21 Emotions as social entities: interpersonal functions and effects of emotion in organizations
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Introduction
The field of organizational behavior has undergone an ‘affective revolution’ (Barsade et al., 2003), with growing interest in the functions and influence of emotions in different organizational contexts (Ashkanasy et al., 2000; Fineman, 2000; Brief & Weiss, 2002; Lord et al., 2002). More and more, emotions are recognized as relevant to organizational life on multiple levels and in different contexts, including interactions between individuals (Rafaeli & Worline, 2001) and between or within groups (Kelly & Barsade, 2001; Bartel & Saavedra, 2000) and organizations (Huy, 1999).

Studies of emotion in organizations have focused primarily on the antecedents and consequences of affective reactions. A notable example of this trend is the idea of ‘affective events theory’ (AET) suggested by Weiss and Cropanzano (1996) and followed up in subsequent research (e.g., Fisher, 2002; Grandey et al., 2002). The underlying logic of AET is that emotions influence behavior, so that the emotions experienced by an individual while performing a particular task influence that individual’s performance in subsequent tasks. In line with AET, scholars have considered the influence of individual affect on different aspects such as behavior, motivation, creativity, and interpersonal judgments (Forgas & George, 2001). Work on group emotion similarly suggests that the emotional tone within a group is critical to the performance of individual group members and of the group as a whole (Bartel & Saavedra, 2000; Kelly & Barsade, 2001; Barsade, 2002). Likewise, Huy’s (1999) analyses connect organizational-level affect to successful organizational change. These lines of research, for the most part, share a focus on how people’s emotions shape their behavior, whether from the perspective of the individual alone or as part of a group.

Emotions as social entities
In recent years, however, there is a growing understanding that emotions serve significant social functions (e.g., Parkinson et al., 2005). In line with this idea, Oatley (2000) proposed three basic social goals motivating the human activities that underlie emotions: affiliation, protection and dominance. Emotional reactions are designed to further these goals, with each particular emotion occupying a different ‘location’ within the space of coordinates defined by the associated goal dimensions. Thus, for example, happiness reflects the goal of affiliation while anger reflects the goal of domination. In contrast, fear and shame represent loss of dominance. These emotions in turn motivate behaviors intended to achieve their corresponding goals. Leary (2000) has also suggested that specific types of emotions, serve specific social goals. He proposed two subsets of emotions that serve such goals: social–evaluative emotions and social–relational emotions. While social–evaluative emotions have to do with how people feel about others, social–relational emotions can be seen as emotional reactions to others’ affective reactions to oneself.
Others have pointed out the social communicative function of emotions. For example, Barrett and Nelson-Goens (1997) suggest that emotions serve as social signals to others and Parkinson et al. (2005) similarly suggest that many emotions serve interpersonal functions mostly by affecting others’ reactions. For example, sadness often solicits social support, and embarrassment deflects undue attention from someone else (Keltner & Buswell, 1997). This view broadens the focus of attention from the effect that emotions have on individuals experiencing the emotions, to their relations with others and their social surroundings. Among other things it suggests that others who register another’s emotions may be affected in various ways. In line with this social view of emotions, this chapter embraces a perspective that considers emotions (and particularly emotions in organizations) as ‘social entities’ (Oatley & Johnson-Laird, 1987; Parkinson, 1996; Parkinson et al., 2005). That is, we view emotions as active processes shaping the unfolding of organizational interactions and their consequences. Our point of departure from more traditional work is that the emotions of an actor (a focal person) have context-bound manifestations that are perceivable by, of relevance to, and, potentially, a source of influence over other people (observers or target persons) (Izard, 1971; Ekman, 1975; Fridlund, 1994).

