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Determinants and consequences of employee displayed positive emotions

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Abstract

This study examined whether the psychological climate for service friendliness correlated positively with employee displayed positive emotions, and whether such positive emotional displays influenced customer purchase decision and customer reactions concerning an organization. Data were collected from 290 sales clerks in 156 retail shoe stores in Taiwan, and from 284 customers who were served by one of the sales clerks. Results indicated a positive relationship between psychological climate for service friendliness and employees' displayed positive emotions. The study also indicated that employees' positive emotional displays would increase customer willingness to return to the store and pass positive comments to friends. © 2001 Elsevier Science Inc. All rights reserved.

1. Introduction

The issue of employee displayed emotions has gained increasing attentions from organizational scholars (e.g., Ashforth & Humphrey, 1995; Brown & Sulzer-Azaroff, 1994; Hochschild, 1983; Locke, 1996; Rafaeli, 1989a; Rafaeli, 1989b; Rafaeli & Sutton, 1987, 1989, 1990; Sutton, 1991; Sutton & Rafaeli, 1988; Wharton, 1993; Wharton & Erickson, 1993). "Employee displayed emotions" has been defined as "the act of expressing socially desired emotions during service transactions" (Ashforth & Humphrey, 1993: 88–89). It is concerned with an employee's behavior (Wharton & Erickson, 1993) as displayed through

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a combination of facial expression, spoken words, and tone of voice such as smiling and thanking (Rafaeli & Sutton, 1987).

Past research has made a distinction between employees' displays of positive versus negative emotions (Rafaeli & Sutton, 1987). The display of positive emotions (i.e., friendliness and happiness) is required in many service occupations, including restaurant workers and flight attendants. Funeral directors, in contrast, are expected to display negative emotions (i.e., sadness). This paper looks at displayed positive emotions, as the display of positive emotions was an important requirement for participants in this study (i.e., shoe store sales clerks). Specifically, this study seeks to test whether psychological climate for service friendliness will be a determinant of employee displayed positive emotions. Further, this study examines the effects of displayed positive emotions on customers' purchase decisions and customer willingness to return to the store and pass positive comments to friends.

Similarly, Brown and Sulzer-Azaroff (1994) examined employee displayed positive emotions. They observed bank tellers' rates of greeting, smiling, and looking at the customers during service transactions and collected customer satisfaction data immediately following the interaction. Results indicated that the teller's greeting correlated positively with the level of customer satisfaction. The present study extends Brown and Sulzer-Azaroff's (1994) study in three ways. First, whereas Brown and Sulzer-Azaroff examined the relationship between displayed positive emotions and customer satisfaction, this study links displayed positive emotions to a different set of variables, namely, customer purchase decision and behavioral intentions (i.e., willingness to return and recommend). Although customer satisfaction and customer behavioral intentions appear to be similar constructs, empirical evidence (e.g., Taylor & Baker, 1994; Zeithaml, Berry & Parasuraman, 1996) suggests that these two variables are unique constructs and customer satisfaction is in fact a causal antecedent of customer behavioral intentions. Second, this study simultaneously examines determinants and consequences of displayed positive emotions, whereas Brown and Sulzer-Azaroff focused only on studying consequences of displayed positive emotions. Finally, this study tests the hypotheses in another context (shoe stores vs. banks) in a different country (in Taiwan rather than the U.S.).

1.1. Determinants of displayed positive emotions

“Psychological climate” has been defined as an employee's perception of an organization's events, practices, and procedures (routines) and the kinds of behaviors that get rewarded, supported, and expected (Schneider, 1990). It is more than mere descriptions of work environment conditions. Specifically, it reflects “the individual characteristics involved in the processes of perception and concept formation as well as the characteristics of the situation being perceived” (Jones & James, 1979, p. 204).

Climate is composed of many routines and rewards occurring in the organization; therefore there may be any number of dimensions of climate (e.g., safety, service, or innovation). Thus, it has been suggested that researchers focus on a particular kind of climate that is likely to influence their study's criteria of interest (Glick, 1985; Schneider, Parkington & Buxton, 1980). For example, Zohar (1980) constructed forty items that was descriptive of the

organization's safety-related practices and rewards. He found an empirical linkage between an organization's climate for safety and safety program effectiveness.

