



## WORKPLACE EMOTIONS AND ATTITUDES

### *LEARNING OBJECTIVES*

#### **AFTER READING THIS CHAPTER, YOU SHOULD BE ABLE TO:**

- Define emotions and identify the two dimensions around which emotions are organized.
- Explain how cognitions and emotions influence attitudes and behaviour.
- Identify the conditions that require and the problems associated with emotional labour.
- Describe the four dimensions of emotional intelligence.
- Summarize the effects of job dissatisfaction in terms of the exit-voice-loyalty-neglect model.
- Discuss the relationships between job satisfaction and performance as well as job satisfaction and customer satisfaction.
- Compare the effects of affective and continuance commitment on employee behaviour.
- Describe five strategies to increase organizational commitment.
- Contrast transactional and relational psychological contracts.



Corporate five-year business plan presentations are often boring affairs, but not at Vancouver City Savings Credit Union (VanCity). Employees at the financial institution recently received a video with executives dressed up as famous movies characters to depict VanCity's five business pillars. "I was dressed like Morpheus," recalls VanCity executive Donna Wilson, who played a scene from *The Matrix* by offering viewers either the red pill or blue pill to accept VanCity's new objectives. "Even though I was in the form of *The Matrix*, I was talking the language of a very important part of our five-year plan."

VanCity goes beyond the ordinary to maintain employee satisfaction and loyalty. Along with producing offbeat videos, the company hosts awards nights, family picnics, and an annual costume gala attended by over 1,000 staff. Fully paid benefits, tuition reimbursement, flexible schedules, profit sharing, and meditation and lactation rooms at head office add to the positive work experience.

Employee loyalty is further strengthened by the company's stellar reputation in the community, its high ethical standards, and a culture that gives employees lots of freedom to perform their jobs and encourages active involvement in company decisions. "It's a dynamic environment and you get a sense of accomplishment," says Robert Nenadic, VanCity's team leader for network services.

Based on these and other features, VanCity receives awards every year as one of the best places to work in Canada. The company boasts over 10,000 job applications each year and a turnover rate far below the industry average. For instance, when asked if she thought about working somewhere else, VanCity accounts manager Laura Victoria quickly replied: "No, they'd have to push me out. It's worth every minute of it here."

Why does VanCity place such importance on the positive emotions and attitudes? The answer is that it's ethically the right thing to do and is good for business. "Treating our employees well is central to our business case," explains VanCity CEO Dave Mowat. "Business depends on the employees who love their work. That's integral to what we do."<sup>1</sup> ■

[www.vancity.com](http://www.vancity.com)



CEO Dave Mowat and happy employees celebrate the announcement that VanCity is the best place to work in Canada. *Glen Baglo/Vancouver Sun*

Workplace emotions and attitudes are receiving a lot more attention these days at VanCity and in many other organizations across Canada. That's because emotions and attitudes can make a huge difference in individual behaviour and well-being, as well as in the organization's performance and customer satisfaction. Over the past decade, the field of organizational behaviour has experienced a sea change in thinking about workplace emotions, so this chapter begins by introducing the concept and explaining why researchers are so eager to discover how emotions influence attitudes and behaviour.

Next, we consider the dynamics of emotional labour, including the conditions requiring emotional labour. This is followed by the popular topic of emotional intelligence, in which we examine the components of emotional intelligence and ways of improving this ability. The specific work attitudes of job satisfaction and organizational commitment are then discussed, including their association with various employee behaviours and work performance. Organizational commitment is strongly influenced by the psychological contract, so the final section of this chapter looks briefly at this topic.

## ■ EMOTIONS IN THE WORKPLACE

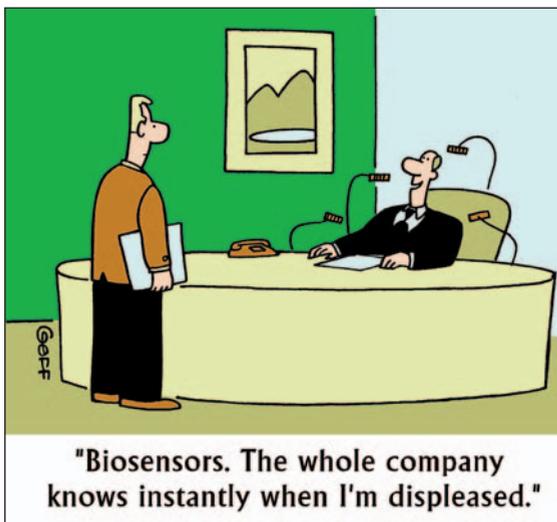
### emotions

Psychological and physiological episodes experienced toward an object, person, or event that create a state of readiness.

Emotions have a profound effect on almost everything we do in the workplace. This is a strong statement, and one that you would rarely find a decade ago in organizational behaviour research or textbooks. For most of its history, the field of OB assumed that a person's thoughts and actions are governed primarily by conscious reasoning (called cognitions). Yet, groundbreaking neuroscience discoveries have revealed that our perceptions, decisions, and behaviour are influenced by both cognition and emotion, and that the latter often has the greater influence. By ignoring emotionality, many theories have overlooked a large piece of the puzzle about human behaviour in the workplace. Today, OB scholars and their colleagues in marketing, economics, and many other social sciences, are catching up by making emotions a key part of their research and theories.<sup>2</sup>

So, what are emotions? **Emotions** are physiological, behavioural, and psychological episodes experienced toward an object, person, or event that create a state of readiness.<sup>3</sup> There are four key elements of this definition. First, emotions are brief events or "episodes." Your irritation with a customer, for instance, would typically subside within a few minutes. Second, emotions are directed toward someone or something. We experience joy, fear, anger, and other emotional episodes toward tasks, customers, public speeches we present, a software program we are using, and so on. This contrasts with *moods*, which are less intense emotional states that are not directed toward anything in particular.<sup>4</sup>

Third, emotions are experiences. They represent changes in a person's physiological conditions, such as blood pressure, heart rate, and perspiration, as well as changes in behaviour, such as facial expression, voice tone, and eye movement. These emotional reactions are involuntary and often occur without our awareness.

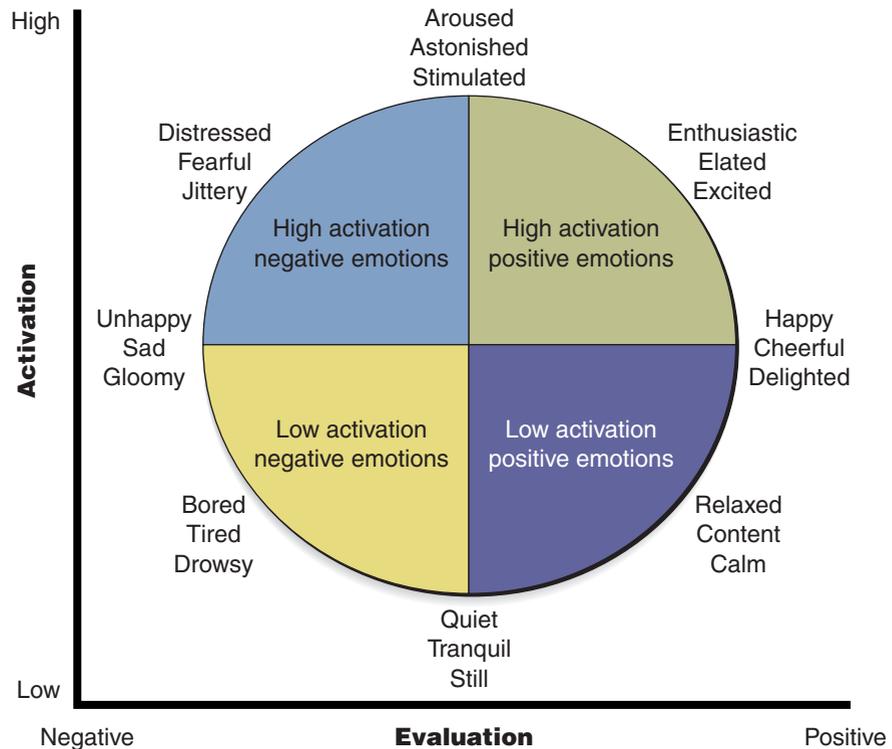


When aware of these responses, we also develop feelings (worry, fear, boredom) that further mark the emotional experience. The experience of emotion also relates to the fourth element, namely, that emotions put people in a state of readiness. When we get worried, for example, our heart rate and blood pressure increase to make our body better prepared to engage in fight or flight. Emotions are also communications to our conscious selves. Some emotions (e.g., anger, surprise, fear) are particularly strong “triggers” that interrupt our train of thought, demand our attention, and generate the motivation to take action. They make us aware of events that may affect our survival and well-being.<sup>5</sup>

## TYPES OF EMOTIONS

Emotions come in many forms, and experts have generally organized them around two or three dimensions. The most widely recognized arrangement is the Circumplex Model of Emotions shown in Exhibit 4.1, which organizes emotions on the basis of their pleasantness and activation (the extent that the emotion produces alertness and motivation to act).<sup>6</sup> Fear, for example, is an unpleasant experience (i.e., we try to avoid conditions that generate fear) and has high activation (i.e., it motivates us to act). Emotions on the opposite side of the circle have the opposite effect. As we see in Exhibit 4.1, calm is the opposite to fear; it is a pleasant experience that produces very little activation in us.

■ **EXHIBIT 4.1**  
Circumplex model  
of emotions



Sources: Adapted from J. Larson, E. Diener, and R. E. Lucas, “Emotion: Models, Measures, and Differences,” in R. G. Lord, R. J. Klimoski, & R. Kanfer (Eds.) *Emotions in the Workplace* (San Francisco: Jossey-Bass, 2002), pp. 64–113; J. A. Russell, “Core Affect and the Psychological Construction of Emotion.” *Psychological Review* 110, no. 1 (2003), pp. 145–172.

**attitudes**

The cluster of beliefs, assessed feelings, and behavioural intentions toward an object.

