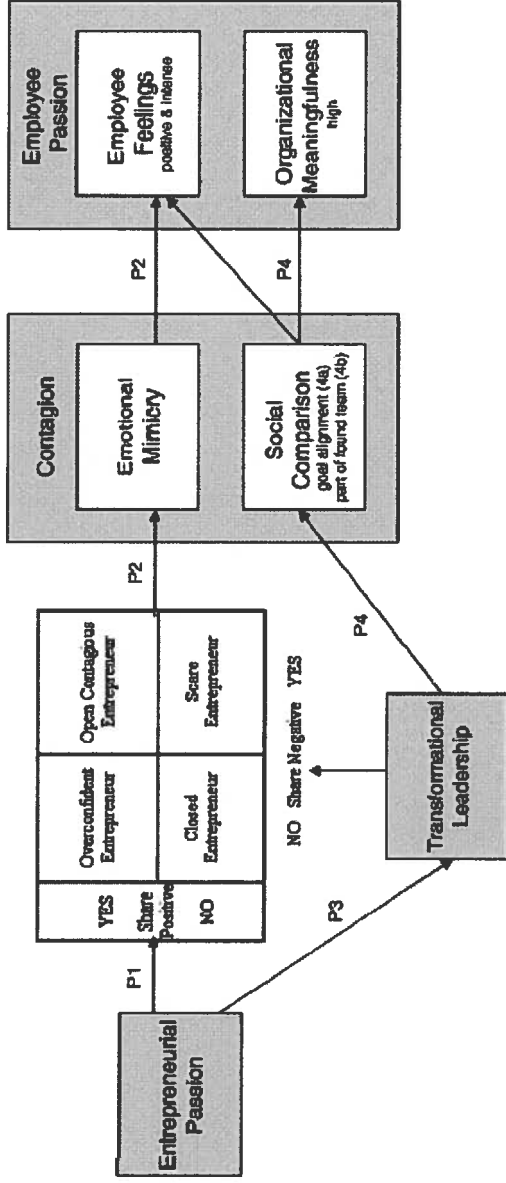


Figure 2. Proposed path model

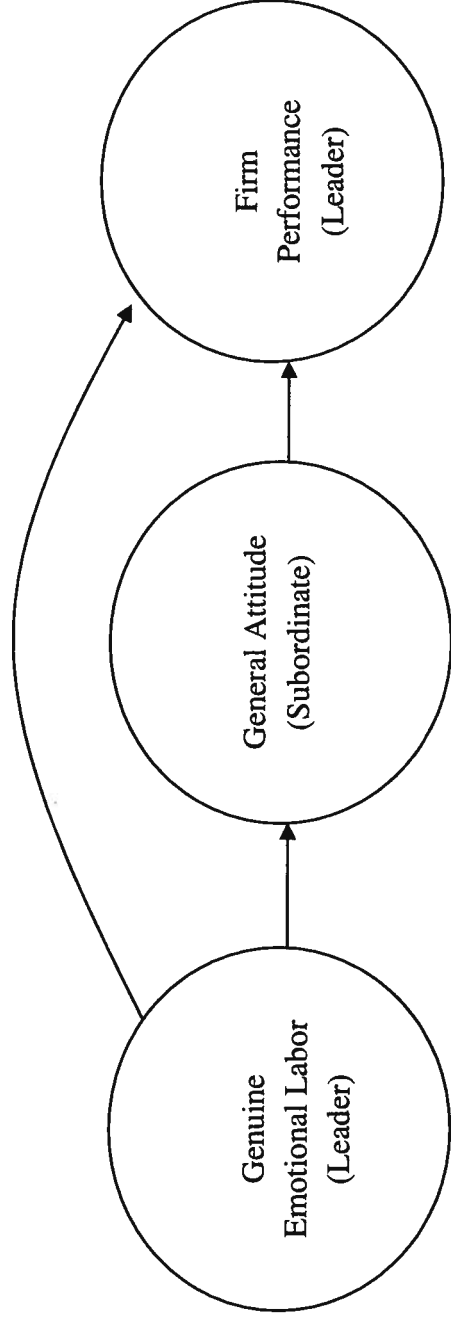


Figure 3. Proposed measurement model

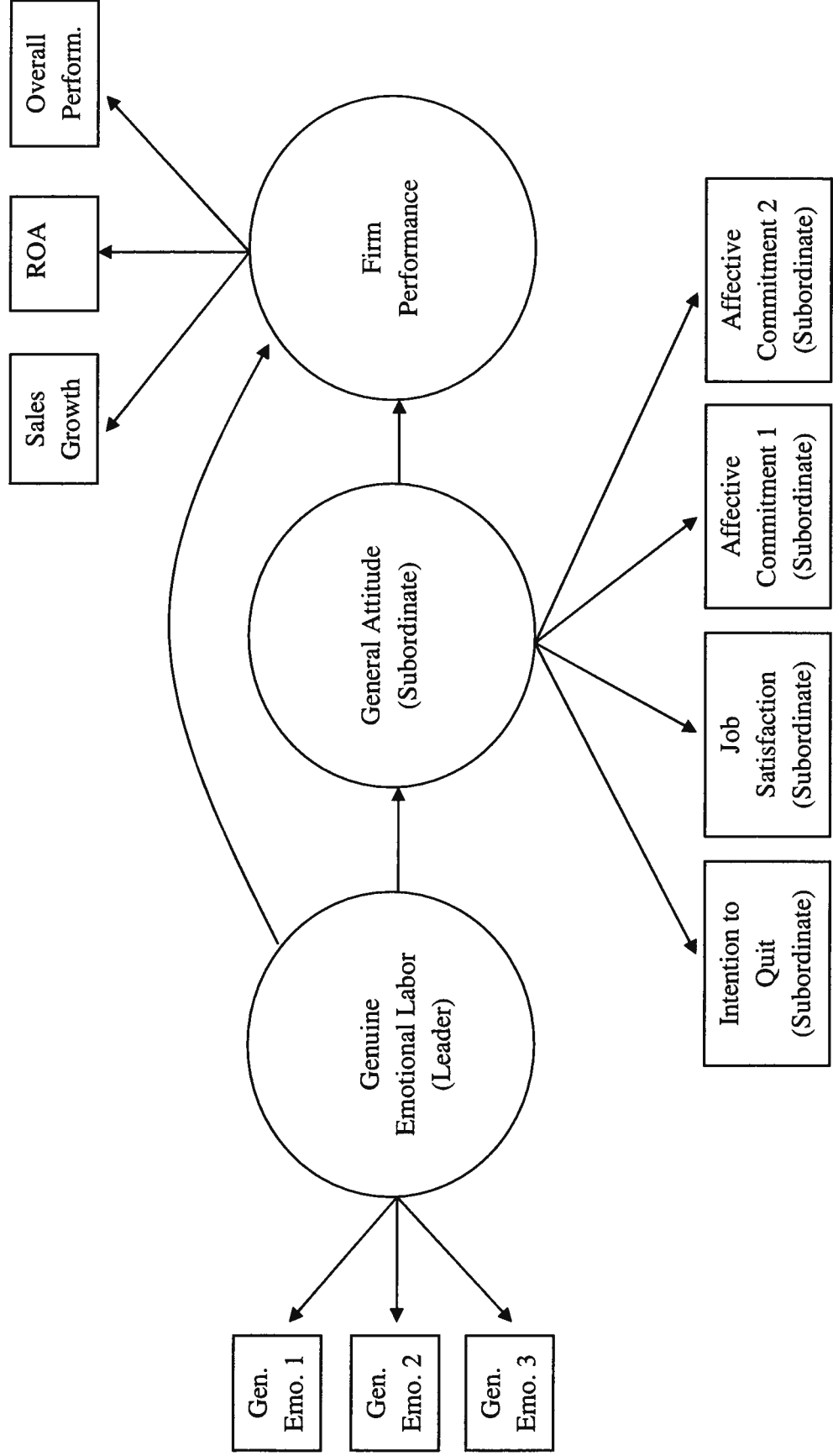
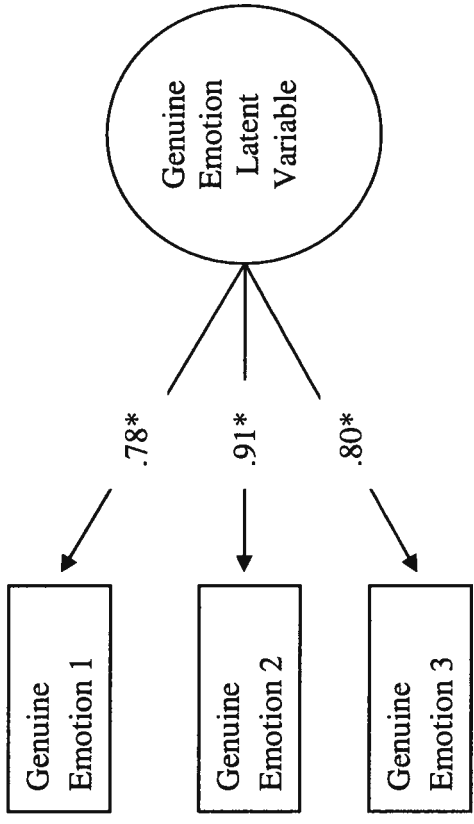