In the present study, psychological climate for service friendliness is chosen to predict employee displayed positive emotions. The construct of climate for service friendliness is conceptually narrower than Schneider's Climate for Service (Schneider & Bowen, 1985; Schneider et al., 1980). The latter concept refers to employee perceptions of the practices and behaviors that get rewarded and expected with regard to the delivery of quality service (i.e., emphasizing service be delivered with good responsiveness, accessibility, and courtesy; see Schneider, 1990). The climate for service friendliness, in contrast, places sole emphasis on employees' displays of warmth and friendliness. If employees perceive certain practices (e.g., socialization and training) are adopted by management to promote friendliness toward customers, and if employees perceive they are rewarded for being warm and friendly, a climate for service friendliness is said to exist.

Why will the psychological climate for service friendliness be expected to correlate positively with displayed positive emotions? James, Hartman, Stebbins, and Jones (1977) linked the psychological climate to a Valence-Instrumentality-Expectancy (VIE) model of work motivation. They assumed that an individual organizes specific perceptions of the environment into a cognitive map. This cognitive map then served as the main source of situational information for the formulation of expectancies and instrumentalities. They found that psychological climate did co-vary significantly with instrumentalities and valence measures, and that there were a few significant correlations with expectancies. In a service context, Kelley (1992) examined the causal mechanisms underlying the relationship between climate for service and employees' customer orientations. He found that a high climate for service would increase employees' direction components of motivation, which in turn would influence employee tendencies toward displaying good service behaviors. Taken together, it seems that employees who perceive the existence of a high climate for service friendliness would believe that their positive emotional displays will lead to desirable outcomes. Consequently, they will display more positive emotions.

Past studies in displayed emotions have identified a few contextual variables as determinants of employee displayed emotions. For example, Rafaeli and Sutton (1987) proposed that employees are more likely to display appropriate emotions if they are exposed to socialization programs emphasizing the expression of emotions. Ashforth and Humphrey (1995) shared a similar view about the important role the socialization plays in affecting employee displayed emotions. Furthermore, Rafaeli and Sutton (1987) argued that the use of rewards and punishments can induce employees to display appropriate emotions. Employees are more likely to maintain such behaviors because they want to obtain more rewards (e.g., cash prize, praise) while avoiding punishments.

A qualitative study conducted by Sutton (1991) directly tested the above reasoning. He found that the use of various socialization programs such as employee handbooks and peer observation could effectively help bill collectors display appropriate emotions (i.e., display arousal and mild irritation). He also found that managers in the bill-collection organization monitored collectors' displayed emotions using the computer facility, and praised or criticized the collectors accordingly.

These past research efforts linked contextual variables to employees' displays of appro-

appropriate emotions. The present study extends previous research by examining whether an employee's cognitive appraisal of contextual factors in the organization will influence employee displayed positive emotions. Hence the following is proposed:

Hypothesis 1: Psychological climate for service friendliness will be positively related to displayed positive emotions. Specifically, when a psychological climate for service friendliness is higher, employees will display more positive emotions toward customers.

1.2. Consequences of displayed positive emotions

Rafaeli and Sutton (1987) proposed that appropriate employee displayed emotions would result in some positive consequences for the organization, including immediate (e.g., customers would purchase a product immediately), encore (e.g., customers would visit the store again), and contagion gains (e.g., customers would pass positive comments to friends). Sutton and Rafaeli (1988) empirically tested one of these hypotheses. With a store as the unit of analysis, Sutton and Rafaeli examined if there was a positive relationship between the proportion of sales clerks in a convenience store who displayed positive emotions and the store's annual sales. Results of their study did not support the proposed relationship. Perhaps in the context of convenience stores where all customers have already made a decision to purchase before they encounter the checkout clerk, the impression made in each encounter would have little effect on customers' purchase decisions.

Brown and Sulzer–Azaroff (1994) also examined consequences of employee displayed positive emotions. They found a linkage between displayed positive emotions and customer satisfaction. Following Brown and Sulzer–Azaroff's (1994) study, the present study will test Rafaeli and Sutton's (1987) proposed relationships at a transaction level of analysis. Specifically, this study treats each employee–customer transaction as the unit of analysis to test whether an employee's display of positive emotions will result in customers' purchase decisions, willingness to return to the store, and willingness to pass positive comments to friends.

