

How Entrepreneurial Leaders Use Emotional Labor to Improve Employee Attitudes and Firm
Performance

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Abstract

This study takes a deep look at how entrepreneurial leaders use all three forms of emotional labor. The results from this analysis of 147 dyadic pairs of entrepreneurial leaders and their subordinates are presented herein. This study is the first to investigate the relationship between emotional labor strategy and the display of discrete genuine emotions (enthusiasm, liking, irritation). Leader genuine emotional labor and leader displays of positive discrete emotions were positively correlated with employee job satisfaction, affective commitment, and lower intentions to quit. Additionally, this study provides empirical evidence that the display of discrete emotions moderates the effects of leader genuine emotion on firm performance. From a practical standpoint this study benefits entrepreneurs by outlining emotionally healthy methods to display the appropriate emotions when interacting with stakeholders to enhance firm performance.

The importance of leaders' emotional displays is recognized as an important component of entrepreneurship (Lechat & Torres, 2017). In particular, leaders' emotional displays can have a substantial influence on followers' impressions of their leaders (Dasborough, 2006; Dasborough & Ashkanasy, 2002; Newcombe & Ashkanasy, 2002). Theories about emotional intelligence also recognize the importance of emotional displays, and some measures of emotional intelligence (e.g., the WEIP-3 and the WEIP-S) specifically assess the ability to display emotions such as whether people can control their emotions, discuss their emotions with others, and share their emotions in a way that has a positive impact on others (Jordan, Ashkanasy, Härtel, & Hooper, 2002; Jordan & Lawrence, 2009; Troth, Jordan, Lawrence, & Tse, 2012). Leaders' emotional displays are often a result of their natural emotional reactions to the events around them. However, leaders sometimes try to alter their emotional displays to influence others.

One way in which leaders' can alter their emotional expressions is by using emotional labor strategies. Emotional labor was originally conceived as managing one's feeling to create a desirable observable facial display (Hochschild, 1983). Over time definitions of emotional labor have become more behavior based, as opposed to feeling based, as one cannot force another to feel something, yet one can be required to display certain emotions at work (Ashforth & Humphrey, 1993; Humphrey, Ashforth, & Diefendorff, 2015). For this reason, we define emotional labor as the "act of displaying the appropriate emotion" (Ashforth & Humphrey, 1993, p. 90).

Research on emotional labor as a construct is substantial. In their introduction to their edited book on emotional labor, Grandey, Diefendorff, and Rupp (2013) documented the popularity of research on emotional labor. Although most research has focused on how service

workers use emotional labor, researchers also explore how managers use emotional labor (Brotheridge & Grandey, 2002; Brotheridge & Lee, 2008; Diefendorff, Richard, & Croyle, 2006). There is considerable theoretical interest in how leaders use emotional labor to influence their followers (Ashkanasy & Humphrey, 2011a; 2011b; Humphrey, 2012; Humphrey, Pollack, & Hawver, 2008). Other researchers examine how leaders use emotional labor (Fisk & Friesen, 2012; Gardner, Fischer, & Hunt, 2009; Hunt, Gardner, & Fischer, 2008; Iszatt-White, 2009). Thus, one of the major purposes of this research project is to investigate how entrepreneurial leaders use emotional labor.

Humphrey, Pollack, & Hawver (2008) argued that emotional labor can be used in a wide variety of occupations. This broad applicability should make emotional labor exceptionally useful for entrepreneurs because they must wear “multiple hats” and perform multiple duties (leader, salesperson, etc.) requiring the use of emotional labor with multiple stakeholders daily. Further, the proper use of emotional labor can contribute to the emotional health of entrepreneurs. This is important to businesses as emotionally healthy entrepreneurs are identified as a key asset (Lechat & Torres, 2017).

This study also examines two different ways to measure and conceptualize natural and genuine emotional labor. One method consists of assessing the discrete emotions that are displayed (Glomb & Tews, 2004); whereas the other method has respondents describe their emotional labor strategies (Diefendorff, Croyle, & Gosserand (2005). Instead of viewing these as competing approaches, this study tests whether the two approaches can be used together to increase explanatory power. While it is commonly assumed that expressing genuine emotions is usually a good thing for leaders to do, this may depend upon the discrete emotions being expressed. When these emotions are inconsistent with social expectations then genuine

emotional displays might not produce the best results (Gardner, Fischer, & Hunt, 2009; Hunt, Gardner, & Fischer, 2008).