Figure 4. CFA Genuine Emotional Labor



\*Significant at p<.05 level  
Saturated model: Chi-sq = 0.00, df= 0, P-value = 1.0, RMSEA = 0.00

Figure 5. CFA General Attitude

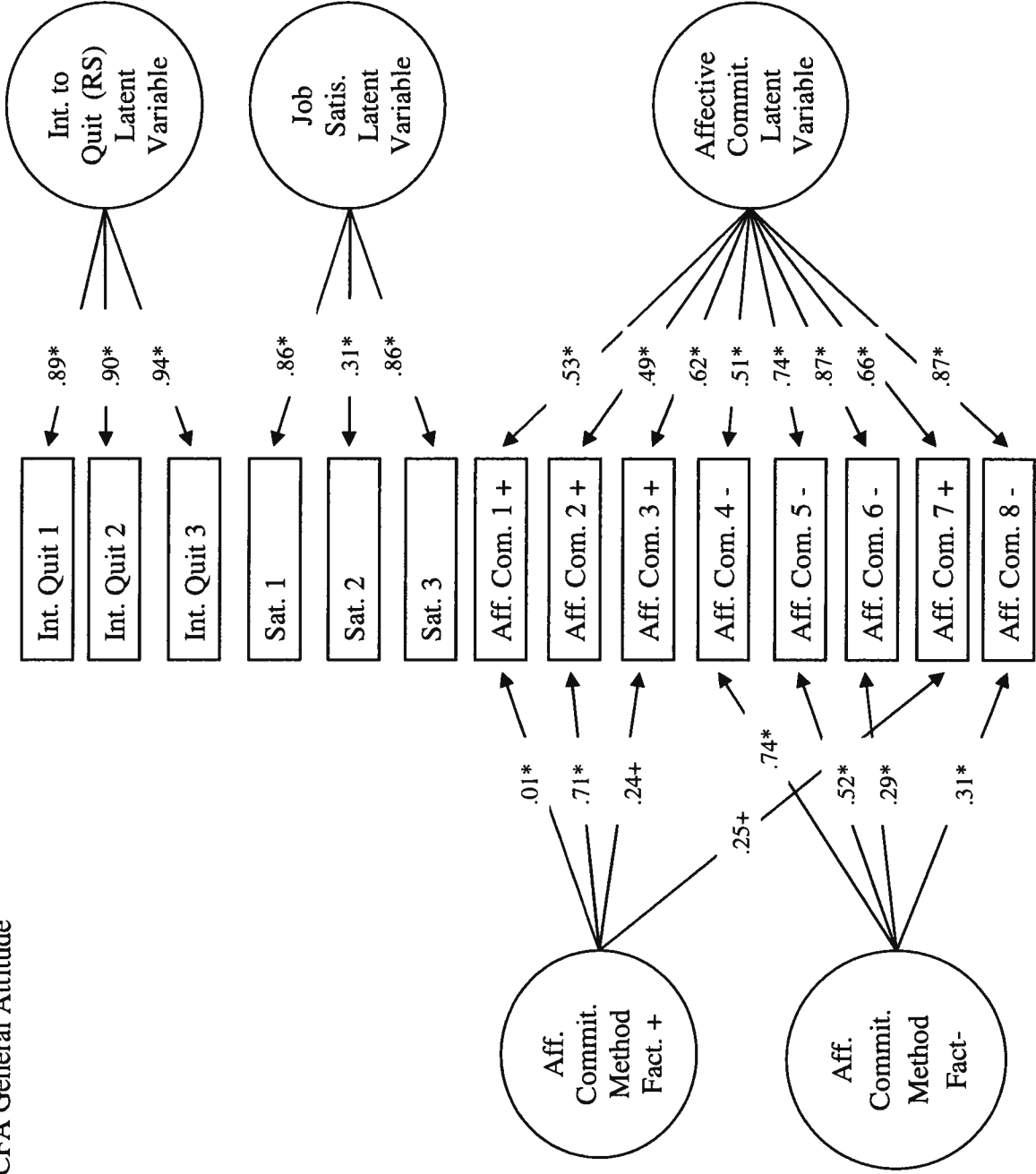
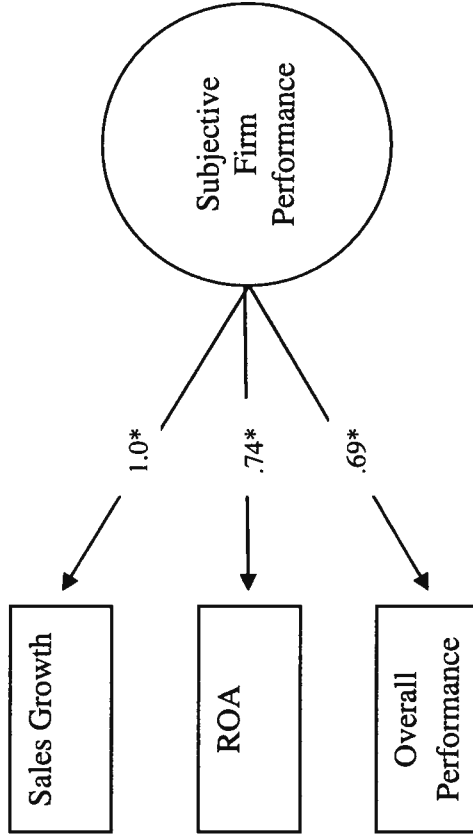