There are a few reasons employee displayed positive emotions can be expected to influence customers' purchase decisions and their willingness to return and pass positive comments to friends. The first reason is the functioning of emotional contagion. "Emotional contagion" refers to an individual's tendency to "mimic and synchronize facial expressions, vocalizations, postures, and movements with those of another person and, consequently, to converge emotionally" (Hatfield, Cacioppo & Rapson, 1994, p. 5). During each employee–customer transaction, it is likely that customers imitate employees' facial, vocal, and postural movements, thus creating inner cues contributing to their experiencing of employees' emotions. In other words, customers catch the positive emotions from the employees.

Marketing research indicates that a customer's in-store positive emotions will influence his or her purchase behaviors such as spending levels and amount of time spent in the store (Donovan, Rossiter, Marcolyn & Nesdale, 1994). In addition, Donovan and Rossiter (1982) found that customers' in-store positive emotions would affect their reactions toward the store (e.g., willingness to return, liking of the store). Taken together, it appears that when employees display positive emotions to customers, customers will feel the sensations the

employees feel. The positive emotions the customers experience will in turn increase the likelihood of their purchase decisions, willingness to return to the store, and willingness to pass positive comments to friends.

The second reason for an expectation of positive influence by employee displayed positive emotions is drawn from marketing research in service quality. The evaluation of service quality involves a comparison of customer expectations with customer perceptions of actual service performance (Parasuraman, Zeithaml & Berry, 1985). It is possible that the positive emotions displayed by employees meet or exceed customer expectations for how they should be treated, thus leading to high service quality evaluations by customers. Empirical evidence has linked customers' positive evaluations of service quality to high purchase decisions (Richard & Allaway, 1993), willingness to return (Headley & Miller, 1993; Taylor & Baker, 1994; Zeithaml et al., 1996), and willingness to recommend (Headley & Miller, 1993; Zeithaml et al., 1996). Thus an expectation of positive relationships between displayed positive emotions and customer purchase decisions and reactions seem warranted.

One more reason customers' purchase decisions may be influenced by employees' expressions of positive emotions relates to the norm of reciprocity (Gouldner, 1960). When employees display positive emotions to customers, it creates almost a debt that the customers can repay with their purchase decisions. Customers may feel guilty leaving a store without buying anything if employees have displayed positive emotions to them. Thus, the following is proposed:

Hypothesis 2: Displayed positive emotions will be positively related to purchase decision. Specifically, when employees display more positive emotions toward customers, customers will be more likely to purchase a product immediately.

Hypothesis 3: Displayed positive emotions will be positively related to willingness to return. Specifically, when employees display more positive emotions toward customers, customers will be more willing to visit the store again.

Hypothesis 4: Displayed positive emotions will be positively related to willingness to recommend. Specifically, when employees display more positive emotions toward customers, customers will be more willing to pass positive comments to friends.

2. Methods

2.1. Participants

Sales clerks and customers of 156 retail shoe stores in Northern Taiwan were included in this study. Of 156 shoe stores, the majority (i.e., 115 stores) were independent businesses, while the remaining were chain stores belonging to 11 different organizations. 290 sales clerks participated in this study. Their mean age was 23.51 (S.D. = 7.68) and 115 of them (39.7%) were men. The mean years of work experience in service-related jobs was 3.72 (S.D. = 4.42). In addition, 284 customers served by one of the sales clerks participated in this study. Customers' mean age was 24.25 (S.D. = 7.54) and 94 of them (33.1%) were men.

2.2. Procedure

Nine research assistants recruited for this study were grouped into three teams. Each of the three teams shared data collection duties. To reduce error variance caused by data collector heterogeneity, a two hour in-house training session provided opportunities for observers to practice how to accurately rate the displayed positive emotions of a target person playing the role of a sales clerk. In addition, all research assistants were asked to make field visits to several shoe stores to familiarize themselves with all aspects of the data collection process. Ratings made during these visits were not included in the final analysis.