Equally important, this study is conducted on a sample of entrepreneurs. A broad spectrum of definitions for entrepreneurs exist in the literature. Definitions focus on diverse aspects of entrepreneurship from risk-taking (Carland, Hoy, Boultron, & Carland, 1984) to venture creation and opportunity exploitation (Packard, 2017). For this paper, we define an entrepreneur as “a major owner and manager of a business venture who is not employed elsewhere” (Brockhaus, 1980, p. 150). Using this definition, we examine whether entrepreneurs can use emotional labor to influence the work attitudes of their employees and to improve overall firm performance.

Researchers in entrepreneurship have called for more research on affect. 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). There was a special issue of *Entrepreneurship Theory and Practice* on emotions; the editors of this issue called for research on how entrepreneurial leaders use emotional labor (Cardon, Foo, Shepherd, & Wiklund, 2012). The editors also called for more research on the effects of discrete emotions. The call for more research on emotions and entrepreneurship was reinforced by another special issue on emotions in *Entrepreneurship Research Journal* (Labaki, 2013). Lechat and Torres (2016) specifically call for more research into the role discrete emotions play in entrepreneurship. In answer to these requests, this study investigates how entrepreneurial leaders use displays of discrete emotions and emotional labor tactics to improve employees’ job satisfaction, affective commitment, and turnover intentions. Because entrepreneurs play a large role in their overall organizational success, we also examine

whether an entrepreneurial leaders' use of emotional labor influences overall firm performance. Further, we recommend specific methods of displaying emotion to protect the mental wellbeing of the entrepreneur.

Surface acting, deep acting, and natural emotional labor

Hochschild (1983) identified two methods of performing emotional labor: surface acting and deep acting. Surface acting involves changing one's outward emotional expressions without changing one's inner, or actual, emotions. Thus, surface acting involves faking emotions. In contrast, deep acting involves first trying to invoke the emotion that one wants to portray; then the summoned emotion naturally animates the person's outward emotional display. This still involves effort because the employees must make an attempt to feel the emotion.

In addition to deep acting and surface acting, Ashforth and Humphrey (1993) argued that there is a third form of emotional labor: spontaneous and genuine emotional labor. Employees' genuine and spontaneous emotions may comply with organizational display rules. Moreover, Ashforth and Humphrey (1993) argued that employees who identify with their roles would feel less emotional dissonance when expressing role-appropriate emotions and thus would not feel the harmful physical or psychological effects that surface acting entails.

However, most research continued to focus on surface acting and deep acting until influential studies by Glomb and Tews (2004) and Diefendorff, Croyle, and Gosserand (2005) found empirical support that all three forms of emotional labor are distinct. For this reason, the three factor model of emotional labor is used in this study. The employee responses in their samples indicated that employees do spontaneously express their genuine emotions—both positive and negative—while at work. Equally important, these genuine emotional displays corresponded to occupational differences in display rules. In other words, many employees were

spontaneously feeling the appropriate emotions for their occupations, perhaps because they identified with their occupational roles. The opposite appears to be true for surface acting as it is generally associated with negative outcomes such as decreased job satisfaction (Bhave & Glomb, 2016), absenteeism, and withdrawal (Nguyen, Groth, & Johnson, 2016).

Other Characteristics of Emotional Labor

Emotional labor can also be categorized according to its dimensions, such as the frequency, intensity, variety, and duration of emotional labor (Morris & Feldman, 1996; Brotheridge & Lee, 2003), as well as the type of emotional labor (surface acting, deep acting, and natural emotional labor). Grandey and Diamond (2010) classified the job dimensions of emotional labor according to the content and mode of communication, the temporal relationship, the interactional autonomy, and the interactional complexity. Emotional labor that requires high intensity and a long duration is obviously going to be more stressful and difficult than emotional labor that is of low intensity and duration. The variety of emotional labor in terms of the different emotions that employees portray also makes a difference. When engaging in emotional labor, actors may need breaks to recover from the emotionally draining experiences; these breaks can help them perform emotional labor more effectively after the break is over (Troughakos, Beal, Green, & Weiss, 2008).

Displaying inauthentic emotions that are discrepant with what one really feels, may also have negative psychological effects. These negative effects are due to dissonance, and researchers have described two types of dissonance related to emotional labor (Hulsheger & Schewe, 2011). The first type occurs when the expressed emotion differs from the actor's actual, or felt, emotion (Cote, 2005; Van Dijk & Kirk-Brown, 2006). The second type occurs when the actor's felt emotion is discrepant with the organizational display rules (Morris & Feldman,

1996); this type of dissonance has been referred to as “emotion–rule dissonance” (Holman, Martinez-Inigo, & Totterdell, 2008; Hulsheger & Schewe, 2011). Surface acting produces the most dissonance because it consists of displaying emotions that are not actually felt. Deep acting involves trying to actually feel the expressed emotions, so it has less dissonance than surface acting, but dissonance may still exist which can lead to negative outcomes. The expression of natural and genuine emotion produces no discrepancy between felt and displayed emotions, so it produces no felt dissonance; when these genuine emotions comply with organizational display rules they also produce no emotion-rule dissonance.