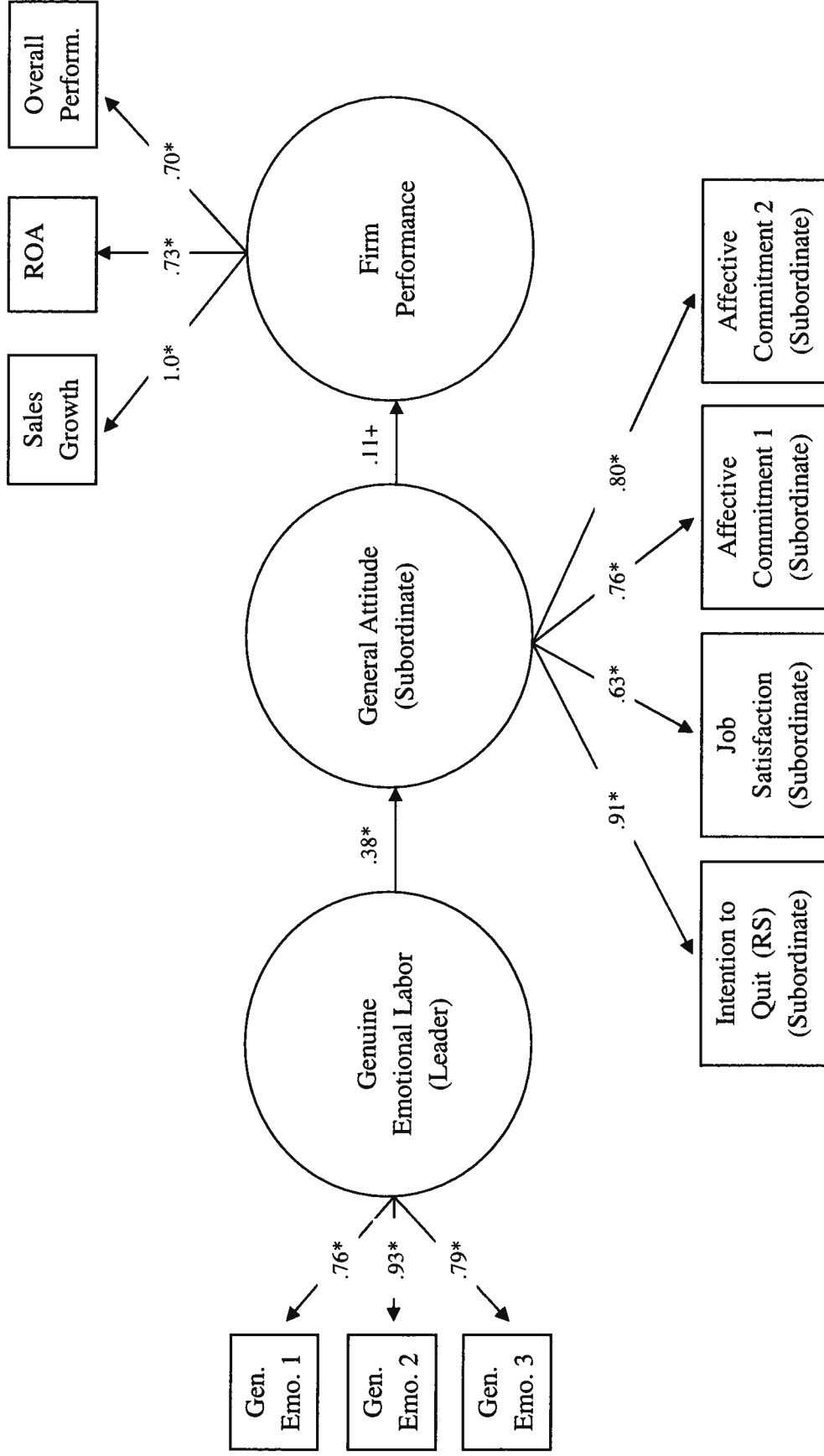


Figure 6. CFA Firm Performance



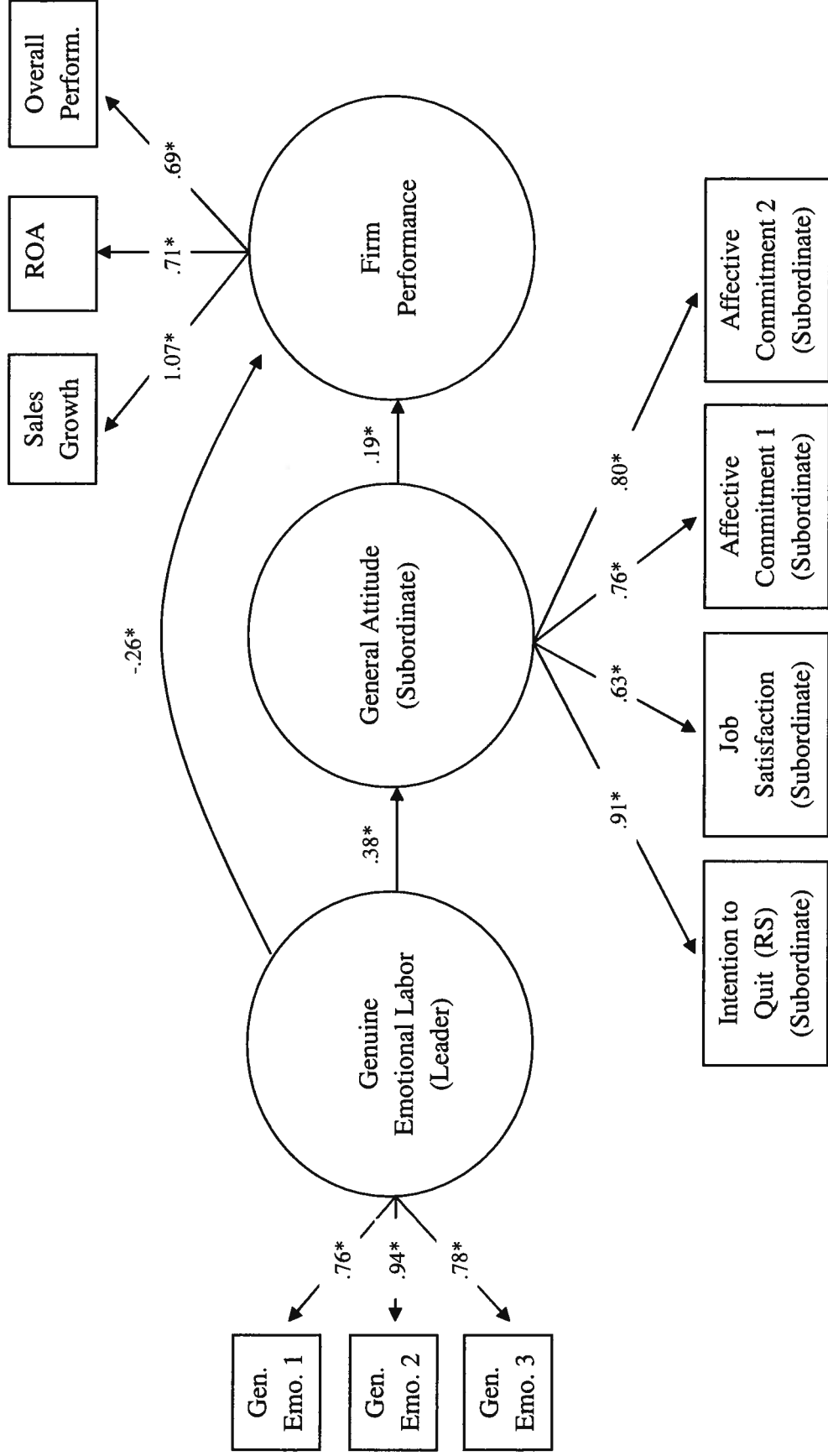
\*Significant at p<.05 level  
 Saturated model: Chi-sq = 0.00, df=0, P-value = 1.0, RMSEA = 0.00

Figure 7. Alternate mediated model



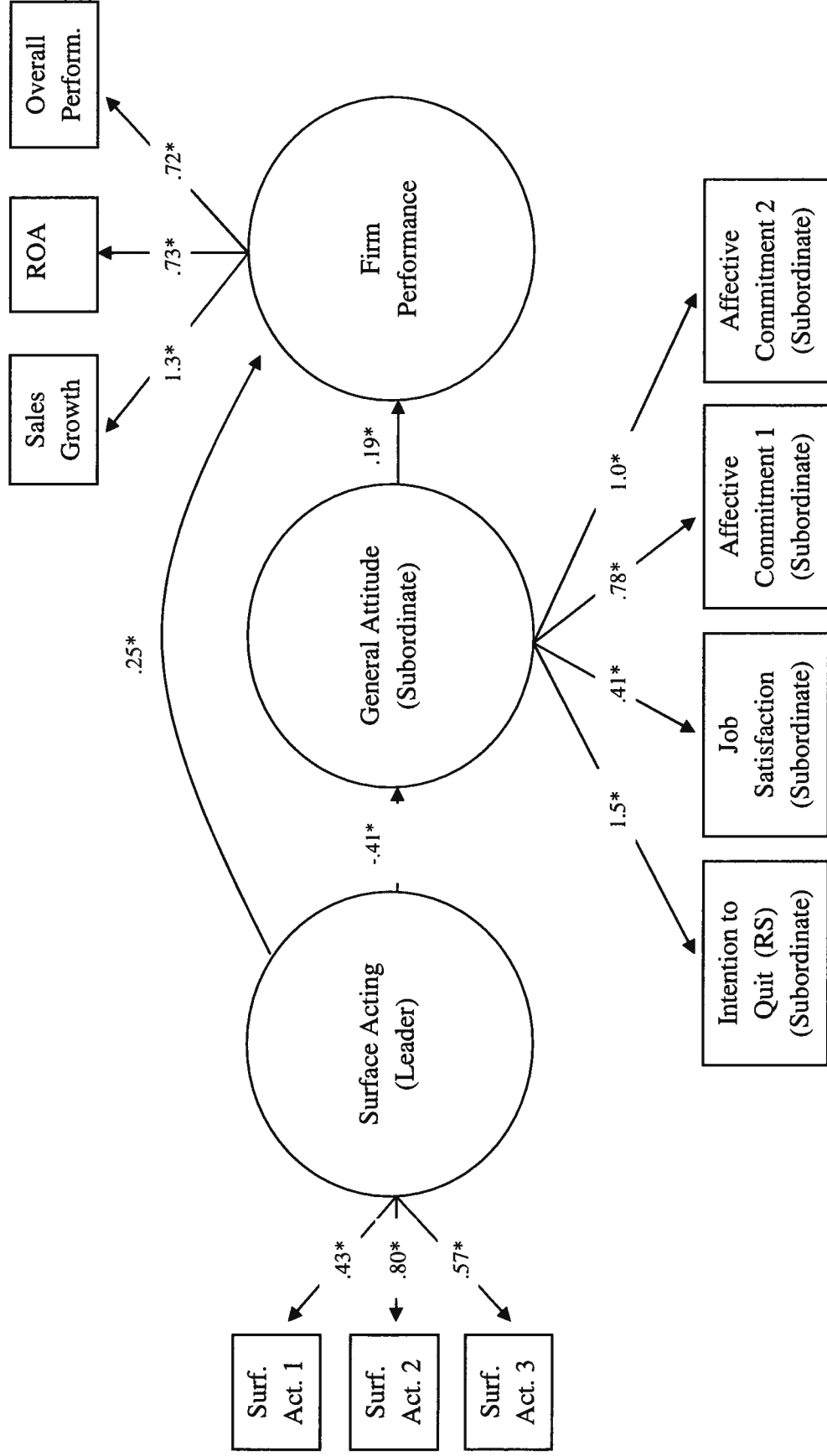
\* Significant at  $p < .05$  level, + significant at  $p < .10$  level