Rafaeli and Sutton (1990) indicated that norms for displaying positive emotions remain valid only during slow times. Consequently, observers visited the stores during slow times (i.e., 2–5 p.m. on weekdays). They observed the interaction between a sales clerk and a customer and then independently rated the sales clerk's positive emotions displayed¹ throughout the entire interaction. After the customer left the store, observers followed the customer and invited him or her to fill out a questionnaire concerning customer reactions toward the store. Of the 430 customers contacted, 284 accepted the invitation, yielding a response rate of 66%. No gifts were given to customers who participated in the study. A few minutes later, the third research assistant went into the store, identified the sales clerk who was just observed and invited him or her to fill out a questionnaire. Of 358 sales clerks contacted, 290 accepted the invitation, yielding a response rate of 81%. A phone card worth about US\$3.00 was given as an incentive to clerks who were willing to participate in the study. Note that all questionnaires were in Chinese,² as it is the official language in Taiwan.

2.3. Measures

2.3.1. Control variables.

Sex of sales clerk, sex of customer, and sex of clerk-customer pair (same vs. opposite sex) were used as control variables when determinants of displayed positive emotions were assessed. Of the former two variables, Rafaeli (1989a) found that female sales clerks displayed more friendly and warm emotions and male customers received higher levels of positive emotional display than did female customers.

Experienced emotions of sales clerk was also included as another control variable. It was measured by ten positive affect terms (e.g., enthusiastic, excited) from Watson, Clark, and Tellegen's (1988) PANAS Scales. Sales clerks were asked to indicate the extent to which each of the terms described how they had felt during the past few days on a four-point Likert Scale.³ The Cronbach's alpha for this measure was 0.87. Carlson, Charlin, and Miller (1988) indicated that positive moods would cause people to perceive stimuli in a more positive light. Thus, employees in positive moods are more likely to look favorably on customers (George, 1991) and as a result display more positive emotions. Note that the ten negative affect terms in PANAS were excluded from this study. This is because positive moods have been demonstrated to influence service behaviors (e.g., George, 1991) but no consistent evidence exists to demonstrate that negative moods affect service behaviors.

With respect to consequences of displayed positive emotions, sex of sales clerk, sex of

customer, sex of clerk-customer pair, age, years of work experience, and professional ability of sales clerks were treated as control variables. The latter two variables were chosen because it was believed that sales clerks who were more experienced and professionally competent could provide better information about the shoes. As a result, customers were more likely to find the shoes they need and buy the shoes immediately or generate positive reactions toward the store. Professional ability was measured by three self-rated items ($\alpha = 0.81$) constructed for this study: “I have a great deal of knowledge about how to choose the right shoes for customers,” “Customers often like the shoes I recommend,” and “I am more competent than my colleagues for choosing the right shoes for customers.”

2.3.2. *Psychological climate for service friendliness.*

Six items adapted from Schneider et al.'s (1998) Global Service Climate Scale were used to represent an employee's perception of the store's overall climate for service friendliness. Sample items include “My store manager is very committed to improving the service friendliness of sales clerks,” “My store manager recognizes and appreciates sales clerks' friendliness toward customers” and “My store asks our external customers to evaluate sales clerks' service friendliness.” Result of a generalized least squares exploratory factor analysis suggested a one-factor solution. The sum of the six items was computed to represent the psychological climate for service friendliness. The Cronbach's alpha for this measure was 0.85.

2.3.3. *Displayed positive emotions.*

In addition to the four criteria—greeting, thanking, smiling, and establishing eye contact used in Sutton and Rafaeli (1988) and Rafaeli (1989a), another two criteria—asking customers to wait for a while (i.e., asking customers to wait while the clerk finds the desired shoes, vs. just disappearing without saying much) and employees speaking in a rhythmic vocal tone were added. These two criteria were added because when interviewing 30 store supervisors and employees before the study, it was suggested that these two types of expression would increase the perceived friendliness on the part of sales clerks (e.g., an employee speaking in a monotone makes customers feel that they are not warmly welcomed). Employees' displayed positive emotions were scored by two observers simultaneously. Observers assigned a value of 1 if a behavior was displayed and a value of 0 if it was not displayed. In this study, 78.3% of the observations reflected a perfect agreement between observers. The mean interrater agreement (Lindell, Brandt & Whitney, 1999) was 0.91 (S.D. = 0.19). I conducted a generalized least squares exploratory factor analysis of the six criteria and found that all had substantial loadings on a single factor (i.e., all loadings were higher than 0.40). The sum of the scores on six criteria was computed, scores given by two observers were then averaged. Note that because the “wait for a while” item might not be applicable when a customer was just browsing without trying on a shoe, data were collected only when customers were serious about buying shoes. This was indicated if customers tried the shoes on. This ensured that sales clerks had the opportunity to convey all six criteria of displayed positive emotions in every transaction.