## EMOTIONS, ATTITUDES, AND BEHAVIOUR

Emotions influence our thoughts and behaviour, but to explain this effect we first need to know about attitudes. **Attitudes** represent the cluster of beliefs, assessed feelings, and behavioural intentions toward a person, object, or event (called an *attitude object*).<sup>7</sup> Attitudes are *judgments*, whereas emotions are *experiences*. In other words, attitudes involve conscious logical reasoning, whereas emotions operate as events, often without our awareness. We also experience most emotions briefly, whereas our attitude toward someone or something is more stable over time.

Attitudes include three components—beliefs, feelings, and behavioural intentions—and we'll look at each of them using attitude toward mergers as an illustration:

- *Beliefs*—These are your established perceptions about the attitude object—what you believe to be true. For example, you might believe that mergers reduce job security for employees in the merged firms. Or you might believe that mergers increase the company's competitiveness in this era of globalization. These beliefs are perceived facts that you acquire from past experience and other forms of learning.
- *Feelings*—Feelings represent your positive or negative evaluations of the attitude object. Some people think mergers are good; others think they are bad. Your like or dislike of mergers represents your assessed feelings toward the attitude object.
- *Behavioural intentions*—These represent your motivation to engage in a particular behaviour with respect to the attitude object. You might plan to quit rather than stay with the company during the merger. Alternatively, you might intend to email the company CEO to say that this merger was a good decision.

**Traditional cognitive model of attitudes** Until recently, attitude experts assumed that these three attitude components are connected to each other and to behaviour only through the cognitive (logical reasoning) process shown on the left side of Exhibit 4.2. Let's look at the left side of the model more closely. First, our beliefs about mergers are formed from various learning experiences, such as reading about the effects of mergers in other organizations or personally experiencing them in the past.

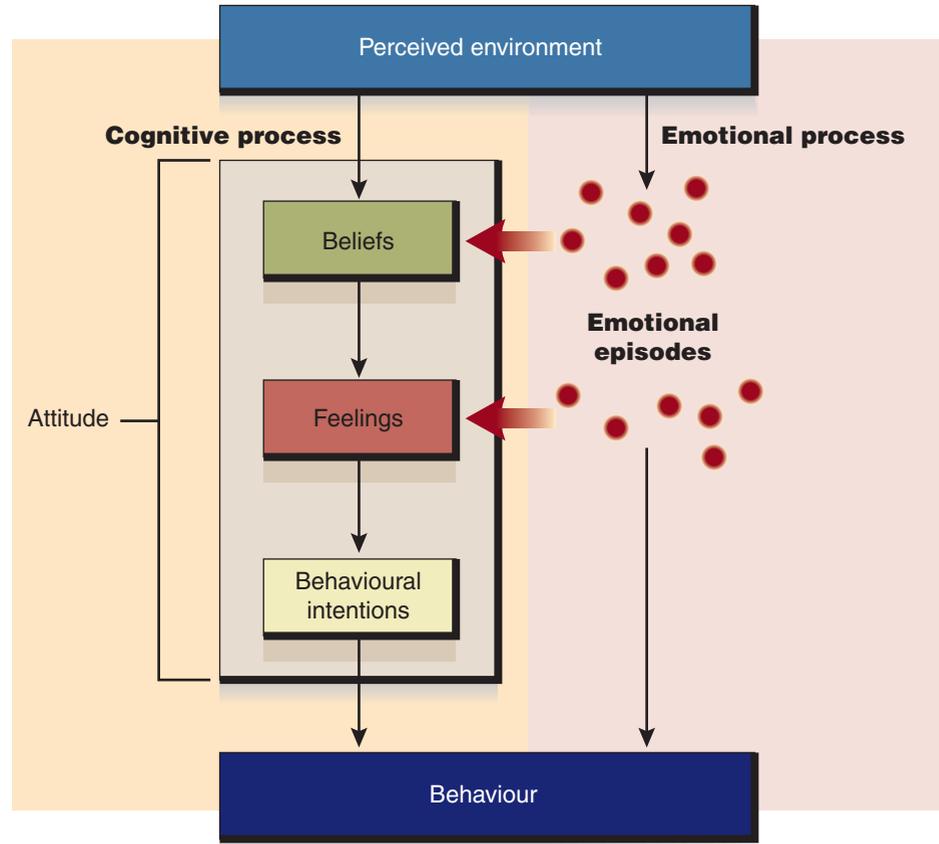
Next, beliefs about mergers shape our feelings toward them. Suppose you are quite certain that mergers improve the organization's competitiveness (positive outcome with high probability) and sometimes reduce job security (negative outcome with medium probability) for employees in the merged organization. Overall, you might have a somewhat positive attitude toward mergers if your feelings about corporate competitiveness are stronger than your feelings about reduced job security. The probability of those outcomes also weighs their effect on your feelings.

In the third step of the model, feelings directly influence behavioural intentions.<sup>8</sup> However, two people with the same feelings might have different behavioural intentions based on their past experience and personality. Some employees with negative feelings toward mergers may intend to quit, whereas others might want to complain about the decision. People choose the behavioural intention that they think will work best or make them feel most comfortable.

In the final step, behavioural intentions are better than feelings or beliefs at predicting a person's behaviour because they are specific to that behaviour. Even so, behavioural intentions might not predict behaviour very well because intentions represent only the motivation to act, whereas behaviour is also caused by the other three factors in the MARS model—ability, role perceptions, and situational factors. You might plan to send an email to management complaining about the announced merger, but never get around to this task due to a heavy workload and family obligations.

■ **EXHIBIT 4.2**

Model of emotions, attitudes, and behaviour



**How emotions influence attitudes and behaviour** The cognitive model has dominated attitude research for decades, yet we now know that it only partially describes what really happens.<sup>9</sup> According to neuroscience research, incoming information from our senses is routed to the emotional centre as well as the cognitive (logical reasoning) centre of our brain.<sup>10</sup> We have already described the logical reasoning process, depicted on the left side of Exhibit 4.2. The right side of Exhibit 4.2 offers a simple depiction of how emotions influence our attitudes and behaviour.

The emotional side of attitude formation begins with the dynamics of the perceptual process, particularly perceptual interpretation, described in Chapter 3. When receiving incoming sensory information, we automatically form emotions regarding that information before consciously thinking about it.<sup>11</sup> More specifically, the emotional centre quickly and imprecisely evaluates whether the incoming sensory information supports or threatens our innate drives, then attaches emotional markers to the information. These are not calculated feelings; they are automatic and unconscious emotional responses based on very thin slices of sensory information.

Returning to our previous example, you might experience excitement, worry, nervousness, or happiness upon learning that your company intends to merge with a competitor. The large dots on the right side of Exhibit 4.2 illustrate these multiple emotional episodes triggered by the merger announcement, subsequent thinking about the merger, discussion with co-workers about the merger, and so on. These emotions are transmitted to the logical reasoning process, where they swirl around and ultimately shape our conscious feelings toward the attitude object.<sup>12</sup> Thus,

while consciously evaluating the merger—that is, logically figuring out whether it is a good or bad thing—your emotions have already formed an opinion that then sways your thoughts. If you experience excitement, delight, comfort, and other positive emotions whenever you think about or discuss the merger, then these positive emotional episodes will lean your logical reasoning toward positive feelings regarding the merger.<sup>13</sup>

Emotions operate automatically and unconsciously most of the time, but research tells us that the logical reasoning process actually “listens in” on the person’s emotions and uses this information when translating beliefs into feelings.<sup>14</sup> When thinking about whether the announced merger is good or bad, we try to sense our emotional reactions to the event, then use this emotional awareness as factual information in our logical evaluation. In some cases, the perceived emotions change the value of some beliefs or the probability that they are true. If you sense that you are worried and nervous about the merger, then your logical analysis might pay more attention to your belief about job insecurity and put less weight on your belief that mergers increase the organization’s competitiveness.

You can see how emotions affect workplace attitudes. When performing our jobs or interacting with co-workers, we experience a variety of emotions that shape our longer term feelings toward the company, our boss, the job itself, and so on. The more we experience positive emotions, the more we form positive attitudes toward the targets of those emotions. Furthermore, we pay attention to our positive emotions to the extent that they offset negative workplace experiences. The opening story to this chapter described how Vancouver City Savings Credit Union injects more fun at work so employees experience plenty of positive emotional episodes each day. Connections 4.1 looks at other means by which organizations have created positive emotions. In each case, the idea is to generate emotional episodes that result in favourable judgments about the organization.

**When cognitions and emotions conflict** The influence of both logical reasoning and emotions on attitudes is most apparent when they disagree with each other. Everyone occasionally experiences this mental tug-of-war, sensing that something isn’t right even though they can’t think of any logical reason to be concerned. This conflicting experience indicates that our logical analysis of the situation (left side of Exhibit 4.2) can’t identify reasons to support the automatic emotional reaction (right side of Exhibit 4.2).<sup>15</sup> Should we pay attention to our emotional response or our logical analysis? This question is not easy to answer because, as we just learned, the emotional and rational processes interact with each other so closely. However, some studies indicate that while executives tend to make quick decisions based on their gut feelings (emotional response), the best decisions tend to occur when executives spend time logically evaluating the situation.<sup>16</sup> Thus, we should pay attention to both the cognitive and emotional side of the attitude model, and hope they agree with each other most of the time!

One last observation about the attitude model in Exhibit 4.2 relates to the arrow directly from the emotional episodes to behaviour. This indicates that people have direct behavioural reactions to their emotions. Even low intensity emotions automatically change your facial expressions. High intensity emotions can have a more powerful effect, which is apparent when an upset employee bangs their fist on the desk or an overjoyed colleague embraces someone nearby. These actions are not carefully thought out. They are fairly automatic emotional responses that serve as coping mechanisms in that situation.<sup>17</sup>



## Creating Positive Emotions in the Workplace

Web design can be hard work, but that doesn't stop employees at redengine from enjoying themselves on the job. "Humour is a big thing for our company," says Max Frank, redengine's director of product marketing. Along with friendly practical jokes, the Edmonton-based company's 16 staff members keep upbeat by holding foosball tournaments, playing with big yellow exercise balls, and traversing the hallways on a silver scooter or red bike. "We try to implement fun in everything we do," Frank explains.