Figure 8. Proposed partially mediated model



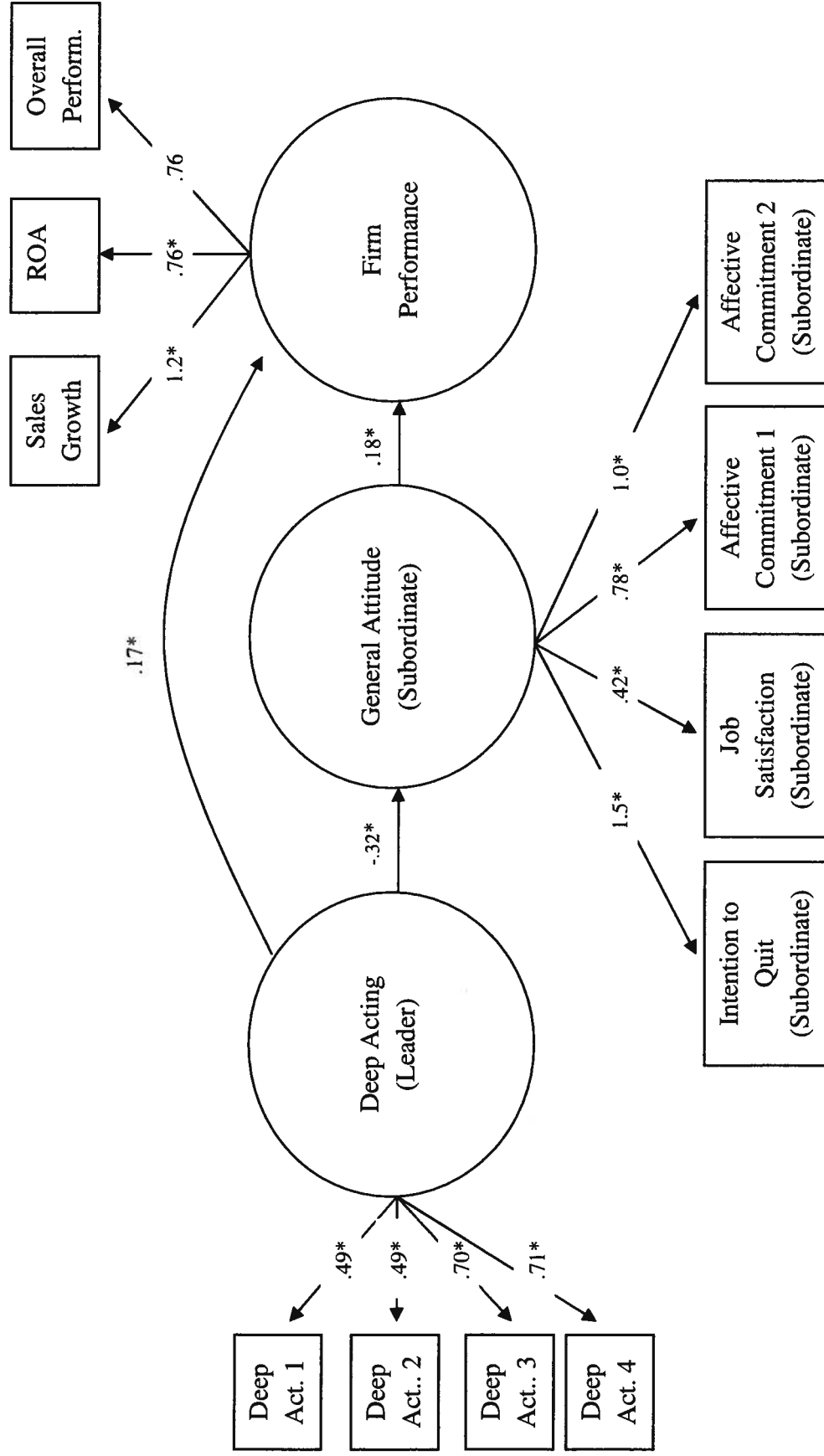
\*significant at  $p < .05$  level

Figure 9. Additional surface acting partially mediated model



\*significant at  $p < .05$  level

Figure 10. Alternate deep acting partially mediated model



\*significant at  $p < .05$  level

## Appendix A: Leader Survey

1. **Your age in years:** \_\_\_\_\_
2. **How did you obtain ownership of your organization:**
- Founded     Purchased     Inherited
- Other please specify \_\_\_\_\_
3. **Race:**
- Caucasian             African American             Hispanic
- Asian                     American Indian             Other
4. **Highest education level achieved:**
- Some High School
- High school or GED
- Undergraduate Degree
- Graduate Degree
- PhD
5. **Sex:**
- Male                     Female
6. **Industry:**
- Manufacturing \_\_\_\_\_
- Service \_\_\_\_\_
- Retail \_\_\_\_\_
- Wholesale \_\_\_\_\_
- Construction \_\_\_\_\_
- Other (Please Specify) \_\_\_\_\_
7. **Years with organization:** \_\_\_\_\_
8. **Years organization in business:** \_\_\_\_\_
9. **How many employees did you employ at any given time, on average, over the past year:** \_\_\_\_\_

**10. How many employees have left your employment, for any reason, over the past year: \_\_\_\_\_**

**11. How many hours do you interact with others during a normal eight hour workday:**  
\_\_\_\_\_

**12. How many hours do you usually work during an ordinary workweek: \_\_\_\_\_**

**Please indicate how your firm compares, on average over the past year, to firms with similar sales volumes in your industry and region. Respond based on how your firm ranks from lowest 1 to highest 10.**

**13. Firm total sales growth.**

Lowest				Middle				Highest	
1	2	3	4	5	6	7	8	9	10

**14. Firm after tax return on total assets.**

Lowest				Middle				Highest	
1	2	3	4	5	6	7	8	9	10

**15. Overall firm performance/success.**

Lowest				Middle				Highest	
1	2	3	4	5	6	7	8	9	10

**This section consists of a number of words that describe different feelings and emotions. Read each item and then mark the appropriate answer in the space next to that word.**

**16. Indicate to what extent you generally feel this way, that is, how you feel on average. Use the following scale to record your answers.**

	Extremely	Quite a bit	Moderately	A little	Very slightly or not at all
A. Interested	5	4	3	2	1
B. Distressed	5	4	3	2	1
C. Excited	5	4	3	2	1
D. Upset	5	4	3	2	1
E. Strong	5	4	3	2	1
F. Guilty	5	4	3	2	1
G. Scared	5	4	3	2	1
H. Hostile	5	4	3	2	1
I. Enthusiastic	5	4	3	2	1
J. Proud	5	4	3	2	1
K. Irritable	5	4	3	2	1
L. Alert	5	4	3	2	1
M. Ashamed	5	4	3	2	1
N. Inspired	5	4	3	2	1
O. Nervous	5	4	3	2	1
P. Determined	5	4	3	2	1
Q. Attentive	5	4	3	2	1
R. Jittery	5	4	3	2	1



S. Active	5	4	3	2	1
T. Afraid	5	4	3	2	1

**In this section, we would like to know how often you feel and express various emotions to others on the job. Please respond by choosing one option for each type of emotion.**

**17. How often do you genuinely express \_\_\_\_\_ when you feel that way?**

	I genuinely express this <b>many times</b> <b>a day</b>	I genuinely express this <b>a few times</b> <b>a day</b>	I genuinely express this <b>a few times</b> <b>a week</b>	I genuinely express this <b>a few times</b> <b>a month</b>	I <b>never</b> genuinely express this
U. Irritation	5	4	3	2	1
V. Liking	5	4	3	2	1
W. Enthusiasm	5	4	3	2	1

**18. How often do you express feelings of \_\_\_\_\_ on the job when you really do not feel that way?**

	I express this <b>many times</b> <b>a day</b>	I express this <b>a few times</b> <b>a day</b>	I express this <b>a few times</b> <b>a week</b>	I express this <b>a few times</b> <b>a month</b>	I <b>never</b> express this
A. Irritation	5	4	3	2	1
B. Liking	5	4	3	2	1
C. Enthusiasm	5	4	3	2	1