The Cronbach's alpha for the displayed positive emotions measure was 0.51 in the current

study, suggesting the six criteria were not sufficiently homogeneous. However, this variable was still deemed meaningful because each of these six criteria reflected part of the displayed positive emotion construct, and thus, was all of interest to this study. As argued by Nunnally and Bernstein, the “heterogeneity would be a legitimate part of the test if it were part of the domain of content implied by the construct” (Nunnally & Bernstein, 1994, p. 312).

An alternative way to deal with the low reliability of this construct⁴ is to treat the six criteria as separate indicators of displayed positive emotions rather than to create a composite. I have run the regressions in this way in testing the hypotheses. Results appeared quite similar regardless of whether the set of six criteria or the composite was used. To avoid redundancy, I will report only the results involving the composite.

2.3.4. *Purchase decision.*

One item “Did you just purchase a pair of shoes from that store?” was used to assess whether customers had purchased a product. Customers were asked to respond with a yes-or-no answer. There were 58.6% of customers in this study indicating they had purchased at least one pair of shoes.

2.3.5. *Willingness to return.*

Three items ($\alpha = 0.87$) were constructed for this study to measure customers’ degree of willingness to repeat their transactions with the store. Sample items include “If I need to buy a new pair of shoes, I wouldn’t come to this store” (reverse scored) and “I would visit this store again.”

2.3.6. *Willingness to recommend.*

Three items ($\alpha = 0.87$) were constructed for this study to measure customers’ degree of willingness to pass positive comments to friends. Sample items include “I would recommend this store to my friend when he or she needs to buy a new pair of shoes” and “I would recommend this store when I chat with my friends about shoes.”

Initially, willingness to return and willingness to recommend were treated as two different variables in this study. The result showed, however, the two measures to be highly correlated ($r = 0.80$ before correcting for unreliability; $r = 0.94$ after correction). Result of a generalized least squares exploratory factor analysis of these two measures suggested a one-factor solution. Thus, I decided to combine these two measures and labeled the new measure “customer reactions.” This measure consisted of six items ($\alpha = 0.91$) and was used to test the relevant hypotheses (i.e., Hypothesis 3 and 4).

3. Results

Table 1 contains the means, standard deviations, and intercorrelations of variables involved in this study.

Hypothesis 1 predicted that psychological climate for service friendliness would be positively related to displayed positive emotions. Results of hierarchical regression are

Table 1
Means, standard deviations and correlation matrix among variables^a

Variables	M	SD	1	2	3	4	5	6	7	8	9	10	11
1. Sex of clerk ^b	—	—	—										
2. Sex of customer ^c	—	—	.06	—									
3. Sex of clerk-customer pair ^d	—	—	.12	.00	—								
4. Age of clerk	23.51	7.68	.09	-.03	-.02	—							
5. Years of experience	3.72	4.42	.01	-.03	-.09	.74**	—						
6. Professional ability	10.88	2.29	.08	.05	.01	.21**	.17**	.81					
7. Experienced emotions	25.06	6.40	.14*	.09	.00	-.06	.01	.24**	.87				
8. Psychological climate	21.60	4.40	-.09	-.05	.11	.08	.06	.22**	.36**	.85			
9. Displayed positive emotions	3.14	1.39	.07	.05	.02	-.00	.02	.03	.01	.16**	.51		
10. Purchase decision ^e	—	—	.00 ^f	.00	.00	-.05	-.04	-.00	.00	-.07	.03	—	
11. Customer reactions	20.69	4.01	.07 ^g	-.11	.01	-.02	-.05	-.01	.04	.02	.23**	.21**	.91

^a Values on the diagonal are Cronbach's alpha.

^b Sex was coded by 0 = women and 1 = men.

^c Sex of customer was coded by 0 = women and 1 = men.

^d Sex of clerk-customer pair was coded by 0 = opposite sex and 1 = same sex.

^e Purchase decision was coded by 0 = not purchased and 1 = purchased.

^f Goodman and Kruskal's lambda was computed for 2 nominal variables.

^g Point-biserial correlation was computed for one continuous variable and one dichotomous variable.