Fun at work? It sounds like an oxymoron. But in order to attract and keep valuable talent, companies are finding creative ways to generate positive emotions in the workplace. At Alias, the Toronto company whose software is used in *Star Wars* and *Lord of the Rings*, employees enjoy summer deck parties, free family movie screenings, and a games room. Employees at Lighthouse Publishing in Bridgewater, Nova Scotia, have weekly barbecues in summer and massage sessions every month. Lynn Hennigar, president of the award-winning publisher, acknowledges that her four dozen staff have few opportunities for promotion, "so we've tried to find other ways to keep people happy."

Baycrest Centre for Geriatric Care in Toronto turned up the fun meter by introducing the Fish! philosophy. The concept started at Pike Place Fish Market in Seattle. Fishmongers turned a money-losing, morale-draining business into a world-famous attraction by deciding to have fun at work—largely by tossing fish around and joking with customers. Baycrest employees are now applying the four FISH! principles to their workplace: play, make their day, be there, and choose your attitude. "FISH! fits with our values and our client focus and addresses needs identified in the Employee Engagement Survey," explains Baycrest executive Pat Howard.

Michael Worry and Geoff White like to bring some Canadian humour to San Jose, California, where their engineering design firm, Nuvation, was founded a decade ago. Along with enjoying office Nerf gunfights, robot combat tournaments, movie nights, and wine tours, Nuvation's 30 staff share the office with a life-size fibre-glass blue and orange Canadian moose. "We like to take



Staff at the Baycrest Centre in Toronto are enjoying a new wave of positive emotions by adopting the FISH! Philosophy. Courtesy of Baycrest Centre for Geriatric Care

the moose out to our parties," says Worry, a University of Waterloo graduate. "We take it down the stairs in our office and strap it in the back of a pick-up truck and drive around the highways here. People get a kick out of that." The moose is also mascot for Digital Moose Lounge, a social club for Canadians working in Silicon Valley.

These fun and games may seem silly, but some corporate leaders are deadly serious about their value. "It's pretty simple," explains Nathan Rudyk, president of market2world communications in Almonte, Ontario. "If you want to make the most money, you must attract the best people. To get the best people, you must be the most fun."

Sources: F. Piccolo, "Brownie Points," *Atlantic Business Magazine*, 15, no. 5 (Oct-Nov 2004); R. Deruyter, "Firm's Goals are Business Success and Having Fun," *Kitchener-Waterloo Record*, 30 October 2004, p. F1; J. Leeder, "Who Knew Work was So Much Fun?" *Edmonton Journal*, 1 April 2004, p. A2; R. W. Yerema, *Canada's Top 100 Employers, 2004* (Toronto: MediaCorp Canada, 2004), p. 21; "FISH! Program Makes Waves at Terraces of Baycrest and Wagman Centre," *At the Centre* (Baycrest Centre newsletter), January 2004, pp. 1–2; J. Elliott, "All Work and No Play can Chase Workers Away," *Edmonton Journal*, February 28, 2000, p. A5.

[www.baycrest.org](http://www.baycrest.org)

### cognitive dissonance

Occurs when people perceive an inconsistency between their beliefs, feelings, and behaviour.

**Cognitive dissonance** Emotions and attitudes usually lead to behaviour, but the opposite sometimes occurs through the process of **cognitive dissonance**.<sup>18</sup> Cognitive dissonance occurs when we perceive an inconsistency between our beliefs, feelings, and behaviour. This inconsistency creates an uncomfortable feeling that motivates to change one or more of these elements. Behaviour is usually the most

difficult element to change, particularly when it is known to everyone, was done voluntarily, and can't be undone. Thus, we usually change our beliefs and feelings to reduce the inconsistency.

**Emotions and personality** Our coverage of the dynamics of workplace emotions wouldn't be complete unless we mentioned that emotions are also partly determined by a person's personality, not just workplace experiences.<sup>19</sup> Some people experience positive emotions as a natural trait. These people are generally extroverted—outgoing, talkative, sociable, and assertive (see Chapter 2). In contrast, some people have a personality with a tendency to experience more negative emotions. Positive and negative emotional traits affect a person's attendance, turnover, and long-term work attitudes. For example, several studies—including a recent analysis of employees at Transport Canada—have found that people with a negative emotional trait have lower levels of job satisfaction. Another Canadian study reported that employees with a negative emotional trait experience higher levels of job burnout.<sup>20</sup> While these positive and negative personality traits have some effect, other research concludes that the actual situation in which people work has a noticeably stronger influence on their attitudes and behaviour.<sup>21</sup>

## ■ MANAGING EMOTIONS AT WORK

The Elbow Room Café is packed and noisy on this Saturday morning. A customer at the Vancouver restaurant half shouts across the room for more coffee. A passing waiter scoffs: “You want more coffee, get it yourself!” The customer only laughs. Another diner complains loudly that he and his party are running late and need their food. This time, restaurant manager Patrick Savoie speaks up: “If you're in a hurry, you should have gone to McDonald's.” The diner and his companions chuckle.

To the uninitiated, the Elbow Room Café is an emotional basket case, full of irate guests and the rudest staff on Canada's West Coast. But it's all a performance—a place where guests can enjoy good food and play out their emotions about dreadful customer service. “It's almost like coming to a theatre,” says Savoie, who spends much of his time inventing new ways to insult the clientele.<sup>22</sup>

Whether giving the most insulting service at Elbow Room Café or the friendliest service at Vancouver City Savings Credit Union, employees are usually expected to manage their emotions in the workplace. **Emotional labour** refers to the effort, planning, and control needed to express organizationally desired emotions during interpersonal transactions.<sup>23</sup> When interacting with co-workers, customers, suppliers, and others, employees are expected to abide by *display rules*. These rules are norms requiring employees to display certain emotions and withhold others.

### emotional labour

The effort, planning, and control needed to express organizationally desired emotions during interpersonal transactions.

## CONDITIONS REQUIRING EMOTIONAL LABOUR

Air Canada employees need to smile more often. That's the advice of Air Canada chief executive Robert Milton in a letter urging staff to win back the hearts of passengers. “In everyday life, you make your consumer decisions based on where you receive the best overall value and, in the case of a tie, we all do the same thing—

we go to where the people are the nicest,” says Milton. Over at The Beer Store’s call centre in London, Ontario, staff are also encouraged to “smile” through their voices. “Our thing is, let them hear you smile,” says the head of the Beer Store’s call centre.<sup>24</sup>

Air Canada, The Beer Store, and every other organization in Canada expect employees to engage in some level of emotional labour. Emotional labour is higher in jobs requiring a variety of emotions (e.g., anger as well as joy) and more intense emotions (e.g., showing delight rather than smiling weakly), as well as where interaction with clients is frequent and for longer durations. Emotional labour also increases when employees must precisely rather than casually abide by the display rules. For instance, “Smile: we are on stage” is one of the most important rules at the Ritz-Carlton in San Francisco, so employees must always engage in this form of emotional labour.<sup>25</sup>

### Emotional display norms across cultures

How much we are expected to hide or reveal our true emotions in public depends to some extent on the culture in which we live. Cultural values in some countries — particularly Ethiopia, Korea, Japan, and Austria—expect people to display a neutral emotional demeanour. In the workplace and other public settings, employees try to subdue their emotional expression and minimize physical contact with others. Even voice intonation tends to be monotonic. In other countries— notably Kuwait, Egypt, Spain, and Russia—cultural values allow or encourage open display of one’s true emotions. People are expected to be transparent in revealing their thoughts and feelings, dramatic in their conversational tones, and animated in their use of nonverbal behaviours to get their message across. These cultural variations in emotional display can be quite noticeable. One survey reported that 83 percent of

#### Localizing Emotional Display Rules at Four Seasons Hotels

As one of the world’s leading operators of luxury hotels, Toronto-based Four Seasons Hotels and Resorts trains employees and audits hotel performance to ensure that guests consistently experience the highest standards of service quality. Yet Four Seasons also adapts its legendary service to the local culture. “McDonald’s is the same all over. We do not want to be that way; we are not a cookie cutter company,” says Four Seasons executive David Crowl. One of the most obvious forms of localization is in the way Four Seasons staff are allowed to display emotions that reflect their own culture. “What changes [from one country to the next] is that people do it with their own style, grace, and personality,” explains Antoine Corinthios, president of Four Seasons’ operations in Europe, Middle East, and Africa. “In some cultures you add the strong local temperament. For example, an Italian concierge has his own style and flair. In Turkey or Egypt you experience different hospitality.”<sup>26</sup>

*Courtesy of Four Seasons*

[www.fourseasons.com](http://www.fourseasons.com)



Japanese believe it is inappropriate to get emotional in a business context, compared with 40 percent of Americans, 34 percent of French, and only 29 percent of Italians. In other words, Italians are more likely to accept or tolerate people who display their true emotions at work, whereas this would be considered rude or embarrassing in Japan.<sup>27</sup>

## EMOTIONAL DISSONANCE

Emotional labour can be challenging for most of us because it is difficult to conceal true emotions and to display the emotions required by the job. The main problem is that joy, sadness, worry and other emotions automatically activate a complex set of facial muscles that are difficult to prevent, and equally difficult to fake. Our true emotions tend to reveal themselves as subtle gestures, usually without our awareness. Meanwhile, pretending to be cheerful or concerned is difficult because several specific facial muscles and body positions must be coordinated. More often than not, observers see when we are faking and sense that we feel a different emotion.<sup>28</sup>

### emotional dissonance

The conflict between required and true emotions.