**19. How often do you keep feelings of \_\_\_\_\_ to yourself when you really do feel that way?**

	I suppress this many times a day	I suppress this a few times a day	I suppress this a few times a week	I suppress this a few times a month	I never suppress this
A. Irritation	5	4	3	2	1
B. Liking	5	4	3	2	1
C. Enthusiasm	5	4	3	2	1

**Please indicate how often the following statements characterize your employees.**

**20. Demonstrate originality in their work.**

1	2	3	4	5
Very Characteristic	Characteristic	Neutral	Uncharacteristic	Very Uncharacteristic

**21. Took risks in terms of producing new ideas in doing their job.**

1	2	3	4	5
Very Characteristic	Characteristic	Neutral	Uncharacteristic	Very Uncharacteristic

**22. Found new uses for existing methods of equipment or services.**

1	2	3	4	5
Very Characteristic	Characteristic	Neutral	Uncharacteristic	Very Uncharacteristic

**23. Tried out new ideas and approached to problems.**

1	2	3	4	5
Very Characteristic	Characteristic	Neutral	Uncharacteristic	Very Uncharacteristic

**24. Identified opportunities for new products/processes.**

1	2	3	4	5
Very Characteristic	Characteristic	Neutral	Uncharacteristic	Very Uncharacteristic

**25. Generated novel, but operable work-related ideas.**

1	2	3	4	5
Very Characteristic	Characteristic	Neutral	Uncharacteristic	Very Uncharacteristic

**Please answer the following questions based on how often and strong your experience the following situations.**

**26. I feel emotionally drained from my work.**

	1	2	3	4	5	6	7
<b>How Often</b>	Never	A Few Times a Year	Monthly	A Few Times A Month	Every Week	A Few Times A Week	Every Day

	1	2	3	4	5	6	7	8
<b>How Strong</b>	Never	Very Mild	Mild	Low Moderate	Moderate	High Moderate	Strong	Very Strong

**27. I feel used up at the end of the workday.**

	1	2	3	4	5	6	7	
<b>How Often</b>	Never	A Few Times a Year	Monthly	A Few Times A Month	Every Week	A Few Times A Week	Every Day	
	1	2	3	4	5	6	7	8
<b>How Strong</b>	Never	Very Mild	Mild	Low Moderate	Moderate	High Moderate	Strong	Very Strong

**28. I feel fatigued when I get up in the morning and have to face another day on the job.**

	1	2	3	4	5	6	7	
<b>How Often</b>	Never	A Few Times a Year	Monthly	A Few Times A Month	Every Week	A Few Times A Week	Every Day	
	1	2	3	4	5	6	7	8
<b>How Strong</b>	Never	Very Mild	Mild	Low Moderate	Moderate	High Moderate	Strong	Very Strong

**29. Working with people all day is really a strain for me.**

	1	2	3	4	5	6	7
<b>How Often</b>	Never	A Few Times a Year	Monthly	A Few Times A Month	Every Week	A Few Times A Week	Every Day

	1	2	3	4	5	6	7	8
<b>How Strong</b>	Never	Very Mild	Mild	Low Moderate	Moderate	High Moderate	Strong	Very Strong

**30. I feel burned out from my work.**

	1	2	3	4	5	6	7
<b>How Often</b>	Never	A Few Times a Year	Monthly	A Few Times A Month	Every Week	A Few Times A Week	Every Day

	1	2	3	4	5	6	7	8
<b>How Strong</b>	Never	Very Mild	Mild	Low Moderate	Moderate	High Moderate	Strong	Very Strong

**31. I feel frustrated with my job.**

	1	2	3	4	5	6	7
<b>How Often</b>	Never	A Few Times a Year	Monthly	A Few Times A Month	Every Week	A Few Times A Week	Every Day

	1	2	3	4	5	6	7	8
<b>How Strong</b>	Never	Very Mild	Mild	Low Moderate	Moderate	High Moderate	Strong	Very Strong

**32. I feel I'm working too hard on my job.**

	1	2	3	4	5	6	7
<b>How Often</b>	Never	A Few Times a Year	Monthly	A Few Times A Month	Every Week	A Few Times A Week	Every Day

	1	2	3	4	5	6	7	8
<b>How Strong</b>	Never	Very Mild	Mild	Low Moderate	Moderate	High Moderate	Strong	Very Strong

**33. Working with people directly puts too much stress on me.**

	1	2	3	4	5	6	7
<b>How Often</b>	Never	A Few Times a Year	Monthly	A Few Times A Month	Every Week	A Few Times A Week	Every Day

	1	2	3	4	5	6	7	8
<b>How Strong</b>	Never	Very Mild	Mild	Low Moderate	Moderate	High Moderate	Strong	Very Strong

**34. I feel like I'm at the end of my rope.**

	1	2	3	4	5	6	7
<b>How Often</b>	Never	A Few Times a Year	Monthly	A Few Times A Month	Every Week	A Few Times A Week	Every Day

	1	2	3	4	5	6	7	8
<b>How</b>	Never	Very	Mild	Low	Moderate	High	Strong	Very

**Strong**                      **Mild**                      **Moderate**                      **Moderate**                      **Strong**

**Please indicate how strongly you agree or disagree with each of the following questions.**

**28. I am aware of how others in my organization are feeling**

1	2	3	4	5
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

**29. I am able to describe accurately the way others in my organization are feeling**

1	2	3	4	5
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

**30. I take notice of the mood my employees are in**

1	2	3	4	5
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

**31. I finds it difficult to tell my employees how I feel**

1	2	3	4	5
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

**32. I can discuss the emotions I feel with my employees**

1	2	3	4	5
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

**33. I can talk to my employees about the emotions they experience**

1	2	3	4	5
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

**34. I put on an act in order to deal with employees in an appropriate way**

1	2	3	4	5
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

**35. I fake a positive mood when interacting with employees**

1	2	3	4	5
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

**36. I put on a "show" or "performance" when interacting with employees**

1	2	3	4	5
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

**37. I just pretend to have the emotions I need to display for my job**

1	2	3	4	5
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree



**38. I put on a "mask" in order to display the emotions I need for the job**

1	2	3	4	5
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

**39. I show feelings to employees that are different from what I feel inside**

1	2	3	4	5
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

**40. I fake the emotions I show when dealing with employees**

1	2	3	4	5
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

**41. I try to actually experience the emotions that I must show employees**

1	2	3	4	5
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

**42. I make an effort to actually feel the emotions that I need to display toward others**

1	2	3	4	5
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

**43. I work hard to feel the emotions that I need to show to employees**

1	2	3	4	5
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

**44. I work at developing the feelings inside of me that I need to show to employees**

1	2	3	4	5
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

**45. The emotions I express to employees are genuine**

1	2	3	4	5
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

**46. The emotions I show employees come naturally**

1	2	3	4	5
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

**47. The emotions I show employees match what I spontaneously feel**

1	2	3	4	5
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

**In the following section, please respond based on how characteristic you believe these behaviors are of your behavior.**

**48. Value others as individuals**

1	2	3	4	5
Very Characteristic	Characteristic	Neutral	Uncharacteristic	Very Uncharacteristic

**49. Feel emotions that other people experience**

1	2	3	4	5
Very Characteristic	Characteristic	Neutral	Uncharacteristic	Very Uncharacteristic

**50. Makes others feel understood**

1	2	3	4	5
Very Characteristic	Characteristic	Neutral	Uncharacteristic	Very Uncharacteristic

**51. Shares others' feelings of happiness**

1	2	3	4	5
Very Characteristic	Characteristic	Neutral	Uncharacteristic	Very Uncharacteristic

**52. Encourages others to talk about how they feel**

1	2	3	4	5
Very Characteristic	Characteristic	Neutral	Uncharacteristic	Very Uncharacteristic

**In this section, we would like to ask you some questions about how you control (that is, regulate and manage) your emotions. We are interested in two aspects of your emotional**

life. One is your emotional experience, or what you feel inside. The other is your emotional expression, or how you show your emotions in the way you talk, gesture, and behave. Although some of the following questions may seem similar to one another, they differ in important ways.