Surface acting, which requires faking emotions and thus felt dissonance, is in general linked to negative outcomes, whereas deep acting and natural or genuine emotions generally have better outcomes in terms of both employee well-being and customer satisfaction (Bono & Vey, 2005; Brotheridge & Lee, 2003; Brotheridge & Grandey, 2002; Hennig-Thurau, Groth, Paul, & Gremler, 2006). Surface acting may also contribute to emotional exhaustion and thus indirectly increase turnover intentions, whereas employees who use deep acting may have lower turnover intentions (Chau, Dahling, Levy, & Diefendorff, 2009).

A meta-analysis by (Hulsheger & Schewe, 2011) indicates that surface acting is less effective than deep acting in terms of performance, more studies on emotional labor and performance need to be done to draw firm conclusions. Hence, one purpose of this study is to add to this limited body of knowledge by examining the relationship between the various forms of emotional labor and overall performance of the entrepreneurial leader. The meta-analysis also did not examine natural and genuine emotional labor or emotional labor performed by leaders. Thus, more research is needed on these topics.

Emotional Contagion, Emotional Labor, and Leadership

Emotional labor may have much of its effects on customers through the process of emotional contagion (Pugh, 2001). Emotional contagion occurs when people mimic or share other people's moods and emotions after witnessing facial expressions, body language, and vocal tones (Barsade, 2002; Hatfield, Cacioppa, & Rapson, 1993). When service workers smile and express positive emotions like friendliness, cheerfulness, and happiness, their positive emotions can spread easily to their customers. This puts customers in a positive mood, which in turn can improve their perceptions of the service they received.

Emotional contagion may also influence workplace processes and leadership effectiveness. Cardon, Post, and Foster (2016) found that emotional contagion enhances a leader's ability to communicate to subordinates. Further, Dunne, Aaron, McDowell, Urban, & Geho (2016) use emotional contagion to explain the connection between leader and follower emotional ties.

Entrepreneurship and Emotions

There are many varying definitions of 'entrepreneur.' Some argue that the pursuit of profit and growth makes an entrepreneur (Carland, Hoy, Boulton, & Carland, 1984). Others sometimes speak of lifestyle entrepreneurs (Shane, 2008). Some find that entrepreneurs have a higher tolerance for risk (Stewart & Roth, 2001) while others do not find this to be true (Miner & Raju, 2004). In this study, we use the following broad definition borrowed from Brockhaus (1980), "a major owner and manager of a business venture who is not employed elsewhere" (p. 150).

Managing emotions, in oneself and subordinates, is a necessary yet difficult task that most entrepreneurs are required to address. This is especially true for entrepreneurs where emotion is a key factor (Baron, 2007). For entrepreneurs, emotions are associated with

motivation (Schindehutte et al., 2006), decisions and judgments (Baron, 1998), morals (Buchholz & Rosenthal, 2005), creativity (Boren, 2010), opportunity evaluation (Shepherd, 2011), and attracting outside support (Goss, 2008). Further, entrepreneurs are often required to suppress strong emotions, such as fear, anger, and disgust (Zempetakis, Kafetios, Lerakis, & Moustakis, 2017). The strong ties among entrepreneurship, entrepreneurs, and emotions have led to multiple models that attempt to conceptualize this process.

In the entrepreneurial field, researchers have theorized that entrepreneurial passion can be contagious and can influence employees' feelings and job attitudes (Cardon, 2008; Cardon, Wincent, Singh, & Drnovsek, 2009). A field study found that entrepreneurial passion influenced employees' positive affect at work, which in turn influenced affective commitment (Breugst, Domurath, Patzelt, & Klaukien, 2012). Emotion is also shown to effect more tangible entrepreneurial outcomes such as profitability, growth, and innovation (Fodor & Pinteá, 2017).

As Cardon and her colleagues observed (Cardon, Foo, Shepherd, & Wiklund, 2012), no studies have yet to test if entrepreneurs use emotional labor to influence their employees' feelings and job-related attitudes. While evidence indicates that entrepreneurs' emotional displays influence employees, prior studies have not shown that entrepreneurial leaders use surface acting, deep acting, or natural emotional labor in their efforts to manage employees' moods and job attitudes. Theories developed in the next section suggest that entrepreneurial leaders can use emotional labor strategies to take control of the emotional contagion processes and thereby influence employee attitudes and firm performance.

