Influence of Entrepreneur’s Emotions:
How Do You Handle Your Boss’ Emotions?

Master’s thesis within Business Administration
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Abstract
This thesis illustrates the complexity of emotions in the entrepreneurial context. By using vignettes and in-depth interviews conducted among nine employees from entrepreneurial firms in Lithuania and nine employees from entrepreneurial firms in the Netherlands, this study offers a perspective on how emotional display of the entrepreneur influence employee’s behavior.

The display of two negative (anger and fear), two positive (joy and confidence) emotions, and entrepreneurial passion are studied and the findings show that there is (a) a significant relationship between entrepreneur’s display of positive and negative emotions and employee’s behavior (e.g., motivation and decision-making); (b) the entrepreneur’s emotions have potentially positive and negative effect on the employee’s behavior and this is largely influenced by the relationship and dynamics between the employee and entrepreneur defined by the duration and intensity of the relationship, the formal/informal distance between the entrepreneur and employee, past experiences with the entrepreneur, the degree of honesty and sincerity expressed, and the level of mutual trust; (c) the reaction of the employees is partly based on the characteristics above as well as on sensitivity towards the emotions to whom they are displayed. In terms of reactions, the employees have a certain emotional balance based on the past situation, current situation, and the personal preference towards the degree and frequency of positive versus negative emotions. Each emotional display is weighed on this balance and inflicts a feeling, which results in a certain behavior. Finally, studying (d) the patterns between Dutch and Lithuanian employees in their perception of the entrepreneurs’ emotions, the results show that Dutch employees, in general, are more direct and assertive. They indicate that they greatly enjoy displays of positive emotions, passion and a degree of informalities when the relationship with the entrepreneur develops, but in negative situations they have the tendency to direct their irritation-adjusting behavior directly towards the entrepreneur. Lithuanian employees are more focused on finding solutions to negative situations together with colleagues rather than confronting the entrepreneur, and to balance on so called “blinding” effect they greatly value rationality and reason from the entrepreneur.

To interpret and fully understand the specifics of the findings we use valence, appraisal, and expectancy theories. Based on this analytical approach, we provide two tentative models that, we think, both well summarize the results of this research and call for a need for a further research suggesting that there might be much more hidden behind the curtains of the emotional scene introduced by this thesis.
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1. Introduction

In a recent special issue called *The Heart of Entrepreneurship* in *Entrepreneurship Theory and Practice* journal (2012) many entrepreneurial practices are shown to be interrelated to emotions when the issue sheds light on the current state of research and future research. For example, the work of Hochschild (1983), “The Managed Heart,” paved the way to introduce the importance of emotions at work by calling this emotional labor. More recently research by Baron (2008) supported by Cardon, Foo, Shepherd and Wiklund (2012) has illustrated the importance of emotions within entrepreneurial processes. Essentially, it is agreed upon that entrepreneurship as a practice is very emotionally loaded (Cardon et al., 2012) and examining the entrepreneur’s individual processes is of particular importance as different entrepreneurs act differently upon the same opportunity (Welpe, Spörrle, Grichnik, Michl & Audretsch, 2012). There is, however, still a lot to discover in the development of this field of research. In the introduction of the journal’s special, Cardon et al. (2012) address that by highlighting the incremental steps to be taken:

> There is a unique opportunity to not only import theories from psychology and other disciplines but also to develop and extend those theories and contribute back to those core disciplines. [...] In all of these cases and others, the authors have developed not only insights that are important for entrepreneurship but are also relevant and novel for the core literature in psychology, organizational behavior, and management (p. 2).

The field of emotions as a subject of research has established a special status in literature over the decades (Ortony & Turner, 1990) although, as the quote above illustrates, the research on emotions and entrepreneurship is still in its infancy. Thus, it shows that there is a need for more research regarding the topic, which serves as the main rationale for this thesis about emotions in entrepreneurship. The field remains a major lack-of-consensus phenomenon when looking at, for example, the divergence of opinion about the number of basic emotions and the divergence of opinions about their identity, but despite the divergence and complexity, scholars have long recognized the importance of emotions at work (Hochschild, 1983). Since recently the field of emotions started expanding from psychological theory into entrepreneurship: the research done has developed not only insights that are important for entrepreneurship, but that are also relevant and novel to the core literature in fields such as psychology, organizational behavior, and management (Cardon et al., 2012).

Despite the advancements on entrepreneurial emotions, Cardon et al. (2012, p. 2) believe that “we have barely begun to uncover the most interesting questions concerning emotions in entrepreneurship activities”. The authors also argue that there are still “more unanswered questions to write about, than there are already answered questions to review”, hence, according to them, there is a need to advance to the “next generation of entrepreneurial emotion research” (Cardon et al., 2012, p.2). Brundin (2002) in her dissertation also suggests that, according to Fineman (1996), “emotions are not fully acknowledged in their own rights” (p. 19) and, as supported by
Weick (1999), “emotions are one of the least developed phenomena within management theory,” which, as a result, indicates “a lack [of research on emotion-based influence on] [...] the field of strategic change and leadership” (p. 20). There is a whole range of future research possibilities that could focus on such questions as: what is the entrepreneurial process between opportunity identification and exit strategy? How can emotional display be controlled in terms of emotional intelligence, emotional labor and social skills? How are entrepreneurial decision-making and motivation influenced by emotions?