Along with the challenges of hiding and displaying emotions, emotional labour often creates a conflict between required and true emotions, called **emotional dissonance**. The larger the conflict between the required and true emotions, the more employees tend to experience stress, job burnout, and psychological separation from self (i.e., *work alienation*).<sup>29</sup> These negative outcomes of emotional dissonance occur when engaging in *surface acting*—modifying behaviour to be consistent with required emotions but continuing to hold different internal feelings. *Deep acting*, on the other hand, involves changing true emotions to match the required emotions. Rather than feeling irritated by a particular customer, you might view the difficult person as an opportunity to test your sales skills. This change in perspective can potentially generate more positive emotions next time you meet that difficult customer, which produces friendlier displays of emotion.<sup>30</sup>

Along with teaching employees how to apply deep acting, companies minimize emotional dissonance by hiring people with a natural tendency to display desired emotions. For example, when CiCi's Pizza opens new stores, it looks for job applicants with a "happy, cheery" attitude. The American restaurant franchise believes that it is easier to teach new skills than attitudes. "We hire for attitude and train for skill," says one of CiCi's franchisees.<sup>31</sup> In some respects, this also means that CiCi's and other companies look for people with well-developed emotional intelligence, which we discuss next.

## EMOTIONAL INTELLIGENCE

Each year, the U.S. Air Force hires about 400 recruiters, and each year up to 100 of them are fired for failing to sign up enough people for the service. Selecting and training 100 new recruiters costs US\$3 million, not to mention the hidden costs of their poor performance. So the Air Force decided to test its 1,200 recruiters on how well they manage their emotions and the emotions of others. The test indicated that the top recruiters were better at asserting their feelings and thoughts, empathizing with others, feeling happy in life, and being aware of their emotions in a particular situation. The next year, the Air Force selected new recruiters partly on their results on this test. The result: Only eight recruiters got fired or quit a year later.<sup>32</sup>

**emotional intelligence (EI)**

The ability to perceive and express emotion, assimilate emotion and thought, understand and reason with emotion, and regulate emotion in oneself and others.

To select the best recruiters, the U.S. Air Force considers more than the cognitive intelligence of job applicants; it also looks at their **emotional intelligence (EI)**. EI is the ability to perceive and express emotion, assimilate emotion in thought, understand and reason with emotion, and regulate emotion in oneself and others.<sup>33</sup> In other words, EI represents a set of competencies that allow us to perceive, understand, and regulate emotions in ourselves and in others. Exhibit 4.3 illustrates the most recent EI model. According to this model, EI can be organized into four dimensions representing the recognition of emotions in ourselves and in others, as well as the regulation of emotions in ourselves and in others. Each dimension consists of a set of emotional competencies that people must possess to fulfill that dimension of emotional intelligence.<sup>34</sup>

- *Self-awareness*—Self-awareness refers to having a deep understanding of one’s own emotions as well as strengths, weaknesses, values, and motives. Self-aware people are better able to eavesdrop on their emotional responses to specific situations and to use this awareness as conscious information.<sup>35</sup>
- *Self-management*—This represents how well we control or redirect our internal states, impulses, and resources. It includes keeping disruptive impulses in check, displaying honesty and integrity, being flexible in times of change, maintaining the drive to perform well and seize opportunities, and remaining optimistic even after failure. Self-management involves an inner conversation that guides our behaviour.

■ **EXHIBIT 4.3**

Emotional intelligence competencies model

	<b>Self (personal competence)</b>	<b>Other (social competence)</b>
<b>Recognition of emotions</b>	<p><b>Self-awareness</b></p> <ul style="list-style-type: none"> <li>Emotional self-awareness</li> <li>Accurate self-assessment</li> <li>Self-confidence</li> </ul>	<p><b>Social awareness</b></p> <ul style="list-style-type: none"> <li>Empathy</li> <li>Organizational awareness</li> <li>Service</li> </ul>
<b>Regulation of emotions</b>	<p><b>Self-management</b></p> <ul style="list-style-type: none"> <li>Emotional self-control</li> <li>Transparency</li> <li>Adaptability</li> <li>Achievement</li> <li>Initiative</li> <li>Optimism</li> </ul>	<p><b>Relationship management</b></p> <ul style="list-style-type: none"> <li>Inspirational leadership</li> <li>Influence</li> <li>Developing others</li> <li>Change catalyst</li> <li>Conflict management</li> <li>Building bonds</li> <li>Teamwork and collaboration</li> </ul>

Sources: D. Goleman, R. Boyatzis, and A. McKee, *Primal Leadership* (Boston: Harvard Business School Press, 2002), Chapter 3; D. Goleman, "An EI-Based Theory of Performance," in C. Cherniss and D. Goleman, (Eds.), *The Emotionally Intelligent Workplace* (San Francisco: Jossey-Bass, 2001), p. 28.

- *Social awareness*—Social awareness is mainly about empathy—having understanding and sensitivity to the feelings, thoughts, and situation of others (see Chapter 3). This includes understanding another person’s situation, experiencing the other person’s emotions, and knowing their needs even though unstated. Social awareness extends beyond empathy to include being organizationally aware, such as sensing office politics and understanding social networks.
- *Relationship management*—This dimension of EI refers to managing other people’s emotions. It is linked to a wide variety of practices, such as inspiring others, influencing people’s beliefs and feelings, developing others’ capabilities, managing change, resolving conflict, cultivating relationships, and supporting teamwork and collaboration.

These four dimensions of emotional intelligence form a hierarchy.<sup>36</sup> Self-awareness is the lowest level of EI because it does not require the other dimensions; instead it is a prerequisite for the other three dimensions. Self-management and social awareness are necessarily above self-awareness in the EI hierarchy. You can’t manage your own emotions (self-management) if you aren’t good at knowing your own emotions (self-awareness). Relationship management is the highest level of EI because it requires all three other dimensions. In other words, we require a high degree of emotional intelligence to master relationship management because this set of competencies requires sufficiently high levels of self-awareness, self-management, and social awareness.

EI has its roots in the social intelligence literature introduced more than 80 years ago, but scholars mainly focused since then on cognitive intelligence (IQ). Now, the U.S. Air Force and others are realizing that EI is an important set of competencies in the performance of most jobs. As we described in Chapter 2, people perform better when their aptitudes—including general intelligence—match the job requirements. But most jobs also involve social interaction, so employees also need emotional intelligence to work effectively in social settings. The evidence so far indicates that people with high EI are better at interpersonal relations, perform better in jobs requiring emotional labour, and are more successful in many aspects of job interviews. Teams whose members have high emotional intelligence initially perform better than teams with low EI.<sup>37</sup>

**Improving emotional intelligence** Emotional intelligence is related to several personality traits, but it can also be learned to some extent. Endpoint Research, a Canadian firm specializing in pharmaceutical and biotechnology clinical trials, has put all 65 of its employees through the EI assessment so they can develop their weak areas. Methodist Hospitals of Dallas has also introduced emotional intelligence training to its management group, with the CEO front-and-centre participating in the program. One recent study reported that business students scored higher on emotional intelligence after taking an undergraduate interpersonal skills course.<sup>38</sup> These training programs improve EI to some extent, but the most effective approach is through personal coaching, plenty of practice, and frequent feedback. Emotional intelligence also increases with age; it is part of the process called maturity. Overall, emotional



### Improving Emotional Intelligence at ANZ Bank

Executives at ANZ Banking Group learned that they were above average on financial and operational activities, but needed improvement with values and social competencies. So, with the guidance of McKinsey & Company, the Australian financial institution introduced a training program in which thousands of ANZ managers learned about emotional intelligence and how to apply these competencies to create “caring, connected relationships between employees at ANZ, as well as the bank’s millions of customers,” explains an ANZ executive. “This transformation is an ongoing journey, which realizes the importance of engaging employees on both an emotional and intellectual level.”<sup>44</sup> *Courtesy of ANZ Banking Group*

[www.anz.com](http://www.anz.com)

### job satisfaction

A person’s attitude regarding his or her job and work content.

intelligence offers considerable potential, but we also have a lot to learn about its measurement and effects on people in the workplace.<sup>39</sup>

So far, this chapter has laid out the model of emotions and attitudes, but we also need to understand specific workplace attitudes. The next two sections of this chapter look at two of the most widely studied attitudes: job satisfaction and organizational commitment.

## ■ JOB SATISFACTION

**Job satisfaction**, which is probably the most studied attitude in organizational behaviour, represents a person’s evaluation of his or her job and work context.<sup>40</sup> It is an *appraisal* of the perceived job characteristics, work environment, and emotional experiences at work. Satisfied employees have a favourable evaluation of their job, based on their observations and emotional experiences. Job satisfaction is really a collection of attitudes about different aspects of the job and work context. You might like your co-workers but be less satisfied with workload, for instance.