**53. When I want to feel more *positive* emotion (such as joy and amusement), I *change what I'm thinking about*.**

1	2	3	4	5
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

**54. I keep my emotions to myself.**

1	2	3	4	5
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

**55. When I want to feel less *negative* emotion (such as sadness or anger), I *change what I'm thinking about*.**

1	2	3	4	5
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

**56. When I am feeling *positive* emotions, I am careful not to express them.**

1	2	3	4	5
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

**57. When I'm faced with a stressful situation, I make myself *think about it* in a way that helps me stay calm.**

1	2	3	4	5
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

**58. I control my emotions by *not expressing* them.**

1	2	3	4	5
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

**59. When I want to feel *positive* emotions, I *change the way I'm thinking* about the situation.**

1	2	3	4	5
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

**60. I control my emotions by *changing the way I think* about the situation I'm in.**

1	2	3	4	5
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

**61. When I am feeling *negative* emotions, I make sure not to express them.**

1	2	3	4	5
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

**62. When I want to feel less *negative* emotions, I *change the way I'm thinking* about the situation.**

1	2	3	4	5
---	---	---	---	---

Strongly Disagree      Disagree      Neutral      Agree      Strongly Agree

**Please indicate how you feel about the following statements concerning your present situation as an entrepreneur.**

**63. All in all, I am satisfied with my job.**

1                      2                      3                      4                      5  
 Very Dissatisfied    Dissatisfied        Neutral              Satisfied            Very Satisfied

**64. In general, I don't like my job.**

1                      2                      3                      4                      5  
 Very Dissatisfied    Dissatisfied        Neutral              Satisfied            Very Satisfied

**65. In general, I like working for myself.**

1                      2                      3                      4                      5  
 Very Dissatisfied    Dissatisfied        Neutral              Satisfied            Very Satisfied

**66. How well do the following statements describe your personality?**

I see myself as someone who ...	Disagree strongly	Disagree a little	Neither agree nor disagree	Agree a little	Agree strongly
... is reserved	1	2	3	4	5
... is generally trusting	1	2	3	4	5

... tends to be lazy	1	2	3	4	5
...is relaxed, handles stress well	1	2	3	4	5
...has few artistic interests	1	2	3	4	5
...is outgoing, sociable	1	2	3	4	5
...tends to find fault with others	1	2	3	4	5
...does a thorough job	1	2	3	4	5
...gets nervous easily	1	2	3	4	5
...has an active imagination	1	2	3	4	5

## Appendix B: Subordinate survey

1. **Your age in years:** \_\_\_\_\_
2. **Race:**

<input type="checkbox"/> Caucasian	<input type="checkbox"/> African American	<input type="checkbox"/> Hispanic
<input type="checkbox"/> Asian	<input type="checkbox"/> American Indian	<input type="checkbox"/> Other
3. **Highest education level achieved:**

<input type="checkbox"/> Some High School
<input type="checkbox"/> High school or GED
<input type="checkbox"/> Undergraduate Degree
<input type="checkbox"/> Graduate Degree
<input type="checkbox"/> PhD
4. **Sex:**

<input type="checkbox"/> Male	<input type="checkbox"/> Female
-------------------------------	---------------------------------
5. **Job Title:** \_\_\_\_\_
6. **Hours worked during an ordinary week:** \_\_\_\_\_
7. **How many hours do you interact with others during a normal eight hour workday:**  
\_\_\_\_\_
8. **Industry:**

Manufacturing	_____
Service	_____
Retail	_____
Wholesale	_____
Construction	_____
Other (Please Specify)	_____
9. **Years with organization:** \_\_\_\_\_
10. **Years organization in business:** \_\_\_\_\_

**Please indicate how your firm compares, on average over the past five years, to firms with similar sales volumes in your industry and region.**



**11. Firm total sales growth.**

1	2	3	4	5
Lowest 20%	Low/Middle 20%	Middle 20%	Middle/Top 20%	Top 20%

**12. Firm after tax return on total assets.**

1	2	3	4	5
Lowest 20%	Low/Middle 20%	Middle 20%	Middle/Top 20%	Top 20%

**13. Overall firm performance/success.**

1	2	3	4	5
Lowest 20%	Low/Middle 20%	Middle 20%	Middle/Top 20%	Top 20%

**This section consists of a number of words that describe different feelings and emotions. Read each item and then mark the appropriate answer in the space next to that word.**

**14. Indicate to what extent you generally feel this way, that is, how you feel on average. Use the following scale to record your answers.**

	Extremely	Quite a bit	Moderately	A little	Very slightly or not at all
A. Interested	5	4	3	2	1

B. Distressed	5	4	3	2	1
C. Excited	5	4	3	2	1
D. Upset	5	4	3	2	1
E. Strong	5	4	3	2	1
F. Guilty	5	4	3	2	1
G. Scared	5	4	3	2	1
H. Hostile	5	4	3	2	1
I. Enthusiastic	5	4	3	2	1
J. Proud	5	4	3	2	1
K. Irritable	5	4	3	2	1
L. Alert	5	4	3	2	1
M. Ashamed	5	4	3	2	1
N. Inspired	5	4	3	2	1
O. Nervous	5	4	3	2	1
P. Determined	5	4	3	2	1
Q. Attentive	5	4	3	2	1
R. Jittery	5	4	3	2	1
S. Active	5	4	3	2	1
T. Afraid	5	4	3	2	1

**In this section, we would like to know how often you feel and express various emotions to others on the job. Please respond by choosing one option for each type of emotion.**

**15. How often do you genuinely express \_\_\_\_\_ when you feel that way?**

	I genuinely express this <b>many times</b> <b>a day</b>	I genuinely express this <b>a few times</b> <b>a day</b>	I genuinely express this <b>a few times</b> <b>a week</b>	I genuinely express this <b>a few times</b> <b>a month</b>	I <b>never</b> genuinely express this
A. Irritation	5	4	3	2	1
B. Anxiety	5	4	3	2	1
C. Contentment	5	4	3	2	1
D. Sadness	5	4	3	2	1
E. Concern	5	4	3	2	1
F. Disliking	5	4	3	2	1
G. Aggravation	5	4	3	2	1
H. Fear	5	4	3	2	1
I. Happiness	5	4	3	2	1
J. Distress	5	4	3	2	1
K. Liking	5	4	3	2	1
L. Hate	5	4	3	2	1
M. Anger	5	4	3	2	1
N. Enthusiasm	5	4	3	2	1

**16. How often do you express feelings of \_\_\_\_\_ on the job when you really do not feel that way?**

	I express this <b>many times</b> <b>a day</b>	I express this <b>a few times</b> <b>a day</b>	I express this <b>a few times</b> <b>a week</b>	I express this <b>a few times</b> <b>a month</b>	I <b>never</b> express this
--	--	--	--	--	-----------------------------------

A. Irritation	5	4	3	2	1
B. Anxiety	5	4	3	2	1
C. Contentment	5	4	3	2	1
D. Sadness	5	4	3	2	1
E. Concern	5	4	3	2	1
F. Disliking	5	4	3	2	1
G. Aggravation	5	4	3	2	1
H. Fear	5	4	3	2	1
I. Happiness	5	4	3	2	1
J. Distress	5	4	3	2	1
K. Liking	5	4	3	2	1
L. Hate	5	4	3	2	1
M. Anger	5	4	3	2	1
N. Enthusiasm	5	4	3	2	1

**17. How often do you keep feelings of \_\_\_\_\_ to yourself when you really do feel that way?**

	I suppress this <b>many times</b> <b>a day</b>	I suppress this <b>a few times</b> <b>a day</b>	I suppress this <b>a few times</b> <b>a week</b>	I suppress this <b>a few times</b> <b>a month</b>	I <b>never</b> suppress this
A. Irritation	5	4	3	2	1
B. Anxiety	5	4	3	2	1
C. Contentment	5	4	3	2	1
D. Sadness	5	4	3	2	1

E. Concern	5	4	3	2	1
F. Disliking	5	4	3	2	1
G. Aggravation	5	4	3	2	1
H. Fear	5	4	3	2	1
I. Happiness	5	4	3	2	1
J. Distress	5	4	3	2	1
K. Liking	5	4	3	2	1
L. Hate	5	4	3	2	1
M. Anger	5	4	3	2	1
N. Enthusiasm	5	4	3	2	1

**Please indicate your response to each of the following questions concerning the leader of your organization.**

**18. How warm or friendly would you say the leader of your organization is?**

1	2	3	4	5
Very Friendly	Friendly	Neutral	Unfriendly	Very Unfriendly

**19. How caring and concerned about others would you say the leader of your organization is?**

1	2	3	4	5
Very Caring and Concerned	Caring and Concerned	Neutral	Uncaring and Unconcerned	Very Uncaring and Unconcerned

**20. How supportive would you say the leader of your organization is?**

1	2	3	4	5
Very Supportive	Supportive	Neutral	Unsupportive	Very Unsupportive

**21. How would you rate the leader of your organization's activities?**

1	2	3	4	5
Very Effective	Effective	Neutral	Ineffective	Very Ineffective

**22. How lazy or hard working would you say the leader of your organization is?**

1	2	3	4	5
Very Hard Working	Hard Working	Neutral	Lazy	Very Lazy

**23. How intelligent would you say the leader of your organization is?**

1	2	3	4	5
Very Intelligent	Intelligent	Neutral	Unintelligent	Very Unintelligent

**24. How assertive would you say the leader of your organization is?**

1	2	3	4	5
Very Assertive	Assertive	Neutral	Unassertive	Very Unassertive

**25. How would you rate the leader of your organization's ability to be a success in a future career?**

1	2	3	4	5
Very Likely	Likely	Neutral	Unlikely	Very Unlikely

**26. How good a job do you think your organization's leader would do at being an executive at a large corporation or other business enterprise?**