Currently the academic research within the field of entrepreneurship has focused on the relationship between emotions and such variables as: emotional intelligence (George, 2000; Kilduff, Chiaburu & Menges, 2010); strategizing (Brundin & Melin, 2006); attitudes, perceptions of social dominance, and positive expectancies (Harmon-Jones et al., 2011; Hareli, Shomrat & Hess, 2009; Langens & Schuler, 2007); leadership, its effectiveness, styles, and subordinate performance (Hill, 2007; Judge, Bono, Ilies & Gerhardt, 2002; McColl-Kennedy & Anderson, 2002; Humphrey, 2002; Goleman, 2004; Doh, 2003); consumer intentions and behavior (Pollai, Hoelzl, Hahn & Hahn, 2011); willingness to act entrepreneurially (Brundin, Patzelt & Shepherd, 2008); cultural aspects and differences (Leu, Wang & Koo, 2011); emotional schemas and cognitions (Izard, 2007); goal-oriented behavior (Ferri, Stoianov, Gianelli, D’Amico, Borgh & Gallese, 2010); internal and external effects (Salas, Radovic & Turnbull, 2011); facial expressions and verbal communication (Stouten & Cremer, 2010; Barger & Grandey, 2006; Grandey, 2003); personality traits’ social judgment (Hareli, Shomrat and Hess, 2009); micro-level dynamics (Brundin & Nordqvist, 2008); fear, joy, anger, and stress (Welpe et al., 2012; Baron, 2008; Foo, 2009; Hareli & Rafaeli, 2008; Patni, 2011); entrepreneurial passion (Breugst, Domurath, Patzelt & Klaukien, 2012) and many others.

There is still more to do in terms of research about emotions and entrepreneurial processes. The unanswered questions can be found in various different processes and aspects of the entrepreneurship. Among other areas, the ones that lack major research are: first, the middle part of the entrepreneurial process in between start-up and exit stages (Cardon et al., 2012); second, according to Haynie and Shepherd (2011), Van de Ven and Engelman (2004) and Uy, Foo and Aguinis (2010) the area called management of emotions (such as emotional labor); third, emotional issues in entrepreneurial teams and stakeholder’s emotions as well as their effect on the entrepreneur; and, finally, the research on entrepreneurial emotions needs to use more advanced methodologies, longitudinal data, event analysis and experience sampling methodology (Haynie & Shepherd, 2011; Van de Ven & Engelman, 2004; Uy, Foo & Aguinis, 2010).

Baron (2008) argues that the effect of emotions is especially significant within the entrepreneurial process and acknowledges the importance of emotions on entrepreneurial activities. Emotions affect behavior, the opportunity identification, decision-making, and other core tasks with which the entrepreneur is highly engaged. The tasks are highly influenced by emotions (Baron, 2008).
In this environment emotions may very well tip the balance towards certain behavioral aspects, which is particularly interesting to this thesis.

Empirical examinations of emotions’ impact on entrepreneurial decisions has only captured scholars’ interest midway through the first decade of the twenty-first century (Welpe et al., 2012). However, according to Sjöstrand (1997), a link between entrepreneurship and emotions can be seen: “emotions are operative not only in relation to [a number of] contexts, where they are regarded as a natural ingredient,” but they “are also inherent in management action, including strategic decision making” (cited in Brundin, 2002, p. 1), which suggests that emotions might have a role to play in organizational behavior.

Moreover, George (2000) claims that because of relevant emotion-leadership relationships, there is a need to examine the leader-follower interactions with regard to the connection between emotions and the management, which calls for looking more from the follower-centered perspective and investigating the effectiveness of this relationship. Likewise, others have looked at similar relationships between leader and subordinates (Brundin et al., 2008); however such research has been focused on relations, not emotions (Graen & Uhl-Bien, 1995).

1. Problem

Much research on entrepreneurial emotions was conducted around single-valenced emotion(s) (see, e.g., Foo, 2011) and/or in cases surrounding a single entrepreneur (Brundin et al., 2008). Not much attention is drawn to the potential effects of entrepreneur’s emotions on employees’ behavior, especially decision-making processes and motivation. Research talks about relationships when it comes to the effect that the entrepreneurs’ display of passion has on employees (Breugst et al., 2012); the importance of the entrepreneur’s state display towards employees’ well-being (Hahn, Frese, Binnewies & Schmitt, 2012); and the effect of emotions in business evaluation and risk perception (Foo, 2011; Podoynitsyna, Van der Bij & Song, 2012). We argue, in line with Cardon et al., (2012) that it is important to review display of emotions from an employee perspective, as opposed to the more common individual focus on a single entrepreneur.

This thesis focuses on relations between the effect entrepreneur’s display of emotions has on employees using the valence and appraisal theory in order to find the relationships between entrepreneur’s emotions and the effect emotional display has on employees’ behavior in terms of their decision-making and motivation (Foo, 2011) within established entrepreneurial firms. The empirical focus lies in particular on the behavioral processes that occur in a later stage of the business meaning when a firm has developed beyond the start-up phase and reached the growth phase. In this entrepreneurial context we follow the definition by Cardon et al. (2012) and de-

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1 The term “valence” is used to categorize emotions as either positive or negative. For example, anger, a negative emotion, has negative valence and joy, a positive emotion, has negative valence (Frijda, 1986).
2 Appraisal enables explanation of the differences observed in emotional reactions based on the context of the emotions (Smith & Kirby, 2009); it is therefore broader than valence.
scribe the context as the middle part of the entrepreneurial process, which to date is a less re-
searched area regarding entrepreneurial emotions. This means that the emotions that come into 
play when new projects arise, unique changes take place within the company, and the entrepre-
neurs put effort towards consolidating the business, and how the expectations and interpretation 
of emotions, as indicated by Brundin and Nordqvist (2008), affect different employees’ perspec-
tives and thus their decision-making and motivation through having an impact on their behavior.

1.2. Research Questions and Purpose
The discussion above leads to our purpose of this thesis, which is: what role does the entrepre-
neur’s display of emotions play for the employees and their behavior? The research questions 
that we address are: (a) how does the entrepreneur’s display of emotions positively or negatively 
affect the employees? (b) What influence does the display of negative and positive emotions 
have on employees’ motivation and decision-making? (c) Why do the employees react the way 
they do? Finally, since our study is made in Lithuania and the Netherlands, we add a fourth re-
search question, which is (d) what patterns could be found between Dutch and Lithuanian em-
ployees in their perception of the entrepreneur’s emotions?