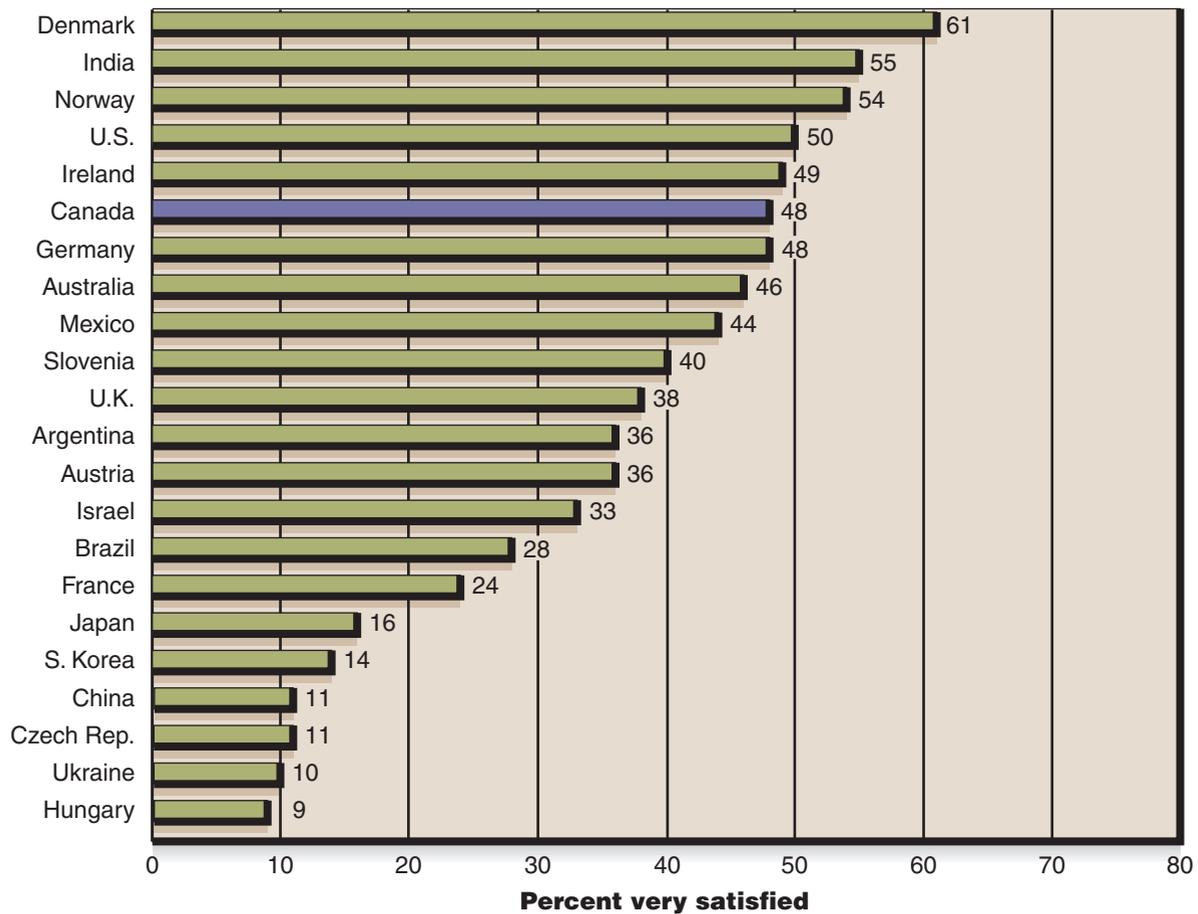
How satisfied are Canadians at work? Pollsters are focusing more on employee engagement than job satisfaction these days, but the most recent surveys indicate that between 80 and 90 percent of Canadians are moderately or very satisfied overall with their jobs.

This is similar to satisfaction levels a decade ago. Global survey results, including those shown in Exhibit 4.4, indicate that Canadian job satisfaction levels are, on average, higher than in most other countries. Only employees in Denmark, the United States, and a few other countries have higher job satisfaction than Canadians, according to several of these multi-country surveys.<sup>41</sup>

Do these surveys mean that we have high job satisfaction? Well, maybe, but probably not as high as these statistics suggest. The problem is that surveys often use a single direct question, such as “How satisfied are you with your job?” Many dissatisfied employees are reluctant to reveal their feelings in a direct question because this is tantamount to admitting that they made a poor job choice and are not enjoying life. One indication that the overall satisfaction ratings are inflated is that nearly half of all of Canadians say they would abandon their employer if offered a comparable job elsewhere! Another indication is that employees rate almost all aspects of the job lower than their overall satisfaction.<sup>42</sup> We also need to keep in mind that cultural values make it difficult to compare job satisfaction across countries.<sup>43</sup> People in China, Korea, and Japan tend to subdue their emotions in public, so they probably avoid extreme survey ratings such as “very satisfied.”

## ■ EXHIBIT 4.4

## Job satisfaction across cultures



Sources: Based on Ipsos-Reid survey of 9,300 employees in 39 countries in middle of year 2000. See "Ipsos-Reid Global Poll Finds Major Differences in Employee Satisfaction Around the World," Ipsos-Reid News Release, January 8, 2001. A sample of 22 countries across the range are shown here, including all of the top scoring countries.

## JOB SATISFACTION AND WORK BEHAVIOUR

Annette Verschuren, president of The Home Depot Canada, pays a lot of attention to job satisfaction. "I can tell you within two seconds of entering a store whether morale is good," says Verschuren. The main reason for her interest is that job satisfaction is a key driver to corporate success. "With an unhappy workforce you have nothing and you will never be great," Verschuren warns.<sup>45</sup>

Home Depot Canada, Fours Seasons Hotels and Resorts, Telus Corp, and a flock of other Canadian firms are paying a lot more attention to job satisfaction these days. In some firms, such as VanCity, executive bonuses depend partly on employee satisfaction ratings. The reason for this attention is simple: Job satisfaction affects many of the individual behaviours introduced in Chapter 2. A useful template to organize and understand the consequences of job dissatisfaction is the **exit-voice-loyalty-neglect (EVLN)** model. As the name suggests, the EVLN model identifies four ways that employees respond to dissatisfaction:<sup>46</sup>

### **exit-voice-loyalty-neglect (EVLN) model**

The four ways, as indicated in the name, employees respond to job dissatisfaction.

- *Exit*—Exit refers to leaving the organization, transferring to another work unit, or at least trying to make these exits. Employee turnover is a well-established outcome of job dissatisfaction, particularly for employees with better job opportunities elsewhere. Exit usually follows specific “shock events,” such as when your boss treats you unfairly.<sup>47</sup> These shock events generate strong emotions that energize employees to think about and search for alternative employment.
- *Voice*—Voice refers to any attempt to change, rather than escape from, the dissatisfying situation. Voice can be a constructive response, such as recommending ways for management to improve the situation. Or, it can be more confrontational, such as by filing formal grievances.<sup>48</sup> In the extreme, some employees might engage in counterproductive behaviours to get attention and force changes in the organization. Thus, voice might be more correctly viewed as either constructive or destructive.
- *Loyalty*—Loyalty has been described in different ways, but the most widely held view is that “loyalists” are employees who respond to dissatisfaction by patiently waiting—some say they “suffer in silence”—for the problem to work itself out or get resolved by others.<sup>49</sup>
- *Neglect*—Neglect includes reducing work effort, paying less attention to quality, and increasing absenteeism and lateness. It is generally considered a passive activity that has negative consequences for the organization.

Which of the four EVLN alternatives do employees use? It depends on the person and situation. One determining factor is the availability of alternative employment. With poor job prospects, employees are less likely to use the exit option. Those who identify with the organization are also more likely to use voice rather than exit. People with a high conscientiousness personality are less likely to engage in neglect and more likely to engage in voice. Some experts suggest that employees differ in their EVLN behaviour depending on whether they have high or low collectivism. Finally, past experience influences our choice of action. Employees who were unsuccessful with voice in the past are more likely to engage in exit or neglect when experiencing job dissatisfaction in the future.<sup>50</sup>

## JOB SATISFACTION AND PERFORMANCE

One of the oldest beliefs in the business world is that “a happy worker is a productive worker.” Is this statement true? Organizational behaviour scholars have waffled on this question for the past century. In the 1980s, they concluded that job satisfaction has a weak or negligible association with task performance.<sup>51</sup> Now, the evidence suggests that the popular saying may be correct after all. Citing problems with the earlier studies, a groundbreaking analysis recently concluded that there is a *moderate* relationship between job satisfaction and job performance. In other words, happy workers really are more productive workers *to some extent*.<sup>52</sup>

Even with a moderate association between job satisfaction and performance, there are a few underlying reasons why the relationship isn’t even stronger.<sup>53</sup> One argument is that general attitudes (such as job satisfaction) don’t predict specific behaviours very well. As we learned with the EVLN model, job dissatisfaction can lead to a variety of outcomes rather than lower job performance (neglect). Some employees continue to work productively while they complain (voice), look for another job (exit), or patiently wait for the problem to be fixed (loyalty).

A second explanation is that job performance leads to job satisfaction (rather than vice versa), but only when performance is linked to valued rewards. Higher performers receive more rewards and, consequently, are more satisfied than low-performing employees who receive fewer rewards. The connection between job satisfaction and performance isn't stronger because many organizations do not reward good performance. The third explanation is that job satisfaction might influence employee motivation, but this has little influence on performance in jobs where employees have little control over their job output (such as assembly line work). This point explains why the job satisfaction–performance relationship is strongest in complex jobs, where employees have more freedom to perform their work or to slack off.

## JOB SATISFACTION AND CUSTOMER SATISFACTION

Along with the job satisfaction–performance relationship, corporate leaders are making strong statements that happy employees produce happy customers. “We demand more of our employees, but we do our best to assure they are happy,” says an executive at Toronto-based Four Seasons Hotels and Resorts. “Employees who are happy provide better service.” Virgin Group founder Richard Branson agrees. “It just seems common sense to me that if you start with a happy, well-motivated workforce, you're much more likely to have happy customers,” says Branson.<sup>54</sup>

Fortunately, research generally agrees that job satisfaction has a positive effect on customer satisfaction.<sup>55</sup> There are two main reasons for this relationship. First, employees are usually in a more positive mood when they feel satisfied with their job and working conditions. Employees who are in a good mood tend to display friendliness and positive emotions more naturally and frequently, which puts customers in a better mood. Second, satisfied employees are less likely to quit their jobs, so they have better knowledge and skills to serve clients. Lower turnover also gives customers the same employees to serve them, so there is more consistent service. There is some evidence that customers build their loyalty to specific employees, not to the organization, so keeping employee turnover low tends to build customer loyalty.<sup>56</sup>

Before leaving this topic, it's worth mentioning that job satisfaction does more than improve work behaviours and customer satisfaction. Job satisfaction is also an ethical issue that influences the organization's reputation in the community. People spend a large portion of their time working in organizations, and many societies now expect companies to provide work environments that are safe and enjoyable. Indeed, many Canadians closely monitor ratings of the best companies to work for, an indication that employee satisfaction is a virtue worth considerable goodwill to employers. This virtue is apparent when an organization has low job satisfaction. The company tries to hide this fact and, when morale problems become public, corporate leaders are usually quick to improve the situation.