Emotions are communicated to and perceived by others during social interaction (Fridlund, 1991; Rimé et al., 1998, 1991). As such, emotions are seen as influencing others partly by conveying information about the situation of the individual and his/her behavioral intentions (Izard, 1971; Ekman et al., 1972; Fridlund, 1994). Perceivers are highly sensitive to others’ emotions and extract meaning from them with relatively low cognitive effort (Calder et al., 1996). However, emotions not only convey information about a person’s authentic psychological situation but are also used as a strategic and sometimes deceptive means of social influence (Fridlund, 1994). Thus intrapersonal and interpersonal regulation of emotion presentations always needs to be factored in to our explanations.

Our goal in this chapter is to review some available insights from existing research and to propose a framework for the understanding and analysis of the social dynamics of emotions in organization as outlined above. We suggest that emotions can shape and structure the emergent unfolding patterns of social interactions. Thus our analysis examines the dynamic functional operation of emotions in organizational interactions by reference to previous research into the cognitive, emotional and behavioral consequences of perceiving other people’s emotions. Those who are influenced by perceived emotion may be direct targets of an emotional communication, people with compatible relations to the object of the emotion (e.g., by virtue of their social identity or work role), or simply uninvolved observers. In each case registering emotion-related movements in context may impact on ongoing response in a number of ways and at a number of levels. Our analysis is intended not only to offer an overview of current understandings of these important functions of emotions in organizations but also to serve as a scaffold for future research.

Perception of emotions in the workplace: a short historical note

As claimed above, emotions displayed by one person can communicate important information to others (see also Parkinson et al., 2005). Organizational research into this function of emotions dates back to work on emotional labor (Hochschild, 1983), which originally explored how emotions displayed by individuals as part of their work roles can
influence other people's perceptions and responses (e.g., Rafaeli & Sutton, 1987, 1989). The primary focus of this line of research fell on how displays of emotion are used to influence others so as to promote organizational goals, such as increased customer satisfaction (Sutton & Rafaeli, 1988) or compliance (Rafaeli & Sutton, 1991). However, subsequent research into emotional labor has given more attention to underlying psychological processes, and to the consequences of generating organizationally approved emotions using either surface or deep acting (Grandey, 2003).

More recently, there has been a renewed focus on the social consequences of emotion displays. For example, Côté (2005) suggested that emotions presented by a focal person are subject to interpretation and feedback by partners to the social interaction, thereby creating a bi-directional social process (Weick, 1979). The implication is that observation of others' emotions can have extensive implications across a wide range of social and organizational situations that do not relate directly to emotional labor. The following section reviews examples of several studies that have assessed the ways in which witnessing others' emotions affects observers.

**Perception of emotions in the workplace**

In this section, we discuss examples of organizational research into the way emotions experienced by individuals affect perceivers of these emotions. We focus particularly on organizationally based emotional interactions relating to achievements (i.e., successes and failures), consumers' complaints, and negotiations. Consideration of these three kinds of affective event allows us to sample from a relatively broad spectrum of organizational contexts. Not only does this help to illustrate the richness and complexity of the phenomena under investigation, but also it permits assessment of how various aspects of the organizational and social setting might moderate the interpersonal effects of exposure to displayed emotions. For example, we can compare interactions between people formally belonging to the same organization (e.g., a manager and his/her employee) with interactions between people who are not members of the same organization (e.g., a service agent and a customer). In addition, the chapter examines cases in which the observer is one of the interacting parties as well as cases in which the observer is not personally involved in the interaction. Where relevant, we also consider additional factors that may interact with these dimensions. For example, cultural processes may often be relevant to the operation of emotional influence. Our general aim is to exemplify the complexity and richness of emotional interaction in organizations rather than to catalogue the variety of specific effects of different emotion displays in different organizational contexts. A secondary aim is to take steps toward the development of explanatory resources. We hope that our discussion will generate further research into this evolving topic among scientists interested in organizations and emotions.