It is in this area of emotions where this thesis aims at making the following contribution: by 
looking at the entrepreneur’s emotions in combination with employee’s behavior this study will 
help entrepreneurs understand how their emotional display ease employees’ motivation and deci-
sion-making by influencing their behavior, and indirectly the performance of the entrepreneurial 
firm. It will also provide entrepreneurs with greater insights about the effects their emotions have 
during the period when their established ventures enter the growth phase, which is defined by 
many challenges that are essential to the firm’s future growth (Grundy and Kickul, 2007). In 
addition, our results will make a contribution to the discussion about possible cultural differences 
regarding entrepreneur’s display of emotions.

1.3. Structure
In order to address the purpose this thesis next turns to the frame of reference (chapter 2) where 
the applicable terms and characteristics of the empirical study and the topic are defined to build a 
foundation for the research of this thesis. The research methodology is explained in “Research 
Method” (in chapter 3) in which the research design, the research method and format, the sample 
details as well as data collection method are included. Following that, the results of the empirical 
study are discussed in more detail by providing the analysis of the results (using valence, ap-
praisal, and expectancy theories) illustrated by two tentative models (chapters 4 and 5). Finally, 
the thesis finishes with the conclusions, limitations, challenges, and contribution of the study 
(chapters 6 and 7).
2. Frame of Reference

2.1. Emotions
Emotions can be approached from a psychological and biological perspective. They are an evolutionary subjective psychological experience (Harmon-Jones et al, 2011). Research on emotions tackles many different variables and the body of knowledge on topics remains fragmented. For example, emotions can be short-term and long-term: for example, anger and surprise being dramatic, interruptive, and having more affect when expressed can be characterized as short-term emotions; while, for example, distrust and confidence are defined as long-term emotions mostly because of their stability and persistence over time as well as the time required to build a foundation for them (Izard, 1977; Collins, 2004). Similar to the length of emotions, feelings can be state or trait emotions in line with trait theory (see e.g. Harmon-Jones et al., 2011). Research has made attempts at defining the basic emotions (Ortony & Turner 1990) and concluded that it is hard, if possible, to differentiate between basic and non-basic emotions, because in most cases they intervene and contradict each other and because of that the boundaries that distinct these natural kinds of emotions are even more blurry than thought in the beginning.

2.2. Display and Management of Emotions
For the purpose of this study the display of emotions within the entrepreneurial process is of importance. We refer to display of emotions as emotions expressed by the entrepreneur and perceived by the employees on whom the emotions may or may not have an effect. As an example, a study by Brundin and Melin (2006) shows that strategizing is one of the business phenomena influenced by the display and interpretation of emotions. Their findings explain that depending on the way in which emotions are experienced and displayed by the individuals, and interpreted by their environment, they can either create low or high levels of emotional energy, which as a result leads to a specific business strategy being driven or counteracted (Brundin & Melin, 2006).

According to Brundin and Melin (2006), values, age, culture, and societal norms are the major components of the individual emotional display, which can be observed as changes in individual facial, bodily, vocal, and emotional states’ expressions (Lewis, 1998, cited in Brundin & Melin, 2006). As suggested by Humphrey (2002), emotional display has greater influence on individual employee’s performance rather than verbal messages provided to them; therefore, leaders displaying their emotions will have influence on how employees perceive - either as a sign of leader’s sincerity and/or certain intentions - those emotions. This implies that depending on emotional display leaders can become more or less effective and displaying emotions that are considered to be correct is appropriate and highly acceptable organizational practice (Ekman, 2003; Morris & Feldman, 1996).

However, emotions are not displayed in an authentic manner in all cases. Primarily this may be due to inconsistencies existing between the experienced and expressed emotion, which suggests
that sometimes emotions are controlled, masked, faked, and/or hidden (Ekman & Oster, 1979; Hochschild, 1983). Based on that, Brundin and Melin (2006) state that individual psychological ill being may be not necessarily a result of required emotional display, but more an outcome of an individual displaying the emotion not in an honest manner.

The display of emotions is a very important aspect of business: in some industries employees are even forced to instill emotions aroused in others in order to achieve goals (Hochschild, 1983). Furthermore research has shown that non-verbal display of emotions, like facial expressions for the greater part present the message as perceived by others, meaning showing joy has more effect than merely saying it (Masuda, Ellsworth, Mesquita, Leu, Tanida & Van de Vooerdonk, 2008). A person can be influenced by emotions in two ways: namely, through emotional contagion or mimicking someone experiences the same emotional feeling; and the displayed emotions can trigger associations and assumptions about the employee who displays emotion (Hareli & Rafaeli, 2008). As suggested by Hareli and Rafaeli (2008), the behavior and emotional effect of the agent (entrepreneur) is influenced by the credibility, social power and competence of the entrepreneur as perceived by others.

2.3. Foundation and Effects of Emotions

According to Harmon-Jones et al. (2011), emotions can come from personal attitudes or experience toward a specific emotion, thus individuals have a personal preference for certain emotions based on the degree of positive or negative feelings that they evoke within a person. Emotions vary based on external (e.g. a video) and internal (e.g. personal memories) stimuli: even though internal and external effects are similar the internal stimulus is proven to add more value to the overall emotional arousal (Salas, Radovic & Turnbull, 2011). Therefore, if a person is stimulated by personal memories (internal stimuli), the subjective emotional arousal is likely to be somewhat stronger compared to a similar degree of external arousal. The degree of enjoyment or liking of emotion - whether provoking a negative or positive experience - depends on the circumstances that stimulate the emotional arousal, the conditions of emotional adaptability, and the subjective feelings aroused by emotions at hand (Lazarus, 1991; Ekman, 2003, cited in Harmon-Jones, 2011). The findings show that people’s differences in attitudes towards emotions not only promote different subjective reactions and levels of emotional regulations, but also have a significant relationship with trait emotions (e.g., trait aggression, anger, hostility, etc.) (Harmon-Jones, 2011).