* $p < .05$.

** $p < .01$.

summarized in Table 2. Overall, the model explained 4% of the variance in displayed positive emotions ($p < .05$). None of the control variables were significantly related to displayed positive emotions. However, psychological climate for service friendliness was found to be positively related to displayed positive emotions ($b = 0.06, p < .01$), offering support for Hypothesis 1.

Table 2
Hierarchical regression analysis for testing determinants of displayed positive emotions^a

Independent variables	Displayed positive emotions			
	<i>b</i>	s.e.	<i>R</i> ²	ΔR^2
Step 1				
Sex of clerk	.28	.18	.008	
Sex of customer	.14	.18		
Sex of clerk-customer pair	.09	.18		
Experienced emotions	-.02	.01		
Step 2				
Psychological climate for service friendliness	.06**	.02	.040*	.032**

^a Regression coefficients reflect the full model, including control variables and the psychological climate for service friendliness.

* $p < .05$.

** $p < .01$.

Table 3
 Hierarchical regression analyses for testing consequences of displayed positive emotions^a

Independent variables	Logistic regression				OLS regression			
	Purchase decision				Customer reactions			
	<i>b</i>	s.e.	-2 log likelihood	$\Delta\chi^2$	<i>b</i>	s.e.	R^2	ΔR^2
Step 1								
Sex of clerk	-.13	.29	317.92		.68	.56	.024	
Sex of customer	-.05	.29			-1.23*	.55		
Sex of clerk-customer pair	-.15	.29			.04	.56		
Age of clerk	-.03	.03			.01	.05		
Years of experience	.02	.04			-.06	.09		
Professional ability	-.01	.06			-.02	.11		
Step 2								
Displayed positive emotions	.03	.10	316.12	1.80	.68**	.18	.079**	.055**

^a Regression coefficients reflect the full model, including control variables and displayed positive emotions.

* $p < .05$.

** $p < .01$.

Hypothesis 2 predicted that displayed positive emotions would be positively related to purchase decision. Hierarchical regression (Logistic regression) was performed to determine if the expected relationship existed. As can be seen in the first equation reported in Table 3, none of the control variables were significantly related to purchase decision. In addition, displayed positive emotions was not significantly related to purchase decision (the likelihood ratio test suggested $\Delta\chi^2 = 1.80$, $p > .05$). Hypothesis 2 was not supported.

Hypothesis 3 and 4 predicted that displayed positive emotions would be positively related to willingness to return and willingness to recommend. Willingness to return was combined with willingness to recommend, to form a new variable, customer reactions. Results of hierarchical regression are summarized in the second equation shown in Table 3. Overall, the model explained 7.9% of the variance in customer reactions ($p < .01$). Sex of customer was the only control variable significantly related to customer reactions ($b = -1.23$, $p < .05$), suggesting female customers reacted more positively toward the stores. Further, displayed positive emotions explained an additional 5.5% of the variance in customer reactions ($p < .01$), providing support for Hypothesis 3 and 4. As expected, when sales clerks expressed more positive emotions toward customers, customers were more willing to visit the store again and pass positive comments to friends ($b = 0.68$, $p < .01$).

These results suggest that customer reactions were affected by employee displayed positive emotions. Alternatively, customer reactions could also be affected by customer purchase decisions. Results of hierarchical regression showed that both displayed positive emotions ($b = 0.66$, $p < .01$) and purchase decision ($b = 1.69$, $p < .01$) were positively related to customer reactions after controlling for the control variables ($\Delta R^2 = 0.099$, $p < .01$). Customers reacted more positively toward the store if either they were treated nicely by sales clerks or they found shoes they liked enough to buy. Note that the interaction between displayed positive emotions and purchase decision had no significant effect on customer reactions ($\Delta R^2 = 0.001$, $p > .05$).

3.1. *Post hoc analyses*

There may be concerns about the reported relationship between psychological climate for service friendliness and displayed positive emotions being inflated by common method variance or by some other common factor (e.g., a value or personality characteristic that was not correlated with sales clerks' positive moods). Thus, for every store where there were more than one sales clerk answering the survey, I used the other sales clerks' responses as an indicator of the store's climate. In the cases examined, similar results were found indicating that common method variance may not be a significant influence on the results reported.