**Organizational achievements**

Emotions are experienced in response to significant events (Frijda, 1986; Ortony et al., 1988; Lazarus, 1991). Achievements are likely to be perceived as significant for interested parties within an organization including those who helped to bring them about and those who are affected by their consequences. The nature of these consequences determines the nature of the emotional responses experienced by those affected. For example, when the achievement in question is a failure, people associated with the outcome are likely to
experience anger, guilt and shame. In contrast, success tends to lead to pride and happiness. Such emotions in turn help to shape the subsequent reactions of those experiencing them (Hareli & Weiner, 2002; Hareli et al., 2005) as well as the reactions of other people who are exposed to them.

As well as influencing the people experiencing them, emotional responses to achievements can also affect other people who are exposed to them. Various judgments about, and behaviors toward achievers are shaped by the emotions that are shown following a success or failure. For example, displays of emotions such as anger, guilt and sadness can determine the extent to which individuals associated with an organizational or personal failure are regarded by observers as bearing blame, and the degree to which they are seen as competent. In particular, Tiedens et al. (2000) found that employees displaying anger following an organizational failure were seen as less responsible for the failure and as more competent and dominant more generally than employees displaying sadness in the same situation. Correspondingly, displays of pride following a success led to perceptions of greater dominance than displays of appreciation. Thus, observers seem to make different social judgments about individuals associated with a given achievement based on the way these individuals respond emotionally.

In Tiedens et al.’s study, observers were simply witnesses of emotional responses to achievement and had no direct link with the judged employee. In practice, other members of the organization are often more closely involved in the achievement or its implications. For example, they may be required to make judgments about the factors contributing to the achievement or about its consequences for the organization and its employees. Such observers may even have the power to determine the fate of the successful or unsuccessful employees. This raises the question of whether emotional responses of succeeding or failing employees exert comparable effects under these circumstances. In response to this question, Hareli & Shomrat (work in progress) asked participants with managerial experience to assume the role of a manager interrogating a failing employee. Participants were shown a video recording of an employee explaining how a failure he was associated with had happened. In different versions of the video, the employee presented identical explanations in contrasting emotional tones. It was found that managers were more likely to discount explanations made in anger than non-emotional explanations. Thus, anger seemed to decrease the perceived credibility of the message. In addition, managers expressed greater reluctance to promote employees who displayed either anger or shame than employees displaying no particular emotion. This may suggest that when subordinates are evaluated by people with power over them, decisions about changes of status such as promotion are affected by signals that bear on the current status of the subordinates (e.g., anger as a signal of dominance, and shame as a signal of submissiveness, Tiedens, 2001). Overall, this study suggests that managerial decisions about employees can be influenced by their perceived emotional responses to a specific failure.

Similar decisions may also be affected by reported emotional reactions to unrelated achievements in different contexts. Two studies have assessed observers’ judgments of the promotion chances of failing employees as a function of how these employees felt following a past failure. In the first study, Prat (2003) found that observers judged promotion chances of employees feeling anger following failure to be higher than the chances of employees feeling guilt in the same context. In the second, Rafaeli et al. (2006a) found that cultural norms also affected this kind of promotion judgment. In their study, observers
from an individualistic society (Israel) judged employees who felt angry following failure as more likely to be promoted by others than employees who felt guilty. However, this differential judgment did not apply when they were asked to make similar decisions themselves. In contrast, collectivistic observers (Singaporeans) judged that the guilty employees were more likely to be promoted than the angry ones both by themselves and by others. Thus, the relative evaluative implications of different emotions depend not only on culture but also on the perspective from which the judgment is made.

Other kinds of organizational decisions also seem to be affected by perceived emotional reactions. For example, Tiedens (2001) had observers watch a job interview in which an employee was telling the interviewer how he felt following a failure in his previous job. Observers then had to make decisions concerning the hiring of this employee and his salary and status if hired (i.e., rank in the organization, level of independence in the job and power). Although observers preferred to hire candidates reporting sadness following the failure over employees reporting anger, higher status and salary were still recommended for the angry employees if they were to be hired. Despite observers’ apparent reluctance to make positive hiring decisions concerning employees who reported anger following a failure, then, they nevertheless believed that they should get a better rank and salary than the employees reporting feeling sad. This seeming discrepancy between hiring decisions, on one hand, and status and salary decisions on the other can be explained by the stereotypical connection between expressed emotions and power. Given that angry individuals are seen as more dominant than sad ones (ibid.), their potential for being perceived as ‘trouble makers’ may also seem higher, explaining the reluctance to hire them. However, once hired, the same stereotype might encourage giving them higher status and salary to prevent them from asserting their perceived ‘rights’.