Regarding the affects emotions have, Brundin et al. (2008) found significant relationships between emotions and employees’ willingness to act entrepreneurially; however, the article also shows that in the relationships between one’s individual emotions and the process of sending and receiving there are still advancements to be made. An example of this is based on the idea that emotional contagion has also showed significant importance in passing on the entrepreneur’s
passion to employees, which could have positive effects on their work and goal orientation and/or clarification (Breugst, Domurath, Patzelt & Klaukien, 2012).

### 2.4. Emotions and Culture

Emotions are prone to be perceived differently based on different cultural contexts (Brundin & Nordqvist, 2008). Emotions across cultures are perceived differently, where Asians look upon emotions in a more contextual manner: for example, a dog is mankind’s friend, and cat’s enemy and Europeans take a more analytical approach, when, for example, a dog is a mammal of the canine genus (Masuda et al., 2008). Similarly, according to Masuda et al. (2008), because Asian cultures are more attentive to context-related factors they are more likely to associate both positive and negative emotions with depression symptoms, while the Western cultures, being analytic and sensitive, promote the opposite associations and believe that only negative emotions can be linked to depressive moods. Also, compared to Asians, Americans have a more individualistic view on emotions: for example, personal goals and self-achievement can be considered selfish and childish by Japanese, but normal to Americans (Masuda et al., 2008), which may be due to the fact that the cultural goal of an Asian environment is focusing on finding the balance between positive and negative emotions (also called emotion moderation), while the Westerners may be seen as more concerned about the increase of positive emotions as their main cultural goal (Leu, Wang & Koo, 2011).

Although emotions and their perception differ across cultures, there are some findings suggesting that some emotions are at least to some extent universal; however, simultaneously emotions as everyday life constructs are both socially and culturally embedded and thus different in some ways across cultures (Rafaeli & Sutton, 1989; Ekman, 1992).

### 2.5. Entrepreneurial Emotions

Cardon et al. (2012) introduce the term “Entrepreneurial Emotion” by using the term and corresponding definition as a way of displaying the unity between emotions and entrepreneurship as a means of disclosing some of the mystery surrounding the topic:

> Entrepreneurial emotion refers to the affect, emotions, moods, and/or feelings—of individuals or a collective—that are antecedent to, concurrent with, and/or a consequence of the entrepreneurial process, meaning the recognition/creation, evaluation, reformulation, and/or the exploitation of an [...] opportunity (p. 3).

In this entrepreneurial context research has been able to link emotional display to employee motivation (Brundin et al., 2008). According to Brundin et al. (2008), when managers display confidence and satisfaction about entrepreneurial projects and goals, the willingness to act entrepreneurially among employees will be enhanced, although displays of frustration, worry, and bewilderment impede with the willingness to act entrepreneurially. Moreover, Brundin et al. (2008)
found that displays of satisfaction, frustration, worry, and bewilderment moderate the effect of managers’ displayed confidence on employees’ willingness to act entrepreneurially. Following that, such positive emotions as satisfaction and confidence are very effective in generating high levels of emotional energy and developing a sense of solidarity in the group context (Brundin & Nordqvist, 2008).

According to Hareli and Rafaeli (2008), “the most evident social influence of emotion is its capacity to evoke emotion in other people, be they the target of the emotion (or partners to an emotion interaction) or third-party observers” (p. 39). This is in line with findings on mixed emotions (Podoynitsyna et al., 2012; and Welpe et al., 2012), where a combination of both negatively and positively valenced emotions can have a positive contribution to business process. Podoynitsyna et al. (2012) state that emotions that are expressed by entrepreneurs are not necessarily just basic single emotional states; rather entrepreneurs are experiencing mixed emotions that have influence on employee’s behavior in general as well as such business processes as decision-making.

Additionally to that, anger may evoke a number of feelings including fear (Berkowitz, 1990; Cote, 2005; Hochschild, 1983; Smith & Hart, 1994). Specifically, when observing a situation defined by an outburst, it is anger that can result to other unpleasant feelings such as anxiety, frustration, and emotional exhaustion (Rupp & Spencer, 2006). As the findings by Foo (2011) reveal, experiencing such emotions as fear, hope, anger, and happiness may have influence not only on venture decision-making process, but may also suggest a positive relationship between such emotions as anger and happiness and their potential effect on risk-taking judgments, entrepreneurs are found to be focusing more on positive (e.g., hope and happiness) as well as conflicting emotions at the same time.

In this study emphasis is placed upon a set of emotions, which are considered by some as basic emotions, namely: fear, anger, joy (Welpe et al., 2012) and confidence (Brundin et al., 2008). In the results interviewees’ emotions of similar valence are also considered. These emotions are complemented with the perception of the entrepreneur’s display of entrepreneurial passion (Frese & Gielnik, 2011). Since these five emotions are some of the basic ones, by focusing on them in this research we not only suggest that they may be very common in different settings, but may also be some of the most salient emotions in the business life in general. Since research in the entrepreneurial context has focused on these emotions as well, the findings are more significant and comparable. The following sections explain what is meant by each emotions used in this research.

2.5.1. Fear and Anger
According to Mineka (1979), fear can be defined as a suppression of “a positively reinforced behavior” (p. 986), and there is some evidence that fear as an emotional state can play a role in avoidance behavior. Therefore, the main characteristic associated with fear is that the behavior of a fear-aroused person is most likely to be associated with motivation for avoidance and escape
(Epstein, 1972, cited in Mineka & Öhman, 2001). According to Elfenbein (2008), it is anger that provokes adjustment-irritating behavior and may induce fear under some conditions. Although Ax (1953) claims that fear and anger can be seen as fundamentally similar emotional states, anger can be described as an emotional arousal state that has a wider scope, because unlike fear it has a greater physiological integration. Both fear and anger have negative valence, but can be seen as relatively different emotional states, where fear is associated with “a sense of situational control and uncertainty” and anger refers to “a sense of individual control and certainty” (Lemer & Keltner, 2001, p. 147).