4. Discussion

The present studies found that when a psychological climate for service friendliness was higher, employees would display more positive emotions toward customers. This finding is complementary to those by Rafaeli and Sutton (1987), Sutton (1991), and Ashforth and Humphrey (1995). In those, variables of socialization and rewards and punishments were the main foci. The present one showed that employees' cognitive appraisals of these and other practices and procedures in the organization correlate positively with their positive emotional displays. This finding has one practical implication. Managers can create a high psychological climate for service friendliness, to increase the possibility that employees will display positive emotions toward customers. By what means can a high psychological climate for service friendliness be created? Implications drawn from Schneider and others (Kelley, 1992; Schneider & Reichers, 1983; Schneider et al., 1998; Schneider, Wheeler & Cox, 1992) have suggested that managers might expend efforts toward implementing human resources practices (e.g., evaluating the appropriateness of employee displayed emotions and giving rewards or punishments accordingly), and remove obstacles to employees displaying positive emotions (e.g., scolding employees for showing hostility to co-workers who display positive emotions, because co-workers who follow the emotion display rules often make these employees look bad).

Results of this study also showed that positive emotional display is not related to purchase decision. A customer's likelihood of purchasing the product would not be increased even if the sales clerk displayed positive emotions toward him or her. Perhaps in the context of this study (i.e., shoe stores), displayed positive emotions had a much weaker effect on a customer's purchase decision than other factors mentioned frequently by marketing researchers (see Schoell & Guiltinan, 1995). Thus, if factors such as price of the product and product characteristics were measured and statistically controlled, the effect of displayed positive emotions on purchase decision could be more accurately determined.

As expected, this study found that when employees displayed more positive emotions toward customers, customers were more willing to visit the store again and pass positive comments to friends. Further analyses of displayed positive emotions at the indicator level suggested it was an employee's thanking and rhythmic tone of voice that effectively influenced customer reactions. These results partially confirmed Rafaeli and Sutton's (1987)

proposed displayed emotions-organizational benefits relationships at the transaction level of analysis. The work of Brown and Sulzer-Azaroff (1994) indicated employees' displays of positive emotions can result in some positive consequences for the organization in the context of a bank. This study adds to the literature and suggests that positive emotional displays could bring benefits for the organization in retail settings like a shoe store. Taken together, from a practical standpoint, it seems clear that the display of positive emotions on the part of employees is one desirable action managers should promote.

Some limitations of this study should be noted. First, my interpretation of the results obtained in the present study has proceeded with a certain causal order. However, because the data are cross-sectional, the direction of causality cannot be unambiguously determined. Nonetheless, some thoughts come to mind that may partially mitigate this concern. For example, customer reaction was treated as a consequence of employee displayed positive emotions in this study. Because customers indicated their reactions toward the store after they had encountered the employees' positive emotional displays, it is less plausible to argue that customer reaction is in fact a cause of employee displayed positive emotions. After all, causes have to be antecedent to their effects.

Second, sales clerks' negative affective states were not measured in this study because of considerations mentioned before. As such, the effect of experienced emotions on displayed positive emotions could not be fully recognized and statistically controlled when the psychological climate-displayed positive emotions relationship was examined. Further, this study obtained an unexpected finding showing that the sales clerk's displayed positive emotions is not affected by how positive his or her affective states are. This may be caused by the fact that the measure of experienced emotions used in this study reflects sales clerks' affective states over the past few days rather than their affective states at the time of the transaction. Because sales clerks' affective states over the past few days and their experienced emotions at the time of the transaction are not necessarily identical, future research should focus on measuring sales clerks' experienced emotions at the time of the transaction.

Third, there was a possibility of systematic attrition in the data of this study. Customers and sales clerks in a worse mood may be less likely to participate in this study. However, this might only restrict the range of data in the sample (e.g., sales clerks' displayed positive emotions) which would reduce effects rather than inflate them.