## ■ ORGANIZATIONAL COMMITMENT

During the mid-1800s, Samuel Cunard founded Cunard Lines, the greatest steamship line ever to cover the Atlantic Ocean. The energetic Nova Scotian was able to make ship transportation dependable and safe, long before it was thought possible, by having the best ships, officers, and crew. He insisted on safety before profits and, by listening to his technical experts, was able to introduce the latest innovations.

**continuance commitment**

A bond felt by an employee that motivates him or her to stay only because leaving would be costly.

**organizational (affective) commitment**

The employee's emotional attachment to, identification with, and involvement in a particular organization.

Above all, Cunard had the quaint notion that if you picked people well, paid them well, and treated them well, they would return the favour with loyalty and pride.<sup>57</sup>

Over 150 years later, Samuel Cunard's assumptions about organizational commitment still hold true. **Organizational (affective) commitment** refers to the employee's emotional attachment to, identification with, and involvement in a particular organization.<sup>58</sup> This definition refers specifically to *affective commitment* because it refers to the individual's feelings of loyalty toward the organization. However, affective commitment can also refer to loyalty toward co-workers, customers, or a profession. We will concentrate mainly on the employee's overall commitment to the organization.

Along with affective commitment, employees have varying levels of **continuance commitment**.<sup>59</sup> Continuance commitment occurs when employees believe it is in their own personal interest to remain with the organization. In other words, this form of commitment is a calculative rather than emotional attachment to the organization. For example, some employees who do not particularly identify with the organization where they work but feel bound to remain there because it would be too costly to quit, possibly because they would lose a large bonus by leaving early or because they are well-established in the community where they work. Continuance commitment is this motivation to stay because of the high cost of leaving.<sup>60</sup>

**Wal-Mart Canada Staff Show Their Loyalty**

Wal-Mart Canada may be getting some bad press recently for apparent wage discrimination, gender bias, and attempts to avoid unionization, but that hasn't dampened the loyalty of some employees. "Everything about this company is great," exclaims Judy Wemyss, who joined Wal-Mart as a part-time sales associate in Mississauga, Ontario, nearly a decade ago and worked her way up to become a full-time department manager. The dedicated Wal-Mart staffer has even made a few trips to Arkansas to visit Wal-Mart's global headquarters and attend its annual meetings, where she and a co-worker built up a collection of Wal-Mart pins. This photo shows a Wal-Mart greeter in Calgary wearing several of these pins.<sup>63</sup>

CP Photo/Todd Korol

[www.walmart.ca](http://www.walmart.ca)

**CONSEQUENCES OF ORGANIZATIONAL COMMITMENT**

Corporate leaders have good reason to pay close attention to employee loyalty because it can be a significant competitive advantage. Employees with high levels of affective commitment are less likely to quit their jobs and be absent from work. Organizational commitment also improves customer satisfaction because long-tenure employees have better knowledge of work practices, and clients like to do business with the same employees. Employees with high affective commitment also have higher work motivation and organizational citizenship, as well as somewhat higher job performance.<sup>61</sup>

However, employees can have too much affective commitment. One concern is that organizational loyalty results in low turnover, which limits the organization's opportunity to hire new employees with new knowledge and fresh ideas. Another concern is that loyalty results in conformity, which can undermine creativity and ethical conduct. For instance, a former executive at Arthur Andersen claims that one reason for the accounting firm's downfall was that it created a cult-like level of employee loyalty where no one questioned or second-guessed top management's decisions.<sup>62</sup>

**Consequences of continuance commitment**

Creating too much affective commitment is probably much less of a problem in Canadian organizations

compared with concerns about company practices that increase continuance commitment. Many firms tie employees financially to the organization through low-cost loans, stock options, deferred bonuses, and other “golden handcuffs.” For instance, when CIBC took over Merrill Lynch’s Canadian retail brokerage business, Merrill’s top financial advisors received retention bonuses worth up to one year’s pay if they stayed long enough with the merged company.<sup>64</sup> Continuance commitment might also be higher in one-company towns throughout Canada because there are few alternative employers, employees may have difficulty selling their home to work elsewhere, and people don’t want to give up the spacious lifestyle in these small communities.

All of these financial, employment, and personal factors reduce turnover, but they also increase continuance commitment, not affective commitment. Research suggests that employees with high levels of continuance commitment have lower performance ratings and are less likely to engage in organizational citizenship behaviours! Furthermore, unionized employees with high continuance commitment are more likely to use formal grievances, whereas employees with high affective commitment engage in more constructive problem solving when employee–employer relations sour.<sup>65</sup> Although some level of financial connection may be necessary, employers should not confuse continuance commitment with employee loyalty. Employers still need to win employees’ hearts (affective commitment) beyond tying them financially to the organization (continuance commitment).

## BUILDING ORGANIZATIONAL COMMITMENT

There are almost as many ways to build organizational loyalty as topics in this textbook, but the following list is most prominent in the literature.

- *Justice and support*—Affective commitment is higher in organizations that fulfill their obligations to employees and abide by humanitarian values, such as fairness, courtesy, forgiveness, and moral integrity. These values relate to the concept of organizational justice that we discuss in the next chapter. Similarly, organizations that support employee well-being tend to cultivate higher levels of loyalty in return.<sup>66</sup>
- *Shared values*—The definition of affective commitment refers to a person’s identification with the organization, and that identification is highest when employees believe their values are congruent with the organization’s dominant values. Also, employees experience more comfort and predictability when they agree with the values underlying corporate decisions. This comfort increases their motivation to stay with the organization.<sup>67</sup>
- *Trust*—**Trust** is a psychological state comprising the intention to accept vulnerability based upon positive expectations of the intent or behaviour of another person.<sup>68</sup> Trust means putting faith in the other person or group. It is also a reciprocal activity: To receive trust, you must demonstrate trust. Employees identify with and feel obliged to work for an organization only when they trust its leaders. This explains why layoffs are one of the greatest blows to employee loyalty—by reducing job security, company’s reduce the trust employees have in their employer and the employment relationship.<sup>69</sup>
- *Organizational comprehension*—Affective commitment is a person’s identification with the company, so it makes sense that this attitude is strengthened when employees understand the company, including its past, present, and future. Thus, loyalty tends to increase with open and rapid communication to and from corporate leaders, as well as with opportunities to interact with co-workers across the organization.<sup>70</sup>

### trust

A psychological state comprising the intention to accept vulnerability based upon positive expectations of the intent or behaviour of another person.

- *Employee involvement*—Employee involvement increases affective commitment by strengthening the employee’s social identity with the organization. Employees feel that they are part of the organization when they make decisions that guide the organization’s future. For example, one Canadian study reported higher levels of affective commitment in workplaces with moderate levels of employee involvement.<sup>71</sup> Employee involvement also builds loyalty because giving this power is a demonstration of the company’s trust in its employees.

Look closely at some of the recommendations above and you will see that one of the key influences on organizational commitment is the employment relationship. In particular, affective commitment is sensitive to how well the organization fulfills the psychological contract, which we look at in the last section of this chapter.

## ■ PSYCHOLOGICAL CONTRACTS

Employees at the Toyota Canada manufacturing plant in Cambridge, Ontario, were shocked when the company began imposing overtime. Overtime was previously voluntary, but Toyota maintains that everyone checked a small box on the application form indicating that they would work overtime if required to do so. With huge demand for Toyota vehicles, the company needed almost two additional hours from each employee most days. Employees were so incensed with the imposed overtime that some created a Web site to protest the change, while others complained to the Ontario government’s employment standards office. Ultimately, the government sided with employees.<sup>72</sup>

Toyota Canada employees experienced the shock of having their psychological contract violated. This isn’t unusual. According to one university study, 24 percent of employees are “chronically” angry at work, mostly because they feel their employer violated basic promises and didn’t fulfill the psychological contract.<sup>73</sup> The **psychological contract** refers to the individual’s beliefs about the terms and conditions of a reciprocal exchange agreement between that person and another party. This is inherently perceptual, so one person’s understanding of the psychological contract may differ from the other party’s understanding. In employment relationships, psychological contracts consist of beliefs about what the employee is entitled to receive and is obliged to offer the employer in return.<sup>74</sup> For example, Toyota Canada employees believed that their psychological contract included the right to refuse overtime, whereas the employer says its employment forms include the right to impose overtime.

### psychological contract

The individual’s beliefs about the terms and conditions of a reciprocal exchange agreement between that person and another party.

## TYPES OF PSYCHOLOGICAL CONTRACTS

Psychological contracts vary in many ways.<sup>75</sup> One of the most fundamental differences is the extent to which they are transactional or relational. As Exhibit 4.5 indicates, *transactional contracts* are primarily short-term economic exchanges. Responsibilities are well defined around a fairly narrow set of obligations that do not change over the life of the contract. People hired in temporary positions and as consultants tend to have transactional contracts. To some extent, new employees also form transactional contracts until they develop a sense of continuity with the organization.

*Relational contracts*, on the other hand, are rather like marriages; they are long-term attachments that encompass a broad array of subjective mutual obligations. Employees with a relational psychological contract are more willing to contribute their time and effort without expecting the organization to pay back this debt in

## ■ EXHIBIT 4.5

Types of psychological contracts in employment

	Contract Type		
	Transactional	Balanced	Relational
Contract characteristics	Focus	Economic	Economic and socioemotional
	Time frame	Closed-ended and short-term	Open-ended and indefinite
	Stability	Static	Dynamic
	Scope	Narrow	Pervasive
	Tangibility	Well-defined	More subjective

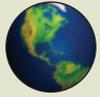
Sources: Based on information in D. M. Rousseau and J. M. Parks, "The Contracts of Individuals and Organizations," *Research in Organizational Behavior* 15 (1993), pp. 1–43; D. M. Rousseau, *Psychological Contracts in Organizations* (Thousand Oaks, CA: Sage, 1995).

the short term. Relational contracts are also dynamic, meaning that the parties tolerate and expect that mutual obligations are not necessarily balanced in the short run. Not surprisingly, organizational citizenship behaviours are more likely to prevail under relational than transactional contracts. Permanent employees are more likely to believe they have a relational contract.