1	2	3	4	5
Very Good	Good	Neutral	Bad	Very Bad

**Please rate the following questions based on how you feel about your organization.**

**27. I would be very happy to spend the rest of my career with this organization**

1	2	3	4	5	6	7
Strongly Disagree	Disagree	Slightly Disagree	Neutral	Slightly Agree	Agree	Strongly Agree

**28. I enjoy discussing my organization with people outside of it**

1	2	3	4	5	6	7
Strongly Disagree	Disagree	Slightly Disagree	Neutral	Slightly Agree	Agree	Strongly Agree

**29. I really feel as if this organization's problems are my own**

1	2	3	4	5	6	7
Strongly Disagree	Disagree	Slightly Disagree	Neutral	Slightly Agree	Agree	Strongly Agree

**30. I think that I could easily become as attached to another organization as I am to this one**

1	2	3	4	5	6	7
Strongly Disagree	Disagree	Slightly Disagree	Neutral	Slightly Agree	Agree	Strongly Agree

**31. I do not feel like “part of the family” at my organization**

1	2	3	4	5	6	7
Strongly Disagree	Disagree	Slightly Disagree	Neutral	Slightly Agree	Agree	Strongly Agree

**32. I do not feel “emotionally attached” to this organization**

1	2	3	4	5	6	7
Strongly Disagree	Disagree	Slightly Disagree	Neutral	Slightly Agree	Agree	Strongly Agree

**33. This organization has a great deal of personal meaning for me**

1	2	3	4	5	6	7
Strongly Disagree	Disagree	Slightly Disagree	Neutral	Slightly Agree	Agree	Strongly Agree



**34. I do not feel a strong sense of belonging to my organization**

1	2	3	4	5	6	7
Strongly Disagree	Disagree	Slightly Disagree	Neutral	Slightly Agree	Agree	Strongly Agree

**Please rate how characteristic the following statements are of your organization's leader.**

**35. Values others as individuals.**

1	2	3	4	5
Very Characteristic	Characteristic	Neutral	Uncharacteristic	Very Uncharacteristic

**36. Feel emotions that other people experience.**

1	2	3	4	5
Very Characteristic	Characteristic	Neutral	Uncharacteristic	Very Uncharacteristic

**37. Makes others feel understood.**

1	2	3	4	5
Very Characteristic	Characteristic	Neutral	Uncharacteristic	Very Uncharacteristic

**38. Shares others' feelings of happiness.**

1	2	3	4	5
Very Characteristic	Characteristic	Neutral	Uncharacteristic	Very Uncharacteristic

**39. Encourages others to talk about how they feel.**

1	2	3	4	5
Very Characteristic	Characteristic	Neutral	Uncharacteristic	Very Uncharacteristic

**The following survey items refer to your leader's style, as you perceive it.**

**Judge how frequently each statement fits his or her leadership style using the**

**following scale:**

<b>Not at all</b>	<b>Once in a while</b>	<b>Sometimes</b>	<b>Fairly often</b>	<b>Frequently, if not always</b>
<b>0</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>

**Please indicate how accurately the following apply to your situation.**

**40. It is likely that I will actively look for a new job in the next year.**

1	2	3	4	5	6	7
Strongly Disagree	Disagree	Slightly Disagree	Neutral	Slightly Agree	Agree	Strongly Agree

**41. I often think about quitting.**

1	2	3	4	5	6	7
Strongly Disagree	Disagree	Slightly Disagree	Neutral	Slightly Agree	Agree	Strongly Agree

**42. If I could, I would get a job with another company.**

1	2	3	4	5	6	7
Strongly Disagree	Disagree	Slightly Disagree	Neutral	Slightly Agree	Agree	Strongly Agree

**Please answer the following questions based on how often and strong your experience the following situations.**

**43. I feel emotionally drained from my work.**

	1	2	3	4	5	6	7
<b>How Often</b>	Never	A Few Times a Year	Monthly	A Few Times A Month	Every Week	A Few Times A Week	Every Day

	1	2	3	4	5	6	7	8
<b>How Strong</b>	Never	Very Mild	Mild	Low Moderate	Moderate	High Moderate	Strong	Very Strong

**44. I feel used up at the end of the workday.**

	1	2	3	4	5	6	7
<b>How Often</b>	Never	A Few Times a Year	Monthly	A Few Times A Month	Every Week	A Few Times A Week	Every Day

	1	2	3	4	5	6	7	8
<b>How Strong</b>	Never	Very Mild	Mild	Low Moderate	Moderate	High Moderate	Strong	Very Strong

**45. I feel fatigued when I get up in the morning and have to face another day on the job.**

	1	2	3	4	5	6	7
<b>How Often</b>	Never	A Few Times a Year	Monthly	A Few Times A Month	Every Week	A Few Times A Week	Every Day

	1	2	3	4	5	6	7	8
<b>How Strong</b>	Never	Very Mild	Mild	Low Moderate	Moderate	High Moderate	Strong	Very Strong

**46. Working with people all day is really a strain for me.**

	1	2	3	4	5	6	7
<b>How Often</b>	Never	A Few Times a Year	Monthly	A Few Times A Month	Every Week	A Few Times A Week	Every Day

	1	2	3	4	5	6	7	8
<b>How</b>	Never	Very	Mild	Low	Moderate	High	Strong	Very

**Strong**                      **Mild**                      **Moderate**                      **Moderate**                      **Strong**

**47. I feel burned out from my work.**

	1	2	3	4	5	6	7
<b>How Often</b>	Never	A Few Times a Year	Monthly	A Few Times A Month	Every Week	A Few Times A Week	Every Day

	1	2	3	4	5	6	7	8
<b>How Strong</b>	Never	Very Mild	Mild	Low Moderate	Moderate	High Moderate	Strong	Very Strong

**48. I feel frustrated with my job.**

	1	2	3	4	5	6	7
<b>How Often</b>	Never	A Few Times a Year	Monthly	A Few Times A Month	Every Week	A Few Times A Week	Every Day

	1	2	3	4	5	6	7	8
<b>How Strong</b>	Never	Very Mild	Mild	Low Moderate	Moderate	High Moderate	Strong	Very Strong

**49. I feel I'm working too hard on my job.**

	1	2	3	4	5	6	7
<b>How Often</b>	Never	A Few Times a	Monthly	A Few Times A	Every Week	A Few Times A	Every Day

		Year		Month		Week		
	1	2	3	4	5	6	7	8
<b>How Strong</b>	Never	Very Mild	Mild	Low Moderate	Moderate	High Moderate	Strong	Very Strong

**50. Working with people directly puts too much stress on me.**

	1	2	3	4	5	6	7	
<b>How Often</b>	Never	A Few Times a Year	Monthly	A Few Times A Month	Every Week	A Few Times A Week	Every Day	
<b>How Strong</b>	Never	Very Mild	Mild	Low Moderate	Moderate	High Moderate	Strong	Very Strong

**51. I feel like I'm at the end of my rope.**

	1	2	3	4	5	6	7	
<b>How Often</b>	Never	A Few Times a Year	Monthly	A Few Times A Month	Every Week	A Few Times A Week	Every Day	
<b>How Strong</b>	Never	Very Mild	Mild	Low Moderate	Moderate	High Moderate	Strong	Very Strong

**Please indicate how you feel about the following statements concerning your present job.**

**52. All in all, I am satisfied with my job.**

1	2	3	4	5
Very Dissatisfied	Dissatisfied	Neutral	Satisfied	Very Satisfied

**53. In general, I don't like my job.**

1	2	3	4	5
Very Dissatisfied	Dissatisfied	Neutral	Satisfied	Very Satisfied

**54. In general, I like working here.**

1	2	3	4	5
Very Dissatisfied	Dissatisfied	Neutral	Satisfied	Very Satisfied

**In the following section, please respond based on how characteristic you believe these behaviors are of your leader.**

**55. Value others as individuals**

1	2	3	4	5
Very Characteristic	Characteristic	Neutral	Uncharacteristic	Very Uncharacteristic