Looking at managers who experience a number of emotions including anger and fear (Vince, 2006), these two negative emotions influence the organizational setting, as suggested by Elfenbein (2008). Besides adjusting behavior it leads to inducement of emotions such as fear. The display of irritation would mean an attribution of blame while a display of fear would mean acknowledgment of uncertainty-based events. Here the author proposes that angry individuals are prone to emphasize blame-related issues, whereas those who experience fear are concentrating on risk-evoking issues.

2.5.2. Joy and Confidence

Joy being classified as one of the natural kind or basic emotions is essential part of every human experience and is most associated with pride derived from sense of achievement (Fredrickson, 1998), which facilitates behavior such as learning, exploration, attachment, and affiliation (Izard, 2007). Since joy is positive and associated with sharing a pleasant subjective emotional feeling (Fredrickson, 1998), it is also in most of the cases seen as equivalent to what is called happiness (Lazarus, 1991) or gladness (De Rivera, Possel, Verette & Weiner, 1989). What is more, according to Izard (1977), Ellsworth and Smith (1988, cited in De Rivera et al., 1989), and Lazarus (1977), joy arises from familiar and safe contexts that do not require a lot of effort.

Confidence refers to an outstanding memory and capacity to know one’s own content (Koriat, Lichtenstein & Fischhoff, 1980). It is a degree of certainty that one’s own statements and beliefs are true (Fischhoff, Slovic & Lichtenstein, 1977), and, if seen from the perspective of confidence about personal abilities, confidence improves the level of one’s motivation (Bénabou & Tirole, 2002). Therefore, confidence is a catalyst for one who lacks strength, will, and possess low levels of self-efficacy and self-belief in abilities. More self-confidence, thus, leads to pursuing more challenging goals and increased persistence in adversity-based situations (Bénabou & Tirole, 2002). For example, in the case of a strategic alliance, confidence comes from two sources: namely, control and trust: confidence in a strategic alliance can be defined as the perceived degree of certainty between the partners and following mutually accustomed interests of both parties (Das & Teng, 1998).

By applying these two positive emotions – joy and confidence – to the organizational context, Elfenbein (2006) claims that joy is seen as a positive sentiment-provoking experience in the
workplace. The findings reveal that, for example, during the process of negotiations employing more positive emotions is stimulating not only better overall outcomes, but also improved levels of trust, more efficient information exchange, stronger goals, and even increased degree of confidence (Barry, Fulmer & Van Kleef, 2004, Thompson, Nadler & Kim, 1999, cited in Elfenbein, 2006; Carnevale & Isen, 1986; Forgas, 1998).

2.5.3. Entrepreneurial Passion

Based upon research by Frese and Gielnik (2011) and Cardon, Wincent, Singh and Drnovsek (2005), the emotional aspects of passion are worth addressing as well. Some entrepreneurs start a new venture by following their passion, however, the research has pointed out that in general passion does not generate entrepreneurial activity; on the contrary, the entrepreneurial activity itself instills passion among entrepreneurs (Frese & Gielnik, 2011). Passion is an emotional experience that arises and influences entrepreneurial outcomes; furthermore, entrepreneurial passion - both positive and intense - is an emotional meta-experience, which the entrepreneur constantly utilizes for the benefit of the venture (Cardon et al., 2005). Entrepreneurial passion does not always lead to entrepreneurship, but the process of entrepreneurship does instill entrepreneurial passion (Frese & Gielnik, 2011; Cardon et al., 2005).

2.6. Motivation and Decision-Making

For the purpose of this thesis it is important to consider the complex whole of motivation and decision-making as a way of how employees behave based on the entrepreneur’s display of emotions. Here the expectancy theory provides outcome since the employee’s behavior is a combination of forces in the individual and forces in the environment; in other words all employees have their own psychological baggage (e.g., past experience, perceptions and expectations within the organization), which drives their behavior (Nadler & Lawler, 1977). Traditional motivation theory has sought to bring forward a one-size-fits-all approach (Nadler & Lawler, 1977); however, research on expectancy theory has shown that dissimilar employees act differently in similar situations and in diverse situations similar employees also act differently (Nadler & Lawler, 1977). As explained by Nadler and Lawler (1977, p. 6), expectancy theory focuses on explaining the performance (expectancies) of the individuals based on the beliefs of the outcomes: for example, an individual may go about considering emotion(s) as follows: “can I [an individual] perform at that level if I try? If I perform at that level, what will happen? How do I feel about those things that will happen?” Based on that the individual behaves in a way that he/she believes will produce the most desirable outcomes (Nadler & Lawler, 1977).

Decision-making as a strategic process has three distinct characteristics that make it essential in strategy and business. Firstly, it is among the most important activities that managers undertake (Eisenhardt & Zbaracki, 1992); secondly, strategic decision-making varies considerably among ventures (Smith, Gannon, Grimm & Mitchell, 1988) and variations have shown to influence various other aspects of how managers think. Strategic decision processes are malleable phenomena
and subject to constructive intervention (Russo & Schoemaker, 1992). Longer lasting and more frequently occurring emotional feelings called emotional schemes also play an important role in influencing the behavior and psychological state of the individual, because it includes both development of feelings and labels as well as concepts learned during the emotional experience (Izard, 2007). Emotional schemes are likely to increase in volume when a person develops, while at the same time they are functioning as constructions for dealing with daily threats and challenges: having both learned associations between emotionally perceived feelings and thoughts as well as perceptions that serve as roadmaps for everyday decision-making (Izard, 2007).