Leadership and Emotional Labor

Although leaders may have the ability to use a wide range of emotions, in general leaders who display positive emotions such as enthusiasm are most effective because studies have found

that employees who experience positive emotions are generally more productive and have higher job performance (Judge & Kammeyer-Muellar, 2008). Through the process of emotional contagion (Barsade, 2002; Bono & Ilies, 2006; Pugh, 2001; Sy, Cote, & Saavedra, 2005), leaders can transmit their positive emotions to their followers and thereby improve their morale and performance.

Burch, Humphrey, and Batchelor (2013) interviewed corporate CEOs about their emotional labor strategies and found that using emotional labor is a complex process where leaders pay considerable attention to situational factors when performing emotional labor with their employees. An empirical study by Fisk & Friesen (2012) found that leaders' use of surface acting was negatively correlated with their followers' organizational citizenship behaviors and with job satisfaction. The opposite is true for deep acting as it is linked to increased leader effectiveness (Edelman & van Knippenbert, 2017).

Because displaying positive emotions generally produces better results, leaders who display positive emotions should be able to improve the attitudes and job satisfaction of their employees. In addition, leaders whose emotional labor consists of genuine and naturally felt displays of positive emotions (such as enthusiasm) should have better results than leaders who use surface acting or deep acting to portray positive emotions (such as enthusiasm).

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 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.

When used correctly, the leader's use of genuinely felt emotions can positively influence their subordinates. Entrepreneurs are generally motivated by their business enterprises and are likely to feel enthusiastic about their jobs (Dodd, 2002, Cardon et al., 2009, 2005; Cope, 2005; Hannon, 2006). For this reason, they should 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 emotions to employees.

Leaders are also subjected to many of the same workforce hassles and frustrations that afflict their workers (Humphrey, 2008; Humphrey et al., 2008). These frustrations can make it difficult for leaders to display positive emotions like enthusiasm and confidence. During difficult times, leaders may need to suppress displays of natural and genuine negative emotions (like irritation) if they want to portray enthusiasm and other positive emotions to their followers (Humphrey, 2008; Humphrey et al., 2008). Little, Gooty, and Williams (2016) found that emotion management is linked to positive leader-subordinate outcomes such as increased LMX. Thus, the environment that leaders are operating in makes a big difference in whether they should be using deep acting or natural and genuine emotional labor.

Herein, we investigate whether surface acting, deep acting, and genuine emotional labor relate to subordinate intention to quit, satisfaction, affective commitment, and firm performance in the same way. It stands to reason, based on the prior discussion of the outcomes of all three forms of emotional labor, that surface acting, deep acting, and natural or genuine emotion will not all relate to these outcomes in the same manner, as stated in the following hypothesis:

Hypothesis 1. Leaders' natural emotional labor will have different correlations with employee attitudes and firm performance compared to surface acting and deep acting.

While the natural and genuine emotional labor scale measures whether leaders express their genuine emotions, it does not measure whether these genuine emotional displays are positive or not. The other set of measures look at the discrete emotions that are actually expressed in terms of enthusiasm, liking, and irritation (Glomb & Tewes, 2004). Authentic leadership theory (Hannah & Luthans, 2008) and our previous discussion on emotional contagion argue that leaders should express enthusiasm, hope, and confidence to motivate their followers. Thus, positive discrete emotional displays (liking and enthusiasm) should have positive main effects on employee work-related attitude (satisfaction, affective commitment, and intention to quit) and firm performance; the opposite for negative discrete emotional displays (irritation), as stated in the following hypothesis.

Hypothesis 2. Entrepreneurial leaders' natural and genuine emotional labor will have positive main effects on (a) employees' work-related attitudes, and (b) on firm performance. Entrepreneurial leaders' display of genuine positive discrete emotions (enthusiasm, liking) will have positive main effects on (c) employees' work-related attitudes, and (d) on firm performance, whereas displays of genuine discrete negative emotions (irritation) will have negative main effects on (e) employees' work-related attitudes, and (f) on firm performance.

Likewise, leader-member exchange theory includes "liking" as one of the 4 dimensions of leader-member exchange (Liden & Maslyn, 1998), so leaders who frequently express liking should also exert positive main effects on employee attitudes. While being genuine and open about one's feelings should, in general, have positive effects on others, this depends on the actual

emotions being expressed. For this reason, we test whether the effects of natural and genuine emotional labor are moderated by the discrete emotions actually being expressed. Leaders who genuinely express high levels of enthusiasm should have beneficial effects on followers' attitudes towards work; in contrast, leaders who genuinely express low levels of enthusiasm are likely to reduce their followers' enthusiasm and work-related attitudes (see Dunne et al., 2016 for discussion). Likewise, leaders who genuinely express high levels of liking for their followers are likely to have more motivated followers, but leaders who genuinely express low levels of liking will probably have dissatisfied workers. The same goes for irritation: genuine high levels of irritation are not likely to improve employee work-related attitudes. Hypothesis three formally states these contentions.