Another study mentioned above, however, showed that managers are less willing to promote employees expressing anger following failure (Hareli & Shomrat, work in progress). The potential for trouble from assertive employees may increase with actual status and hence observers may be reluctant to promote angry employees if and when they fail. Recall that Hareli and Shomrat found that failing employees expressing shame were also less likely to be promoted, unlike failing employees who felt sad or guilty as shown in other studies. This may be explained by beliefs shared by observers concerning the link between shame, guilt, sadness and ability. While shame reflects acknowledgment of inadequate abilities, guilt implies that one’s performance has fallen short of one’s abilities (Hareli et al., 2005). Sadness, in contrast, does not carry direct implications about one’s abilities. This is presumably why employees expressing shame in the context of a failure have less chance of being promoted than employees expressing guilt or sadness.

Finally, other discussions have considered three-person situations, in which individuals draw inferences regarding someone else based on observations of the emotion displayed by a third person following an achievement-related outcome. For example, Weiner (2005) describes situations in which the emotions conveyed by a supervisor belied his or her verbal description of a subordinate’s performance. People observing a supervisor who showed anger while describing above-average performance by the subordinate concluded that the supervisor considered the subordinate to have high skills and low motivation. In contrast, expressions of satisfaction with merely average performance were interpreted as suggesting that the subordinate invested a great deal of effort and thus overcame low ability.
Overall, this brief review shows that observers’ decisions and judgments concerning failing or succeeding employees are strongly affected by awareness of these employees’ feelings about the achievement. The impact of expressed emotion is not only determined by its specific nature but is also sensitive to other contextual factors such as the perspective from which the decision or judgment is made and cultural norms. Also, information about another’s emotional experience may often have similar effects on observers to direct exposure to their expression in real time.

Customer complaints

When service providers or products fail to live up to expectations, customers are likely to feel dissatisfaction and complain (Oliver & Swan, 1989). A complaint is best viewed as a means of letting others know that one is dissatisfied with a given situation (Fornell & Westbrook, 1979; Kowalski, 1996). Often the goal of such a complaint is not only to communicate this dissatisfaction but also to call for remedial action (Stephens & Gwinner, 1998). From the perspective of the organization, an encounter with a complaining customer may present an opportunity to restore the relationship with that customer and to gain important feedback about service performance.

Encounters between complaining customers and service agents often involve strong emotions being experienced and expressed by both sides. Each side may modulate his or her emotional reaction in response to the emotions displayed by the other. In line with this assertion, some recent work has linked customers’ expressed emotions while voicing a complaint to the behaviors and reactions of customer service agents. In Hareli et al.’s (2006) study, it was found that the perceived validity of a complaint (i.e., is there really something to complain about?) was enhanced when the complaint was voiced in an angry tone rather than in a neutral or affiliative tone. Emotional tone also affected the service agent’s decisions about appropriate organizational response with angry complaints leading to recommendation of higher levels of compensation when factual information about the complaint’s legitimacy was ambiguous. However, anger associated with clearly legitimate complaints seemed to lead to overjustification and an impression of ‘bullying’. Overall, the results suggest that expressions of anger affect the credibility of the complainant. When it is unclear whether the complaint is legitimate, anger increases the complainant’s credibility and hence leads to higher compensation. However, when the factual complaint itself leaves room for doubt, an angry tone reduces the customer’s credibility and the level of compensation recommended by the service agent.