2.7. Valence and Appraisal Theories
The traditionally common way to study the phenomena of emotions is by use of “valence of emotion,” which labels emotions as either positive or negative (Eaton & Funder, 2001). In this study we use two emotions with a positive valence and two emotions with a negative valence. As described earlier, negative emotions do not necessarily result in a negative effect on behavior in terms of motivation and/or decision-making, especially in the case of mixed emotions (Podoynitsyna et al., 2012). It is not possible to derive emotional context through an interview when just using valence (Diener, 1999, cited in Eaton & Funder, 2001). Thus in order to derive the context of the emotions studied in this research appraisal theory comes into play. Appraisal enables explanation of the differences observed in emotional reactions (Smith & Kirby, 2009). For example, if two different individuals appraise similar situational circumstances differently the reactions of those individuals may also differ significantly (Smith & Kirby, 2009). Two central propositions underlie appraisal theory: first, emotions are evoked as a result of one’s individual meaning analysis or “appraisal”, meaning one evaluates the adaptation implications the emotional motivation has on his or her personal well-being; and, second, different emotions result from different evaluations of situations, meaning that one can predict emotions when person’s appraisal of situation is understood and vice versa (Smith & Kirby, 2009).

In this study fear and anger are used: both emotions with a negative valence that, according to appraisal theory, can have a different affect on similar events (Hareli & Rafaeli, 2008). Two emotions of different and/or similar valence may very well have different influence on similar decision-making processes: research has shown that multiple appraisal-emotion relationships come into play when a person feels a certain state or trait emotion (Nezlek, Vansteelandt, Van Mechelen & Kuppens, 2008). The emotional feeling is derived from the appraisal relationships that are strongest and a feeling of mixed emotions will be evoked by less important, appraisal-emotion relationships that complement the whole (Nezlek, et al., 2008).

2.8. Emotions Overall
The display of emotions has a great deal of effect on the strategy formation and employee’s perception of leadership (Brundin & Melin, 2006; Humphrey, 2002). There is also a direct influence on employee’s performance (Humphrey, 2002). Display of negative emotions such as anger and
fear can motivate employees to be willing to escape from situations (Epstein, 1972, cited in Mineka & Öhman, 2001; Elfenbein, 2008). Especially in the case of high uncertainty and little individual control as opposed to anger, where certainty and individual control are higher (Lemer & Keltner, 2001). Emotions of positive valence – joy, confidence and entrepreneurial passion – are fueled by pride, achievement, learning, exploration, knowledge and understanding of beliefs (Fredrickson, 1998; Izard, 1977; Koriati et al., 1980; Bénabou & Tirole, 2002; Fischhoff et al., 1977).

In this study we want to examine the influence of the entrepreneur’s emotional display on the employee’s behavior. The theoretical framework just discussed enables a study among employees of entrepreneurial firms based on behavioral effect in terms of motivation and decision-making. In order to address the cultural issues of studies on emotions, this thesis is build upon two cases in different cultural settings.
3. Research Method

3.1. The Research Design
This research focuses on qualitative research design primarily because this design gives an opportunity to receive a more in-depth knowledge and provides more freedom in terms of data collection process (Kvale & Brinkmann, 2009), which is necessary to get relevant results. Second, the main variables of research - the influence of emotions on decision-making and motivation - also call for a need to use qualitative research design, because these variables are intangible and hard to measure, thus they are hard to interpret using a quantitative research design. Based on that, the approach used for research of this thesis is qualitative in nature and incorporates vignettes and in-depth interviews to be discussed later.

3.2. The Research Method and Research Format
Since the purpose of this thesis is to identify the role that entrepreneur’s display of positive and negative emotions play in employee’s behavior, it is very important to mention that this paper is not looking for a linear cause-and-effect relationship between variables (the emotions of entrepreneur and influence of these emotions on employee’s behavior). Rather, the emphasis here is on answering the main research questions as defined under the purpose section: identifying the effect (either positive or negative) of emotions; answering the “why” question (why there specific reactions occur); and what patterns of influence there are between the two cases of Lithuania and the Netherlands.

3.3. Choice of Respondents
This thesis is built around an exploratory research due to the limited prior research and established knowledge available regarding the topic. With a sample from two industries, namely entrepreneurial firms from Lithuania and the Netherlands, we aim to gather data, which would provide an insight and understanding of the role that the entrepreneur’s emotions play in the employee’s behavior.

The population of interest consists of Dutch and Lithuanian employees, so two cases are addressed in terms of our research topic: first, Dutch employees within Dutch firms in the Netherlands, and, second, Lithuanian employees within Lithuanian firms in Lithuania. The firms chosen for this study are well established: as explained earlier they should be in the middle part of the entrepreneurial process, which is after the start-up phase (Cardon et al., 2012) and consist of 10 to 249 employees. This increases the likelihood of a decision-making structure, responsibility and authority being passed on from the entrepreneur to the employees. Very large firms have been excluded, because structures like functionalization, divisionalization and a certain level of bureaucracy might have limited the effect emotions have on the corporate entrepreneurial process making the whole process a distance between the entrepreneur and the employees rather than an emotional journey (Cardon et al., 2012).
The companies selected are all operating in the tertiary sector and are either business-to-consumer only or both business-to-consumer and business-to-business firms; from this sector 16 companies were picked: nine from the Netherlands and seven from Lithuania resulting to 18 participants in total (nine interviewees per country; either one or two employees per company). Since talking about emotions is personal and complex, these specific countries have been chosen, because, first, there was access to companies in these countries and, second, due to a convenience aspect. The choice was made to use our own home countries, which increases the understanding of (domestic) emotions and helps to make more accurate interpretations of their perception during interviewing. More details about the companies and interviewees is provided later on, in a table 1 under the heading “The Entrepreneurial Firms and the Participants of the Research”.