## PSYCHOLOGICAL CONTRACTS ACROSS CULTURES AND GENERATIONS

Psychological contracts are influenced by the social contexts in which the contracting process occurs.<sup>76</sup> In other words, they vary across cultures and groups of employees based on their unique cultures and cohort experiences. For instance, employees in Canada expect some involvement in company decisions (i.e., they have low power distance), whereas employees in Taiwan and Mexico are more willing to accept arbitrary orders from their supervisors (i.e., they have high power distance).

Psychological contracts also seem to vary across generations of employees. A few decades ago, many Canadians (at least, those in white collar jobs) could expect secure jobs with steady promotions through the hierarchy. They often devoted their entire lives to the same company, put in regular hours, and rarely thought about changing employers. Some older Canadians still hold on to these expectations, whereas fewer people under 30 years old make these conditions part of their psychological contract because they have never experienced that degree of employment stability.



## Japan's Freeters Bring a New Psychological Contract to the Workplace

Tatsuhiko Nakayama scoffs at the 'live-to-work' philosophy that his parents embraced. "I don't feel like working and I don't have any problems with it," says the 26-year-old who lives in Tokyo with financial support from his parents when not earning money in odd jobs. Nakayama is one of more than 2 million "freeters" in Japan, double the number a decade ago. Freeters are young people, including university graduates, who scrape by with low-paying part-time jobs.

The original explanation for the burgeoning freeter population is that Japan's struggling economy prevented young people from entering meaningful jobs. However, recent surveys indicate that a large portion of freeters don't try to find permanent jobs, don't worry at all about long-term careers, and think job-hopping is a badge of honour. Instead, they prefer a psychological contract with employers that is short-term, transactional, and flexible—just the opposite to what their parents expected in an employment relationship.

"Living as a freeter, I get more freedom and I like that," says Mika Onodera, a 28-year-old bakery employee in Tokyo. Onodera, who shares an apartment with her sister, is on her fifth job in as many years. "Although I cut back on my spending, I have enough money to go out with friends and live comfortably."

Worried that a generation of freeters will undermine Japan's already fragile economy, several government departments have developed a counterattack, including funds for more school counsellors and a program to teach elementary school pupils the importance of full-time employment. Another government program provides financial aid to companies who hire freeters so they can "test-drive" a permanent job.



More than 2 million young Japanese have become "freeters," casual workers with an equally casual psychological contract that emphasizes personal freedom over loyalty.  
© AP Photo/Koji Sasahara

The government's test-drive program seems to be having some effect. "You can't tell much about a job just by reading the description in a classified ad," says Hidenobu Kawai, a 23-year-old freeter who accepted employment through the government program with Yoshida Taro Co., a trading house in Tokyo. "After I actually started working, I realized the job suited me."

Sources: "Officials Worry as Younger Japanese Embrace 'Freetering,'" *Taipei Times*, June 4, 2003, p. 12; C. Fujioka, "Idle Young Adults Threaten Japan's Workforce," *Reuters News*, February 28, 2005; "Ministry Scheme Lets You Test-drive a Job," *Yomiuri Shimbun* (Tokyo), April 22, 2005.

[www.mhlw.go.jp/english/](http://www.mhlw.go.jp/english/)

In Japan, meanwhile, the shift toward employability is much more recent and has produced some rather startling changes in the psychological contract expectations of many young Japanese. As GLOBAL Connections 4.2 describes, new employment relationships and economic turbulence have given rise to a large cohort of "freeters"—young people who hop from one job to the next, usually with a distinctly transactional psychological contract. In a country where loyalty has been the gold standard of employee expectations for decades, the opposing psychological contract expectations of freeters has motivated the Japanese government to introduce various schemes that will change their views on the employment relationship.

Psychological contracts are changing, as is the entire field of organizational behaviour, by embracing new knowledge about emotions in the workplace. Emotional brain centres, emotional labour, emotional intelligence, and other topics in this chapter were unheard of 10 or 15 years ago. Now, they are essential reading to improve our grasp of the complex dynamics of employee attitudes and behaviour. You will see several references to emotions-related concepts throughout this book, including the next chapter on employee motivation.

## CHAPTER SUMMARY

Emotions are physiological, behavioural, and psychological episodes experienced toward an object, person, or event that create a state of readiness. Emotions are typically organized into a bipolar circle (circumplex) based on their pleasantness and activation. Emotions differ from attitudes, which represent the cluster of beliefs, feelings, and behavioural intentions toward a person, object, or event. Beliefs are a person's established perceptions about the attitude object. Feelings are positive or negative evaluations of the attitude object. Behavioural intentions represent a motivation to engage in a particular behaviour with respect to the target.

Attitudes have traditionally been described as a process in which we logically calculate our feelings toward the attitude object based on an analysis of our beliefs. Thus, beliefs predict feelings, which predict behavioural intentions, which predict behaviour. But this traditional perspective overlooks the role of emotions, which have an important influence on attitudes and behaviour. Emotions typically form before we think through situations, so they influence this rational attitude formation process. This dual process is apparent when we internally experience a conflict between what logically seems good or bad and what we emotionally feel is good or bad in a situation. Emotions also affect behaviour directly.

Behaviour sometimes influences our subsequent attitudes through cognitive dissonance. People also have personality traits which affect their emotions and attitudes.

Emotional labour refers to the effort, planning, and control needed to express organizationally desired emotions during interpersonal transactions. This is more common in jobs requiring a variety of

emotions and more intense emotions, as well as where interaction with clients is frequent and for longer durations. The extent to which we are expected to hide or reveal our true emotions in public depends to some extent on the culture in which we live.

Emotional labour can be challenging for most of us because it is difficult to conceal true emotions and to display the emotions required by the job. It also creates emotional dissonance when required and true emotions are incompatible with each other. Deep acting can minimize this dissonance, as can the practice of hiring people with well-developed emotional intelligence.

Emotional intelligence is the ability to perceive and express emotion, assimilate emotion in thought, understand and reason with emotion, and regulate emotion in oneself and others. This concept includes four components arranged in a hierarchy: self-awareness, self-management, social awareness, and relationship management. Emotional intelligence can be learned to some extent, particularly through personal coaching.

Job satisfaction represents a person's evaluation of his or her job and work context. Although surveys indicate Canadians are highly satisfied with their jobs, these results may be somewhat inflated by the use of single-item questions and cultural differences. The exit-voice-loyalty-neglect model outlines four possible consequences of job dissatisfaction. Job satisfaction has a moderate relationship with job performance and with customer satisfaction. Job satisfaction is also a moral obligation in many societies.

Affective organizational commitment (loyalty) refers to the employee's emotional attachment to, identification with, and involvement in a particular

organization. This contrasts with continuance commitment, which is a calculative bond with the organization. Affective commitment improves motivation and organizational citizenship, and somewhat higher job performance, whereas continuance commitment is associated with lower performance and organizational citizenship. Companies build loyalty through justice and support, shared values, trust, organizational comprehension, and employee involvement.

The psychological contract refers to the individual's beliefs about the terms and conditions of a reciprocal exchange agreement between that person and another party. Transactional psychological contracts are primarily short-term economic exchanges, whereas relational contracts are long-term attachments that encompass a broad array of subjective mutual obligations. Psychological contracts seem to vary across cultures as well as across generations of employees.

## KEY TERMS

attitudes, p. 102	emotional labour, p. 106	organizational (affective) commitment, p. 115
cognitive dissonance, p. 105	emotions, p. 100	psychological contract, p. 117
continuance commitment, p. 115	exit-voice-loyalty-neglect (EVLN) model, p. 112	trust, p. 116
emotional dissonance, p. 108	job satisfaction, p. 111	
emotional intelligence (EI), p. 109		

## DISCUSSION QUESTIONS

1. After a few months on the job, Susan has experienced several emotional episodes ranging from frustration to joy about the work she has been assigned. Explain how these emotions affect Susan's level of job satisfaction with the work itself.
2. A recent study reported that college and university instructors are frequently required to engage in emotional labour. Identify the situations in which emotional labour is required for this job. In your opinion, is emotional labour more troublesome for college and university instructors or for telephone operators working at a 911 emergency service?
3. "Emotional intelligence is more important than cognitive intelligence in influencing an individual's success." Do you agree or disagree with this statement? Support your perspective.
4. Describe a time when you effectively managed someone's emotions. What happened? What was the result?
5. The latest employee satisfaction survey in your organization indicates that employees are unhappy with some aspects of the organization. However, management tends to pay attention to the single-item question asking employees to indicate their overall satisfaction with the job. The results of this item indicate that 86 percent of staff members are very or somewhat satisfied, so management concludes that the other results refer to issues that are probably not important to employees. Explain why management's interpretation of these results may be inaccurate.
6. "Happy employees create happy customers." Explain why this statement might be true, and identify conditions in which it might not be true.
7. What factors influence an employee's organizational loyalty?
8. This chapter argues that psychological contracts vary across cultures and generations. Identify some of the psychological contract expectations around which younger and older employees differ in Canada.

**C A S E S T U D Y 4.1****DIANA'S DISAPPOINTMENT: THE PROMOTION STUMBLING BLOCK**

*By Rosemary Maellaro, University of Dallas.*

Diana Gillen had an uneasy feeling of apprehension as she arrived at the Cobb Street Grille corporate offices. Today she was meeting with her supervisor, Julie Spencer, and regional director, Tom Miner, to learn the outcome of her promotion interview for the district manager position. Diana had been employed by this casual dining restaurant chain for 12 years and had worked her way up from waitress to general manager. Based on her track record, she was the obvious choice for the promotion; and her friends assured her that the interview process was merely a formality. Diana was still anxious, though, and feared that the news might not be positive. She knew she was more than qualified for the job, but that didn't guarantee anything these days.