Hypothesis 3. The effects of entrepreneurial leaders' natural and genuine emotional labor on (a) employee attitudes and (b) firm performance will be moderated by their frequency of expressing discrete emotions (enthusiasm, liking, irritation).

Method

Sample

Surveys were developed for business owners and their subordinates. Each potential respondent (entrepreneur) received a packet of surveys. The packets included one leader survey and three subordinate surveys. Each packet included a statement indicating that the leader survey should only be filled out by the entrepreneur and the subordinate packet should be given to three subordinates. Each subordinate packet included their survey and a self-addressed stamped envelope (to the researchers) to ensure the leader did not collect the subordinate surveys, view, or have any influence on the subordinate responses. A total of 324 survey packets were distributed for this study

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. These responses resulted in 252 usable responses and 147 leader-follower dyads. 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. Regarding 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.

Measures

Leader. The entrepreneurs (majority owners who are not employed elsewhere) in this study were asked to respond to several measures. Measures of surface acting, deep acting, genuine emotion, and discrete emotions were self-report measures. Performance was based on a subjective performance rating by the leader. Each of these measures is elaborated upon below and rated on a five point Likert scale unless reported otherwise.

Surface Acting. The entrepreneurial leaders' emotional labor strategy of surface acting was 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. The calculated coefficient alpha for this scale in this study is .88.

Deep Acting. The emotional labor strategy of deep acting was measured using Diefendorff et al.'s (2005) 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. 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 was assessed using the "*Expression of naturally felt emotions*" scale from Diefendorff et al. (2005: 355). This scale consists of two original items and an adapted item from Kruml and Geddes (2000). In this study, items were modified to fit the contexts encountered by entrepreneurs. The computed coefficient alpha for the scale in this study is .88.

Discrete Emotion Emotional Labor Scale. Glomb and Tewes (2004) developed an instrument, the Discreet Emotion Emotional Labor Scale (DEELS), designed to measure expressions of specific positive and negative emotion. Three items from the genuine subscale were used that asked the leaders how often they genuinely expressed the emotions of enthusiasm, liking, and irritation.

Firm Performance. Dess and Robinson's (1984) three item scale was used to measure entrepreneurial firm performance. 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. The subordinates in this study were asked to respond to several measures. Measures of general attitude (i.e. intention to quit, job satisfaction, and affective commitment) were self-report measures. Each of these measures is elaborated upon below and reported on a five point Likert scale unless reported otherwise.

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

Job satisfaction was measured using 3 items from Cammann, Fichman, Jenkins, and Kless's (1983) measure. Items from this scale ask respondents to rate how they feel about aspects of their job. The computed coefficient alpha for the scale in this study is .63.

Affective commitment was measured using eight items from the affective commitment scale (ACS) developed by Allen and Meyer (1990). Participant responses were 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 years, 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 employees, 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.

Results

Correlations between variables are reported in Table 1. Leaders' natural emotional labor is negatively correlated with both surface acting and deep acting. In addition, leaders' surface acting and deep acting are negatively correlated with affective commitment ($-.37, p < .001$; $-.34, p < .001$), job satisfaction ($-.15, p < .10$; $-.14, p < .10$), and intentions to quit (reverse scored) ($-.353, p < .001$; $-.249, p < .05$). In contrast, the leaders' natural emotional labor is positively correlated with these indicators of employee attitudes (affective commitment, $.345, p < .001$; job satisfaction, $.15, p < .10$ two-tailed; $p < .05$ one-tailed; intentions to quit reverse scored, $.27, p < .001$). Thus, H1 is supported for the employee attitude items as leaders' natural emotional labor has different correlations with employee attitudes than does surface acting and deep acting. This also supports part of H2(a) as leaders' natural and genuine emotional labor is positively correlated with employee attitudes. With regard to firm performance H2(b), leaders' natural emotional labor is not significantly correlated with firm performance, so the hypothesized main effects on performance was not found.

The discrete emotions of displaying enthusiasm and liking are positively correlated with all three subordinate attitude measures. This supports H2(c). Regarding performance, enthusiasm

has a borderline (.15, $p < .10$) correlation with firm performance. Liking is not significantly correlated with firm performance. So H2(d) has only partial support. The negative discrete emotion, irritation, is only significantly negatively correlated with one subordinate attitude, affective commitment, so H2(e) is supported for only one of three items. The leaders' displays of genuine irritation is unrelated with firm performance, thus H2(f) is not supported.