3.4. Data Collection
Data was collected primarily from employees by, first, asking them three general questions in order to get acquainted and understand the relationship between the entrepreneur and the employee better. Only those employees, who have already worked with their current boss for half a year or more, were selected for the research to make sure that the employees already know their boss for some time. Second, we introduced employees with three short vignettes as a warm-up activity (see appendices): one depicting positive emotions (e.g., joy and confidence); the other focusing on negative emotions (e.g., anger and fear); and the third was build around entrepreneurial passion. Each vignette was accompanied by follow-up questions (see appendices) in order to bring up emotions of similar valence that are significant from the respondents’ view. Based on that, the vignettes and the supporting questions helped us understand the possible positive and negative effects and roles the display of anger, fear, joy, confidence, and entrepreneurial passion had on employee’s behavior (e.g., motivation and decision-making) in an international context.

3.5. Interviews and Vignettes
Major criticisms of using the interview method has to do with misleading and hard-to-standardize data driven from interviews due to unclear questions presented to the respondents, who may give answers based on subjective and misleading interpretation of the questions (Poulou & Norwich, 2001). In order to reduce the limitations proposed by interview method, vignettes served as a more concrete, although sometimes ambiguous method for conducting the research (Alexander & Becker, 1978; Poulou & Norwich, 2001; Lazarus & Smith, 1988). As argued by Alexander and Becker (1978), vignettes can help provide the right mental picture and common understanding among interviewees. According to Lazarus and Smith (1988) and Poulou and Norwich (2001), vignettes are good tools for assessing more generalized knowledge and intuitive theories about relations between the emotions and cognitions and, most importantly, they are the best tools to be used for assessing attributions, perceptions, and emotion-related feelings since they help activate the imagination and interest of respondents. These reasons and the fact that in our research vignettes serve just as a prime for interviewees about the topic (used as
an encouraging tool for the respondents to start thinking about the topic) make us think that the vignettes are one of the best methods to use in our case.

Each of the three introduced vignettes is followed by five corresponding questions that are used as a means to provoke more in-depth discussion with the participants regarding similarly valenced emotions; here interviewees are also encouraged to bring forth their own experiences to complement to discussions that derive from each vignette. Also, it is the in-depth interview (follow-up questions) that we use as a complementary and stimulating mean to encourage interviewees to report more personal meaning of the emotions. Semi-structured technique is used in this study, because it allows for a better exploration and understanding of the reasons between the two groups of participants (Malhartra & Birks, 2007). The live interview provides insight in the statements accompanied with voice, facial and bodily expressions, giving us a richer experience of the interviewees meaning and reasoning (Kvale & Brinkmann, 2009). According to Kvale and Brinkmann (2009, p. 15), it “can be an exciting way of doing strong and valuable research” that contributes by adding more knowledge to the field and inspires new interpretations of the topic.

3.6. The Entrepreneurial Firms and the Participants of the Research

As mentioned before the firms used were found based on convenience and access for the authors. Choosing companies that vary based on their age of existence is seen as a way to ensure that they have already passed the start-up stage, and at the same time continue to behave entrepreneurially since the companies are willing to remain competitive (Cardon et al., 2012).

When approaching the companies the request was made to interview the employee(s) for approximately one hour; however, the length of the interviews differed. The shortest interview held was around 45 minutes and the longest lasted for about 1 hour and 40 minutes. On average the interviews took approximately 1 hour and 15 minutes. In all cases the employees were interviewed in privacy (in the comfort of the home or a private space at work) allowing them to talk freely regarding the topic of emotions. As with the companies, the employees were approached based on the access our networks provided combined with a set of company’s criteria discussed earlier.