Other research has documented the more subtle effects that emotions accompanying complaints may have on service agents that are the targets of these emotions. Rafaeli et al. (2006b) showed that the ability of service agents to recall details of complaints voiced by angry complainants was reduced relative to complaints made in a pleasant tone. Further, their subsequent ability to solve problems was also diminished. This research indicates that exposure to customers’ emotional complaints not only affects service agents’ immediate decisions but also impacts on their subsequent ability to process relevant information.

Of course, complaints about products and services involve transmission of emotion not only from customers to service workers but also from service workers to customers (and back again). Expressions of affect by customer service workers have been shown to influence customers’ evaluations of overall service quality, with expressions of negative
affect associated with negative evaluations (Doucet, 2004) and positive affect associated with positive evaluations (Pugh, 2001). Thus, emotional information conveyed during the process of voicing a complaint and its handling by the parties involved can determine the outcome of this process on several different levels.

**Negotiations**

Emotional expressions can also influence the course of negotiations in organizations. For example, Carnevale and Isen (1986) argued that positive affect facilitates the discovery of integrative solutions in bilateral negotiations. More recent research suggests that the social effects of any given emotion are not unitary across different negotiation situations but instead depend on contextual factors. Van Kleef et al. (2004a) examined the effects of others’ anger and happiness on the outcomes of negotiations about a cellular phone contract. Participants conceded more to an angry opponent than to a happy one, an effect the researchers attributed to tracking – that is, using the emotions expressed by an opponent to infer his or her limits. Communication of anger (in contrast to happiness) by focal persons induced fear and lowered the target persons’ demands.

In a second set of experiments (Van Kleef et al., 2004b), the same investigators refined these findings, showing that negotiating parties were affected by the emotions of others only under low rather than high time pressure. In addition, those of lower status or power were more influenced by the emotions of their more-powerful opponents than the other way around. The authors suggest that only negotiators motivated to consider their opponent’s expressed emotions are affected by them. Kopelman et al. (2006) also examined the effects of displayed emotion in a negotiation situation, in this case between a condominium developer and a carpentry contractor. In this context they found that displays of positive as opposed to negative or neutral emotions on the part of the contractor were more likely to lead to a future business relationship. This effect was mediated by the developer’s willingness to pay more to a negotiator who strategically displayed positive rather than negative emotions.

Thus in negotiations too, the dynamics of the exchange of opinions and the impact of this exchange is partly determined by the emotions expressed by the interacting negotiators.

**Emotions as social entities in organizational interactions**

As this brief and non-exhaustive review suggests, exposure to the emotions of others impacts on observers at various levels and in numerous contexts within the organizational environment. Observers’ responses to others’ emotions clearly depend not only on the valence of those emotions but also on their more specific quality. For example, a failing individual’s expression of anger exerts a different effect on an observer from his or her expression of guilt or sadness, although all of these emotions are negative. The question then is what determines the specific nature of interpersonal reactions to different emotions? What aspects of one particular emotion lead to it exerting a different effect on someone else from another emotion expressed in an otherwise similar situation?

The answer to these questions lies in the informational meaning encapsulated by each particular variety of emotion. According to appraisal theories, particular emotions differ from one another by the ‘story they tell’. That is, each distinct emotion embodies a particular theme reflecting the way the individual sees his/her relation with the environment in a given situation. This idea is most explicitly reflected in the notion of core relational
themes suggested by Lazarus (1991). Thus, for example, Lazarus (p. 122) identifies ‘a demeaning offense against me and mine’ as the core relational theme for anger and ‘facing an immediate, concrete, and overwhelming physical danger’ as the core relational theme for fright. Other appraisal theories share a similar view focusing on dimensions describing the person–environment relationship implied by each type of emotion (e.g., Roseman, 1984; Weiner, 1985).

Research into appraisal indicates that people share beliefs about the relationships between emotions and the themes that they incorporate (e.g., Scherer, 1984; Smith & Ellsworth, 1985) and make use of it as observers and interpreters of others’ emotions (Weiner, 1995, 2005; Tiedens et al., 2000). From this point of view, emotions can be seen as messages potentially transmitted to others who interpret them according to the themes or person–environment relationships typical of the particular emotion that is perceived.