Insert Table 1 about here

Table 2 (subordinate attitude regressions) presents the series of moderated regressions used to test whether the effects of leaders' natural and genuine emotional labor vary according to the DEELS items on enthusiasm, liking, and irritation. We first tested whether two important organizational factors might influence the relationships between the variables of interest, namely, firm age and the average number of employees in the firm. Firm age and size did not significantly influence the relationships, so these were not included as control variables in the moderated regressions. When controlling for the DEELS items, these nine regressions demonstrate that leaders' natural and genuine emotional labor is positively related to employee attitudes for seven of the regressions, and borderline for two (job satisfaction). Thus H2(a) is largely confirmed by the regression analysis.

Insert Table 2 about here

With regard to the DEELS items on enthusiasm and liking, enthusiasm and liking have significant main effects for all six regressions when controlling for the effects of leaders' natural emotional labor. Thus H2 (c) is supported. Regarding irritation, it has a negative main effect only for affective commitment, so H2 (e) is partially supported when controlling for the leaders' use of natural emotional labor.

Of the nine regressions, only one showed a borderline moderation effect between leaders' natural emotion and a DEELS item (leader irritation); the rest were non-significant. Thus, the effects of leaders' genuine emotional labor and the expression of specific discrete emotions are additive instead of operating in an interactive, moderating fashion. For the nine regressions, the R-Square values range from a low of .10 (intention to quit, with leader irritation) to a high of .18 (affective commitment, with leader enthusiasm).

Insert Table 3 about here

Table 3 presents the regression results when predicting firm performance. As we would expect from the correlation matrix, when predicting firm performance the main effects of leaders' natural emotional labor is not significant. Regarding the three DEELS items, only the discrete emotion of enthusiasm has a main effect on firm performance, and this effect is borderline. However, two of the three regressions reveal a significant moderation effect between leader natural emotional labor and leader displays of enthusiasm and liking. For leader natural emotion and leader enthusiasm, the Total R is .26, with an R-Square of .07. For leader natural emotional labor and leader liking, the Total R is .21, and the R-Square is .04. When predicting

firm performance, it seems that the two types of emotional labor work best when used together. Figures 1 and 2 show the interaction effects.

Insert Figures 1 and 2 about here

Discussion and conclusion

This study has several important conclusions. First, emotional labor is an important behavior for entrepreneurial leaders. Second, entrepreneurial leaders who used genuine emotional labor and displayed enthusiasm and liking showed increases in their employees' job satisfaction, affective commitment, and decreased turnover intentions. Third, the entrepreneurial leaders we studied who used genuine emotional labor to express high levels of enthusiasm and liking, showed improved firm performance. And finally, the discrete emotions (i.e. enthusiasm and liking) entrepreneurs use when engaging in genuine emotional labor are important to understanding how they relate to employee attitudes. This is demonstrated by their moderating effect on firm performance.

Although many studies have cited the use of emotional labor among service workers, relatively few studies have demonstrated that emotional labor is important to entrepreneurial leaders. Such leaders who use emotional labor effectively can improve their employees' job-related attitudes; the potential for more research in this area is considerable. This study also reinforces the relatively few studies that have found that emotional labor is related to performance; adding support for this is important. Moreover, this study demonstrates the positive effects of natural and genuine emotional labor on performance. In addition, this study helps shed light on the relationship between natural emotional labor as a strategy and the display of genuine

discrete emotions. This is also the only study, the researchers are aware of, that examines how entrepreneurs use emotional labor. The study results demonstrate that emotional labor is important to entrepreneurial success and that considerably more research is required in this area.

This study also offers practical benefits for the wellbeing of entrepreneurs. As entrepreneurship is considered a high emotional labor context (Ingram, Peake, Stewart, & Watson, 2017) it is important to investigate which methods of performing emotional labor are the most effective and healthy for entrepreneurs. Grandy and Gabriel (2015) specifically call for more research on emotional labor and how emotions benefit business. This article answers this call by finding that entrepreneurs who primarily use genuine emotion and display positive emotions show higher firm performance than entrepreneurs who do not.

Another practical benefit of this study is the recommendation that entrepreneurs use genuine emotion whenever possible and deep acting when emotional regulation is required. This is important to entrepreneurs because frequent interaction with stakeholders results in an increase use of emotional labor (Miao, Humphrey, & Qian, 2017a) as does dealing with failure (He, Siren, Singh, Solomon, & von Krogh, 2017). Thus, we recommend that when encountering such emotionally charged situations, where genuine emotion is not feasible, entrepreneurs should use deep acting as exclusively as possible. These recommendations should be generalizable to increasing the emotional wellbeing of a diverse group of entrepreneurs as the emotional competency link to satisfaction does not differ across gender, age, or tenure (Miao, Humphrey, & Qian, 2017b). Thus, this study answers the call by Lechat and Torres (2017) for more research related to increasing the emotional health of entrepreneurs.