A final limitation of this study is that the internal consistency reliability of the measure of displayed positive emotions was low compared to that of previous studies (e.g., Rafaeli, 1989a). This was probably caused by culture heterogeneity (Taiwan vs. United States). Wierzbicka (1994) noted that the expression of the same emotion may entail a slightly different set of emotional indicators across cultures. Whereas Rafaeli (1989a) found that the intercorrelation of emotional indicators like greeting, thanking, smiling, and establishing eye contact is relatively high for the United States sample, the Taiwanese sales clerks in this study may have expressed their friendliness in terms of indicators that are also important in Taiwan but have not been fully captured in this study. Note that the above discussion does not imply that the indicators chosen to measure the display of positive emotions in this study connote friendliness in the United States but not in Taiwan. In fact, researchers have noted that the expression of certain emotional indicators may have a universal meaning across cultures (e.g., Markus, Kitayama & Heiman, 1996, suggested that fairly pervasive associa-

tions exist across cultures between smiling and friendliness). Thus, I would argue that sales clerks' expressions of every indicator chosen in this study would make customers feel they are warmly welcomed in both Taiwan and United States, although it is likely that the set of emotional indicators associated with friendliness in each country may not be identical.

This study used scales that have been used previously in studies of English speakers (e.g., the psychological climate scale). Although there are concerns about using scales originally written in English in a foreign country, they may be partially mitigated for the following reasons. First, the factor structures of those scales in this study (i.e., single factor) were consistent with findings of studies with U.S. samples (e.g., Schneider et al., 1998; Watson et al., 1988). Second, results of this study were generally congruent with findings of U.S. studies (e.g., Brown & Sulzer-Azaroff, 1994; Kelley, 1992). These factors can partially overcome the construct bias likely involved in cross-cultural research (Van de Vijver & Leung, 1997).

To expand on the current findings, future research may focus on two specific areas. First, this study only included psychological climate for service friendliness as the potential determinant of displayed positive emotions and as a result, the model explained a relatively small amount of variance in displayed positive emotions. Future studies should identify additional determinants. For example, Rafaeli (1989z) noted that extraverted sales clerks are probably more likely to act in a friendly manner toward their customers. Hurley (1998) indicated that people who are more conscientious may be more willing to follow the organization's emotion display rules and as a result are more likely to convey positive emotions. These speculations should be empirically tested so that factors affecting displayed positive emotions can be further identified. Second, in this study employees' displays of positive emotions were posited to influence customer behavior. Although the proposed causal direction makes sense on the conceptual ground, it is also possible that customer behavior influences employee displayed positive emotions. For example, sales clerks may detect a customer's high purchase intention and respond with more positive emotional displays, because they don't want to waste their emotional energy on customers who look more like casual window-shoppers than serious buyers. Thus, emotional display in this case may be a response to the customer's purchase intention. While a few researchers (e.g., Locke, 1996) have viewed customers as comakers of employee displayed emotions rather than inactive recipients, it would be valuable to test if there is indeed a reciprocal causality between displayed positive emotions and customer behaviors.

This study contributes to the literature by providing results of an empirical investigation of employee displayed positive emotions. It also extends previous research by testing some of Rafaeli and Sutton's (1987) hypotheses at a different level of analysis. Specifically, research was focused on exploration of phenomenon in the reality of actual transactions. The findings based on this research strategy should add value to the literature.

Notes

1. Displayed emotions data were collected without receiving consent from sales clerks (i.e., sales clerks were not aware of being observed) and permission from store

management. Despite this, the interviews of 30 store supervisors and employees before the study suggested that using mystery shoppers to evaluate sales clerks' service friendliness was a common practice for shoe stores. Thus, following Rafaeli's (1989a) argument, observing sales clerks' displayed positive emotions without receiving any informed consent was believed not to pose an ethical problem. This is because the behaviors observed are public and are routine requirements in employees' jobs.

2. Some of the scales used in this study were originally written in English and then translated into Chinese. Van de Vijver and Leung (1997) indicated the importance of evaluating the translatability of an instrument in a multilingual context. They suggested that when there are items expected to show cultural idiosyncrasies (e.g., items involving poorly translatable text features such as local idiom and metaphors), those items should be replaced. It seems that the scales used in this study did not contain such poorly translatable items.
3. Watson et al. (1988) used a five-point response scale on the PANAS with the anchors 'not at all,' 'a little,' 'moderately,' 'quite a bit,' and 'extremely.' When I translated those five anchors into Chinese word for word, the property of equal distances between anchors disappeared. To meet the requirement of an interval scale, I used only a four-point response scale in this study.
4. I have tried to select a subset of the indicators that achieved acceptable reliability. Results suggested that none of the combinations could produce an alpha coefficient that was higher than 0.51.

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