**56. Feel emotions that other people experience**

1	2	3	4	5
---	---	---	---	---





**61. My Leader is able to describe accurately the way others in my organization are feeling**

1	2	3	4	5
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

**62. My Leader takes notice of the mood his or her employees are in**

1	2	3	4	5
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

**63. My Leader finds it difficult to tell his or her employees how he or she feels**

1	2	3	4	5
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

**64. My Leader can discuss the emotions he or she feels with his or her employees**

1	2	3	4	5
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

**65. My Leader can talk to his or her employees about the emotions he or she experiences**

1	2	3	4	5
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

**In this section, we would like to ask you some questions about how your leader controls (that is, regulate and manage) his or her emotions. We are interested how your leader**

**shows emotions in the way he or she talks, gestures, and behaves. Although some of the following questions may seem similar to one another, they differ in important ways.**

**66. He or she keeps his or her emotions to himself or herself.**

1	2	3	4	5
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

**67. When your leader feels *positive* emotions, he or she is careful not to express them.**

1	2	3	4	5
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

**68. Your leader controls his or her emotions by *not expressing* them.**

1	2	3	4	5
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

**69. When your leader feels *negative* emotions, he or she makes sure not to express them.**

1	2	3	4	5
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

**70. How well do the following statements describe your personality?**

I see myself as someone who ...	Disagree strongly	Disagree a little	Neither agree nor disagree	Agree a little	Agree strongly
... is reserved	1	2	3	4	5
... is generally trusting	1	2	3	4	5
... tends to be lazy	1	2	3	4	5
...is relaxed, handles stress well	1	2	3	4	5
...has few artistic interests	1	2	3	4	5
...is outgoing, sociable	1	2	3	4	5
...tends to find fault with others	1	2	3	4	5
...does a thorough job	1	2	3	4	5
...gets nervous easily	1	2	3	4	5
...has an active imagination	1	2	3	4	5

**93. I develop and make recommendations concerning issues that affect my organization.**

1	2	3	4	5	6	7
Strongly Disagree	Disagree	Slightly Disagree	Neutral	Slightly Agree	Agree	Strongly Agree

**94. I speak up and encourage others in my organization to get involved in issues that affect my organization.**

1	2	3	4	5	6	7
Strongly Disagree	Disagree	Slightly Disagree	Neutral	Slightly Agree	Agree	Strongly Agree



## Appendix C: Survey Cover Letter

I am a PhD student in the School of Business at Virginia Commonwealth University in the final stages of completing my dissertation. My dissertation centers on how entrepreneurs motivate their employees and how employees perceive the actions of their leaders. To complete my research, I am attempting to find 200 entrepreneurs, such as yourself, and two to three of your employees to complete the surveys in this packet. If you would take the time to complete these surveys it would be a great help to me and you may find it interesting because it will give you a chance to speak about your life experiences.

My research is geared toward investigating the positive side of business and entrepreneurship. Specifically how entrepreneurs can foster positive environments for themselves and their employees. Growing up in a family with a small business, I have great admiration for those who take the risk and endure the struggles associated with self-employment. The results of my dissertation should be interesting and reflect positively on those who have chosen to work for themselves.

I assure you **complete anonymity**. I will have no record of who completed which survey. The only identifiable piece of information on your surveys is a number used to match your survey with the surveys of your employees. There is no record of who received which numbered packet, so it is not possible to link your survey to you individually or your organization.

An instruction sheet is included with this packet to let you know who should complete which survey. If you have any questions or concerns about this study, the surveys, or my research please feel free to contact me at the phone number or email address below.

Finally, your voluntary participation in this study will help me out immensely in completing my dissertation. This is the final hurdle I must accomplish before attaining the degree I have sacrificed for and worked so hard to achieve. I greatly appreciate your taking the time to consider my request.

Sincerely,

John H. Batchelor  
PhD Student  
Virginia Commonwealth University  
School of Business  
252-883-9141  
batchelorjh@vcu.edu

## Appendix D: Survey Instructions

### **Survey Administration Instruction**

This packet contains two types of surveys, one for you as the entrepreneur and one for up to three of your employees, along with four self-addressed envelopes.

#### **Entrepreneur Survey**

This is the survey designed to be completed by the entrepreneur or owner of the business.

#### **Subordinate/Employee Surveys**

This is the survey designed to be completed by your employees. Preferable these would be completed by the three employees you work with the most closely. If you have less than three employees this is no problem, please administer them to the one or two employees you do have. If you do not feel comfortable with your closest employees filling out these surveys, any employees that have contact with you will be fine. These employees may fill out the surveys at work or at their home, whatever is more convenient for you and your employees. One envelope is provided for each subordinate/employee survey. This is so your employees can seal and mail their surveys with anonymity and at their convenience.

Thank you again for taking the time to assist me in completing my dissertation.

# VCU Memo

V i r g i n i a C o m m o n w e a l t h U n i v e r s i t y

Office of Research Subjects Protection  
 Bio-Tech Research Park, Building 1  
 800 E. Leigh St., Ste.#114  
 P.O. Box 980568  
 Richmond, Virginia 23298-0568

DATE: February 28, 2011

TO: Ronald Humphrey, PhD  
 Department of Management  
 Box 844000

FROM: Andrea Hastillo, MD *Andrea Hastillo MD*  
 Chairperson, VCU IRB Panel C *3-3-2011*  
 Box 980568

RE: **VCU IRB #: HM13415**  
**Title: Leading with Emotional Labor: An Entrepreneurial Perspective**

On February 24, 2011, the following research study was approved by expedited review according to 45 CFR 46.110 Category 7. This approval includes the following items reviewed by this Panel:

**PROTOCOL: Leading with Emotional Labor: An Entrepreneurial Perspective (Version #1, dated 2/24/2011)**

**CONSENT/ASSENT:**

- Research Subject Information and Consent Form (Version #1, dated 2/24/11) – Stamped received 2/24/2011
- Research Subject Information and Consent Form – Leader Survey (Version #1, dated 2/24/11) – Stamped received 2/24/2011
- Research Subject Information and Consent Form Subordinate Survey (Version #1, dated 2/24/11) – Stamped received 2/24/2011

**This approval expires on January 31, 2012.** Federal Regulations/VCU Policy and Procedures require continuing review prior to continuation of approval past that date. Continuing Review report forms will be mailed to you prior to the scheduled review.

The Primary Reviewer assigned to your research study is Terri Sullivan, PhD. If you have any questions, please contact Dr. Sullivan at [tsullivan@vcu.edu](mailto:tsullivan@vcu.edu) or 828-9304; or you may contact Clara Cline, IRB Coordinator, VCU Office of Research Subjects Protection, at [ccline3@vcu.edu](mailto:ccline3@vcu.edu) or 827-1446.

Attachment – Conditions of Approval

**Conditions of Approval:**

In order to comply with federal regulations, industry standards, and the terms of this approval, the investigator must (*as applicable*):

1. Conduct the research as described in and required by the Protocol.
2. Obtain informed consent from all subjects without coercion or undue influence, and provide the potential subject sufficient opportunity to consider whether or not to participate (unless Waiver of Consent is specifically approved or research is exempt).
3. Document informed consent using only the most recently dated consent form bearing the VCU IRB "APPROVED" stamp (unless Waiver of Consent is specifically approved).
4. Provide non-English speaking patients with a translation of the approved Consent Form in the research participant's first language. The Panel must approve the translated version.
5. Obtain prior approval from VCU IRB before implementing any changes whatsoever in the approved protocol or consent form, unless such changes are necessary to protect the safety of human research participants (e.g., permanent/temporary change of PI, addition of performance/collaborative sites, request to include newly incarcerated participants or participants that are wards of the state, addition/deletion of participant groups, etc.). Any departure from these approved documents must be reported to the VCU IRB immediately as an Unanticipated Problem (see #7).
6. Monitor all problems (anticipated and unanticipated) associated with risk to research participants or others.
7. Report Unanticipated Problems (UPs), including protocol deviations, following the VCU IRB requirements and timelines detailed in VCU IRB WPP VIII-7:
8. Obtain prior approval from the VCU IRB before use of any advertisement or other material for recruitment of research participants.
9. Promptly report and/or respond to all inquiries by the VCU IRB concerning the conduct of the approved research when so requested.
10. All protocols that administer acute medical treatment to human research participants must have an emergency preparedness plan. Please refer to VCU guidance on <http://www.research.vcu.edu/irb/guidance.htm>.
11. The VCU IRBs operate under the regulatory authorities as described within:
  - a) U.S. Department of Health and Human Services Title 45 CFR 46, Subparts A, B, C, and D (for all research, regardless of source of funding) and related guidance documents.
  - b) U.S. Food and Drug Administration Chapter I of Title 21 CFR 50 and 56 (for FDA regulated research only) and related guidance documents.
  - c) Commonwealth of Virginia Code of Virginia 32.1 Chapter 5.1 Human Research (for all research).