The cross-sectional nature of this study is a limitation. Because respondents were only contacted at one point in time, it is inappropriate to make strong causal claims of outcomes to genuine emotions based solely on this data. This 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 another limitation to this study because such questionnaires suffer from issues related to common method variance.

In terms of future research, the relationship between the three forms of emotional labor and various leadership styles needs to be examined. Are transformational leaders (Avolio, 2011) more likely to use natural and genuine emotional labor and to express positive discrete emotions? What about transactional leaders—are they more likely to use surface acting? How do the three types of emotional labor contribute to the development of trusting relationships between leaders and followers (Colquitt & Rodell, 2011)? Leader emotional labor is likely to be particularly important to the development of authentic, trusting relationships (Gardner et al., 2009) because followers' attributions about their leaders are heavily influenced by their emotional displays (Dasborough & Ashkanasy, 2002). What cultural factors come into play in this process (see Fernandez-Serrano & Romero 2014 for a discussion on cultural and entrepreneurial activity)?

The relationship between various environmental factors and emotional labor also needs to be studied. Are there some circumstances, such as crisis situations, in which deep acting might be preferable to natural and genuine emotional labor? How can leaders create environments where both leaders and followers spontaneously and naturally feel the appropriate emotions, and thus can use natural and genuine emotional labor instead of surface acting and deep acting? Overall, there are many promising opportunities to do research on leader emotional labor, genuine emotional labor, discrete emotions, and entrepreneurship.

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Table 1. Variable means, standard deviations, and correlations.

	<i>M</i>	<i>SD</i>	1	2	3	4	5	6	7	8	9	10	11
1. Leader surface acting	2.58	.64	-										
2. Leader deep acting	3.73	.62	.34**	-									
3. Leader natural emotion	3.41	.60	-.70**	-.56**									
4. Leader DEEL - enthusiasm	3.74	.68	.02	.10	-.02	-							
5. Leader DEEL - liking	3.76	.67	-.08	.17*	.01	.88**	-						
6. Leader DEEL – enthusiasm and Liking	3.75	.65	-.03	.14+	-.01	.97**	.97**	-					
7. Leader DEEL - irritation	2.55	.64	.13	.14+	-.05	.12	.11	.12	-				
8. Subordinate intention to quit (RS)	4.43	1.67	-.35**	-.25**	.27**	.26**	.22**	.25**	-.11	-			
9. Subordinate satisfaction	3.79	.67	-.15+	-.14+	.15+	.34**	.29**	.33**	.03	.56**	-		
10. Subordinate affective commitment	4.85	1.05	-.37**	-.34**	.35**	.23**	.18*	.22**	-.20*	.81**	.58**	-	
11. Firm performance	6.31	1.01	.02	.07	-.01	.15+	.08	.12	-.03	.20**	.19*	.19*	-

Note: += $p < .10$, * $p < .05$, ** $p < .01$

Table 2. Moderated Regression Analysis for Employee Attitudes^a

	Affective Commitment		
	Leader Irritation	Leader Enthusiasm	Leader Liking
	ΔR^2	ΔR^2	ΔR^2
Step 1: Main effects	.15**	.18**	.15**
Leader natural emotion	.34** (.13)	.35** (.13)	.34** (.13)
Leader irritation	-.18* (.13)		
Leader enthusiasm		.24** (.12)	
Leader liking			.18** (.12)
Step 2: interaction	.00	.00	.00
Leader natural emotion X leader irritation	-.12 (.16)		
Leader natural emotion X leader enthusiasm		-.34 (.14)	
Leader natural emotion X leader liking			.00 (.15)
Total R	.39	.43	.39
Total R ²	.15	.18	.15
Adjusted R ²	.14	.16	.13

Note: $N = 147$ dyadic pairs

+ $p < .10$, * $p < .05$, ** $p < .01$

Table 2. continued

	Job Satisfaction		
	Leader Irritation	Leader Enthusiasm	Leader Liking
	ΔR^2	ΔR^2	ΔR^2
Step 1: Main effects	.02	.14**	.11**
Leader natural emotion	.15+ (.09)	.16** (.09)	.14+ (.13)
Leader irritation	.03 (.09)		
Leader enthusiasm		.34** (.08)	
Leader liking			.29** (.08)
Step 2: interaction	.00	.00	.00
Leader natural emotion X leader irritation	.03 (.11)		
Leader natural emotion X leader enthusiasm		-.26 (.09)	
Leader natural emotion X leader liking			.04 (.10)
Total R	.15	.37	.33
Total R ²	.02	.14	.11
Adjusted R ²	.00	.12	.09