Nine months ago, when Diana interviewed for the last district manager opening, she thought her selection for the job was inevitable. She was shocked when that didn't happen. Diana was so upset about not getting promoted then that she initially decided not to apply for the current opening. She eventually changed her mind—after all, the company had just named her *Restaurant Manager of the Year* and entrusted her with managing their flagship location. Diana thought her chances had to be really good this time.

A multi-unit management position was a desirable move up for any general manager and was a goal to which Diana had aspired since she began working in the industry. When she had not been promoted the last time, Julie, her supervisor, explained that her people skills needed to improve. But Diana knew that explanation had little to do with why she hadn't gotten the job—the real reason was corporate politics. She heard that the person they hired was some super star from the outside—a district manager from another restaurant company who supposedly had strong multi-unit management experience and a proven track record of developing restaurant managers. Despite what she was told, she was convinced that Tom, her regional manager, had been unduly pressured to hire this person, who had been referred by the CEO.

The decision to hire the outsider may have impressed the CEO, but it enraged Diana. With her

successful track record as a store manager for the Cobb Street Grille, she was much more capable, in her opinion, of overseeing multiple units than someone who was new to the operation. Besides, district managers had always been promoted internally among the store managers and she was unofficially designated as the next one to move up to a district position. Tom had hired the outside candidate as a political manoeuvre to put himself in a good light with management, even though it meant overlooking a loyal employee like her in the process. Diana had no patience with people who made business decisions for the wrong reasons. She worked very hard to avoid politics—and it especially irritated her when the political actions of others negatively impacted on her.

Diana was ready to be a district manager nine months ago, and thought she was even more qualified today—provided the decision was based on performance. She ran a tight ship, managing her restaurant completely by the book. She meticulously adhered to policies and procedures and rigorously controlled expenses. Her sales were growing, in spite of new competition in the market, and she received relatively few customer complaints. The only number that was a little out of line was the higher turnover among her staff.

Diana was not too concerned about the increasing number of terminations, however; there was a perfectly logical explanation for this. It was because she had high standards—for herself and her employees. Any employee who delivered less than 110 percent at all times would be better off finding a job somewhere else. Diana didn't think she should bend the rules for anyone, for whatever reason. A few months ago, for example, she had to fire three otherwise good employees who decided to try a new customer service tactic—a so-called innovation they dreamed up—rather than complying with the established process. As the general manager, it was her responsibility to make sure that the restaurant was managed strictly in accordance with the operations manual and she could not allow deviations. This by-the-book approach to managing had served her well for many years. It

got her promoted in the past and she was not about to jinx that now. Losing a few employees now and then—particularly those who had difficulty following the rules—was simply the cost of doing business.

During a recent store visit, Julie suggested that Diana might try creating a friendlier work environment because she seemed aloof and interacted with employees somewhat mechanically. Julie even told her that she overheard employees refer to Diana as the “Ice Maiden” behind her back. Diana was surprised that Julie brought this up because her boss rarely criticized her. They had an unspoken agreement: since Diana was so technically competent and always met her financial targets, Julie didn’t need to give her much input. Diana was happy to be left alone to run her restaurant without needless advice.

At any rate, Diana rarely paid attention to what employees said about her. She wasn’t about to let something as childish as a silly name cause her to modify a successful management strategy. What’s more, even though she had recently lost more than the average number of employees due to “personality differences” or “miscommunications” over her directives, her superiors did not seem to mind when she consistently delivered strong bottom line results every month.

As she waited in the conference room for the others, Diana worried that she was not going to get this promotion. Julie had sounded different in the voicemail message she left to inform her about this meeting, but Diana couldn’t put her finger on exactly what it was. She would be very angry if she was

passed over again and wondered what excuse they would have this time. Then her mind wandered to how her employees would respond to her if she did not get the promotion. They all knew how much she wanted the job and she cringed at how embarrassed she would be if she didn’t get it. Her eyes began to mist over at the sheer thought of having to face them if she was not promoted today.

Julie and Tom entered the room then and the meeting was under way. They told Diana, as kindly as they could, that she would not be promoted at this time; one of her colleagues would become the new district manager. She was incredulous. The individual who got promoted had only been with the company three years—and Diana had trained her! She tried to comprehend how this happened, but it did not make sense. Before any further explanation could be offered, she burst into tears and left the room. As she tried in vain to regain her composure, Diana was overcome with crushing disappointment.

### Discussion Questions

1. Within the framework of the emotional intelligence domains of *self-awareness*, *self-management*, *social awareness*, and *relationship management*, discuss the various factors that might have led to Diana’s failure to be promoted.
2. What competencies does Diana need to develop to be promotable in the future? What can the company do to support her developmental efforts?

## CLASS EXERCISE 4.2

## STEM-AND-PROBE INTERVIEW ACTIVITY

**Purpose** To help students experience the effects of emotional experiences on behaviour.

**Materials** None

**Instructions** This simple, yet powerful, exercise consists of students conducting and receiving a detailed stem-and-probe interview with other students in the class. Each student will have an opportunity to interview and be interviewed. However, to increase the variation and novelty of this experience, the student conducting the first interview should NOT be interviewed by the student who was just interviewed. Instead, the instructor should either form groups of four students (two pairs) at the beginning of this exercise, or have two pairs of students swap after the first round. Each of the two sets of interviews should take 10–15 minutes and use a stem-and-probe interview method. The stem-and-probe method, as well as the topic of the interview, are described next.

*Stem-and-probe interviewing:* This interview method attempts to receive more detail from the interviewee than typically occurs in semi-structured or structured interviews. The main interview question, called the “stem” is followed by a series of probing questions that encourages the interviewee to provide more details relating to a particular incident or situation. The stem question for this exercise is stated later in this description. There are several “probes” that the interviewee can use to elicit more

detail, and the best probe depends on the circumstances, such as what information has already been provided. Some common probe questions include: “Tell me more about that”; “What did you do next?”; “Could you explain that further, please?”; “What else can you remember about that event?” Notice that each of these probes is open-ended, not closed ended questions such as “Is there anything else you want to tell me” in which a simple “Yes” or “No” is possible. Stem-and-probe interviewing also improves when the interviewer engages in active listening and isn’t afraid of silence—giving the interviewee time to think and motivating them to fill in the silence with new information.

*Interview Topic:* In both sets of interviews, the “stem” question is:

***“Describe two or three things you did this past week that made someone else feel better.”***

Through this interview process, the interviewer’s task is to receive as much information as possible (that the interviewee is willing to divulge) about the details of these two or three things that the interviewee did over the past week.

Following the two sets of interviews (where each student has interviewed and been interviewed once), the class will discuss the emotional and attitudinal dynamics of this activity.

## TEAM EXERCISE 4.3

### RANKING JOBS ON THEIR EMOTIONAL LABOUR

**Purpose** This exercise is designed to help you understand the jobs in which people tend to experience higher or lower degrees of emotional labour.

#### Instructions

- *Step 1:* Individually rank order the extent to which the jobs listed below require emotional labour. In other words, assign a “1” to the job you believe requires the most effort, planning, and control to express organizationally desired emotions during interpersonal transactions. Assign a “10” to the job you believe requires the least amount of emotional labour. Mark your rankings in column 1.
- *Step 2:* The instructor will form teams of four or five members and each team will rank order the items based on consensus (not simply averaging the individual rankings). These results are placed in column 2.
- *Step 3:* The instructor will provide expert ranking information. This information should be written in column 3. Then, students calculate the differences in columns 4 and 5.
- *Step 4:* The class will compare the results and discuss the features of jobs with high emotional labour.

OCCUPATIONAL EMOTIONAL LABOUR SCORING SHEET					
Occupation	(1) Individual Ranking	(2) Team Ranking	(3) Expert Ranking	(4) Absolute Difference of 1 and 3	(5) Absolute Difference of 2 and 3
Bartender					
Cashier					
Dental hygienist					
Insurance adjuster					
Lawyer					
Librarian					
Postal clerk					
Registered nurse					
Social worker					
Television announcer					
TOTAL					

(The lower the score, the better.)

Your score

Team score



SCHOOL COMMITMENT SCALE (continued)							
To what extent do you agree or disagree with each of these statements.	Strongly	Moderately	Slightly	Neutral	Slightly	Moderately	Strongly
	Agree	Agree	Agree	Neutral	Disagree	Disagree	Disagree
	▼	▼	▼	▼	▼	▼	▼
11. This school has a great deal of personal meaning for me.	<input type="checkbox"/>						
12. If I had not already put so much of myself into this school, I might consider completing my education elsewhere.	<input type="checkbox"/>						

Source: Adapted from: J. P. Meyer, N. J. Allen, and C. A. Smith, "Commitment to organizations and occupations: Extension and test of a three-component model," *Journal of Applied Psychology*, 78 (1993), pp. 538–551.

## SELF-ASSESSMENT EXERCISE

### 4.5

### DISPOSITIONAL MOOD SCALE

**Go to the Online Learning Centre to complete this interactive self-assessment.**

**Purpose** This self-assessment is designed to help you understand mood states or personality traits of emotions and to assess your own mood or emotion personality.

**Instructions** This self-assessment consists of several words representing various emotions that you might have experienced. For each word pre-

sented, indicate the extent to which you have felt this way generally across all situations **over the past six months**. You need to be honest with yourself to receive a reasonable estimate of your mood state or personality trait on these scales. The results provide an estimate of your level on two emotional personality scales. This instrument is widely used in research, but it is only an estimate. You should not assume that the results are accurate without a more complete assessment by a trained professional.



After studying the preceding material, be sure to check out our Online Learning Centre at

[www.mcgrawhill.ca/college/mcshane](http://www.mcgrawhill.ca/college/mcshane)

for more in-depth information and interactivities that correspond to this chapter.