As our review above suggests, observers infer much more from expressed emotions than such an analysis would suggest. For example, while sadness ‘tells a story’ about a painful loss, observers of sadness following failure infer not only the pain of the failure-related loss itself but also implications concerning the failing individual’s view of him- or herself as having low competence, as lacking dominance and so on (Tiedens et al., 2000). The question then is how observers make a variety of judgments about a specific individual experiencing a certain emotion that go beyond the characteristic theme of that emotion. Part of the answer is that people have access to knowledge about the relations between particular emotions and other factors such as actions tendencies typical of each emotion (Frijda, 1986; Frijda et al., 1989) and norms of expressing emotions (Eid & Diener, 2001). Such knowledge also shapes interpretations of emotional expressions and the resulting social judgments made by observers of such emotions. In particular, observers use their implicit schemas about relationships between emotions and other factors to make all the inferences in question. Thus, an emotion can be seen to convey a message incorporating a set of different meanings.

In concordance with this idea, Kirouac and Hess (1999) distinguished three types of meanings inherent in an emotional message: ‘symbolic’, ‘symptomatic’, and ‘appeal’. The symbolic meaning of an emotion is the semantic information directed at the observer. The symptomatic meaning refers to information about the individual feeling or displaying the emotion. The appeal meaning suggests pragmatic information about the intended actions of the target person (the perceiver). For example, an expression of sadness might convey to others that the focal person has experienced an irreversible loss (Lazarus, 1991). This would represent the symbolic meaning of the emotional message. Sadness also reflects the psychological state of the individual, in this case, experiencing pain following an irreversible loss. This would represent the symptomatic meaning of the message. Finally, sadness also tells others what the person experiencing the emotion might do. S/he may call for help or comfort. This would represent the appeal meaning of the emotion. Each emotion conveys meanings in each of these ways and each kind of meaning is potentially readable by perceivers.

However, the process of interpreting emotional messages may be more complicated than this analysis suggests because emotion interpretations do not arise in a contextual vacuum. Indeed, the same emotional expression may be interpreted differently depending on the circumstances under which an encounter takes place. As the review above indicated, contextual factors such as the culture, the perspective from which a judgment is
made, and the type of relations between parties to an encounter may each shape the interpretation of the informational-determining judgments, beliefs and actions toward an emotional target person. Current research is still far from understanding the details of how these inferences might be constructed.

As is clear from this analysis, exposure to another's emotions influences observers in many different ways and on many different levels. First, the way an observer 'sees things' can be shaped dramatically by the emotions of a focal person as reflected in reported beliefs, judgments and perceptions. Observers, however, not only 'change their minds' in response to others' emotional displays but also shape their behaviors toward these others as evidenced by decisions relating to hiring, promotion and so on. Finally, not only the content of observers' minds is changed as a function of the displayed emotions of others but also the way minds function. For example, the ability of service agents to recall details of complaints and the tendency of negotiators to find more or less integrative solutions in bilateral negotiations are both substantially influenced by emotions expressed by others during the social interactions in question. Such effects, however, indicate that displays of emotions affect not only others' cognition and behavior but also their own emotions, just as changes in cognitive functioning have been shown to be affected by people's own emotions (Carnevale & Isen, 1986).

In sum, exposure to others' emotions in organizational interactions seems to play an important role in determining the way such interactions unfold. Research is only beginning to explore the dynamics of this phenomenon and to uncover the mechanisms that are involved. A perspective that sees emotions not only as something that happens in a person's mind but also as something that occurs in a social interaction seems to open new avenues for research into the function of emotions in organizations. Emotions shape organizational interactions in many different and complex ways that are yet to be discovered. We hope that this chapter will increase the appetite of researchers to further examine this important role of emotions.

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Research companion to emotion in organizations

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