Note: +p<.10, *p<.05, **p<.01

Table 2. continued

	Intention to Quit (RS)		
	Leader Irritation	Leader Enthusiasm	Leader Liking
	ΔR^2	ΔR^2	ΔR^2
Step 1: Main effects	.08**	.14**	.12**
Leader natural emotion	.27** (.23)	.28** (.22)	.27** (.22)
Leader irritation	-.08 (.21)		
Leader enthusiasm		.26** (.19)	
Leader liking			.21** (.20)
Step 2: interaction	.02+	.00	.00
Leader natural emotion X leader irritation	-.74+ (.26)		
Leader natural emotion X leader enthusiasm		-.06 (.22)	
Leader natural emotion X leader liking			.17 (.25)
Total R	.32	.38	.35
Total R ²	.10	.14	.12
Adjusted R ²	.08	.12	.10

Note: ^a Standardized regression coefficients are shown; numbers in parentheses are *se* components.
+ $p < .10$, * $p < .05$, ** $p < .01$.

Table 3. Moderated Regression Analysis for Firm Performance^a

	Firm Performance		
	Leader Irritation	Leader Enthusiasm	Leader Liking
	ΔR^2	ΔR^2	ΔR^2
	2		
Step 1: Main effects	.00	.02	.01
Leader natural emotion	-.01 (.14)	-.01 (.14)	-.01 (.14)
Leader irritation	-.03 (.13)		
Leader enthusiasm		.15+ (.12)	
Leader liking			.08 (.13)
Step 2: interaction	.01	.05**	.04*
Leader natural emotion X leader irritation	.60 (.16)		
Leader natural emotion X leader enthusiasm		1.25** (.14)	
Leader natural emotion X leader liking			1.18* (.15)
Total R	.11	.26	.21
Total R ²	.01	.07	.04
Adjusted R ²	.00	.05	.02

Note: ^a Standardized regression coefficients are included; numbers in parentheses are *se* components.
+ $p < .10$, * $p < .05$, ** $p < .01$.

Figure 1. Moderating effect of enthusiasm

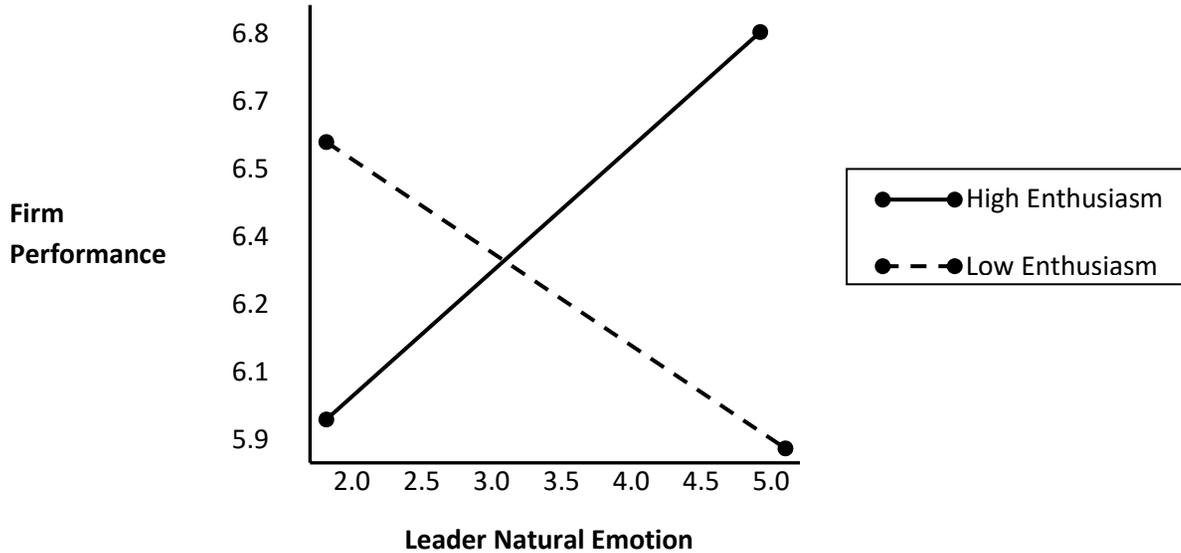


Figure 2. Moderating effect of liking