For the purpose of this research we follow entrepreneurship defined by Stevenson and Jarillo (1990) and supported by Barringer and Ireland (2010) as the process by which individuals pursue opportunities without regard to the resources they control. It is a process of pursuing new opportunities by combining unique sets of resources in order to create value (Kuratko, Morris & Covin, 2011). Associated with the entrepreneurial process is the habit of identifying opportunities, putting useful ideas into practice, and creating value; this entrepreneurial behavior is a key to the process (Ireland & Webb, 2007; Barringer & Ireland, 2010; Kuratko, Morris & Covin, 2011). In our study the entrepreneur is defined as the person leading the entrepreneurial process as the founder, owner, and manager of the entrepreneurial firm. The following table (table 1) provides more detailed information about the companies and the participants of the research both from Lithuania and the Netherlands.
<table>
<thead>
<tr>
<th>Company's name</th>
<th>Business area</th>
<th>Founded in</th>
<th>Number of employees</th>
<th>Respondent’s position</th>
<th>Work experience in the firm</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Lithuania</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Privatus LCC tarptautinis universitetas</td>
<td>Private education provider</td>
<td>1991</td>
<td>Approx. 80-110 out of which 1 entrepreneur</td>
<td>1. Experience coordinator</td>
<td>5 years</td>
</tr>
<tr>
<td>2. Balticum TV, UAB</td>
<td>Telecommunication services</td>
<td>1989</td>
<td>Approx. 205 employees out of which 1 entrepreneur</td>
<td>2. Chief accountant</td>
<td>4-5 years</td>
</tr>
<tr>
<td>3. Greencarrier Freight Services Lithuania, UAB</td>
<td>Motor transport services/logistics (franchise)</td>
<td>1995</td>
<td>Approx. 24-30 employees out of which 1 entrepreneur</td>
<td>1. Translator</td>
<td>4 years</td>
</tr>
<tr>
<td>4. Kelmės eglė, UAB</td>
<td>Ritual goods and services/ international motor transport services</td>
<td>1998</td>
<td>Approx. 17-20 employees out of which 2 entrepreneurs</td>
<td>1. Manager</td>
<td>18 years</td>
</tr>
<tr>
<td>5. Vakaru Baltijos laivų statykla, UAB</td>
<td>Ship repair, reconstruction/ ship-building</td>
<td>1952</td>
<td>Approx. 18-30 employees out of which 1 entrepreneur</td>
<td>1. HR head</td>
<td>1 year</td>
</tr>
<tr>
<td>6. Yazaki Wiring Technologies Lietuva, UAB</td>
<td>Manufacturer of electrical and electronic equipment for motor vehicles</td>
<td>2002</td>
<td>Approx. 245 employees out of which 1 entrepreneur</td>
<td>1. HR specialist</td>
<td>16 years</td>
</tr>
<tr>
<td>7. Wilbox, UAB</td>
<td>Software company</td>
<td>2000</td>
<td>Approx. 30 employees out of which 1 entrepreneur</td>
<td>1. Office administrator/ accountant assistant</td>
<td>9-10 years</td>
</tr>
<tr>
<td><strong>The Netherlands</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Biermans BV</td>
<td>Wholesaler of construction equipment</td>
<td>1990</td>
<td>Approx. 50 employees out of which 4 entrepreneurs</td>
<td>1. Office manager</td>
<td>4 years</td>
</tr>
<tr>
<td>2. Bistro Petite Ruelle</td>
<td>Bistro restaurant</td>
<td>1977</td>
<td>Approx. 40 employees out of which 2 entrepreneurs</td>
<td>1. Assistant manager</td>
<td>6 years</td>
</tr>
<tr>
<td>3. C1000 Laureijssen</td>
<td>Privately owned (franchise) supermarket</td>
<td>1990</td>
<td>Approx. 40 – 60 employees out of which 2 entrepreneurs</td>
<td>1. Department head</td>
<td>2 years</td>
</tr>
<tr>
<td>4. HSB Logistics</td>
<td>(Inter)national express logistics</td>
<td>2000</td>
<td>Approx. 15 employees out of which 1 entrepreneur</td>
<td>1. Logistics planner</td>
<td>7 years</td>
</tr>
<tr>
<td>5. La Avanche Schoonheidsalon Breda</td>
<td>Beauty salon</td>
<td>1993</td>
<td>Approx. 11 – 14 employees out of which 1 entrepreneur</td>
<td>1. Salon employee</td>
<td>6 years</td>
</tr>
<tr>
<td>6. Lifestyle Solutions B.V.</td>
<td>Event management</td>
<td>2000</td>
<td>Approx. 15 employees out of which 1 entrepreneur</td>
<td>1. Management assistant</td>
<td>1 year</td>
</tr>
<tr>
<td>7. MFL Accountants en Assurantiën</td>
<td>Accounting services</td>
<td>1998</td>
<td>Approx. 15 employees out of which 5 entrepreneurs</td>
<td>1. Management adminis-trator/ secretary</td>
<td>1 year</td>
</tr>
<tr>
<td>8. Pepperminds</td>
<td>Marketing and promotion agency</td>
<td>1997</td>
<td>Approx. 75 employees out of which 2 entrepreneurs</td>
<td>1. Senior office employee</td>
<td>2 - 3 years</td>
</tr>
<tr>
<td>9. Pink Lemon</td>
<td>Lunchroom and bistro</td>
<td>2008</td>
<td>Approx. 15 – 22 employees out of which 1 entrepreneur</td>
<td>1. Head waiter</td>
<td>2 years</td>
</tr>
</tbody>
</table>
3.7. The Interpretive Approach
There are two specific reasons for categorizing each emotion as positive or negative: first, it gives an opportunity to ask specific questions especially related to each of the situations provided separately in each of the vignettes; second, the interpretation of results becomes less complicated, because patterns from specific categories of emotions can be found rather than trying to analyze results from a number of answers based on mixed emotions. Thus, although the vignettes and interviews are structured around a division of emotions with similar valence, the results are interpreted according to the context and appraisal the interviewees provide, as such the outcome will be more profound. Important in such manner is to gain insight in the interviewees’ appraisal method for which the final follow-up questions are constructed.

The interview questions are more general and allow the employees to share their view on specific emotions and emotions in general. In order to interpret all of the data we will try to summarize and find consistency, patterns or so-called correspondence (Stake, 1995) of the answers provided by the interviewees within each case and between the two cases (Lithuanian and the Netherlands). Specifically we will look for patterns regarding feelings and reactions of the employees and the impact of entrepreneurial emotional display towards the employees. These patterns will help us and will be used to connect the results with the theories from the “Frame of Reference” section meaning that the results of this research will be analyzed and interpreted using valence, appraisal, and expectancy theories in order to draw analysis-based conclusions and limitations of the study.

To interpret the results in an even more detailed manner we will summarize the results in tables that include each interviewee’s response to specific questions including respondent’s feelings and reactions towards specific emotion, and impact on respondent’s behavior (motivation and decision-making). These tables are provided as summaries of long accounts’ results, which are then followed by shorter accounts that emphasize the re-occurring themes of results supported by quotes from interviewees. As a result of this, the tables will give a clear picture of what themes are reoccurring and what patterns can be identified from these results. Later on, we will use these themes and patterns to develop the tentative models illustrating the findings of our research.
4. Results

The results of our thesis are divided up according to the interviews into: negative emotions, positive emotions, entrepreneurial passion, and the overall emotional display overall. Based on that, each part of the interviews’ results is divided up in: first, an account; second, a table detailing the reasoning behind the respondent’s feelings and reactions; and, third, a summary of the interview’s section.

4.1. Negative Emotions of Anger and Fear

4.1.1. Lithuania

Regarding a potential reaction and specific negative emotion-provoked feeling a majority of interviewees agreed that negative emotions such as anger and fear would certainly induce specific reactions, but some variation in the answers was present: one of the employees assured that “it depends on degree of emotional display, situation, and whether “you think you do or do not deserve a specific emotion to be expressed towards you”. Therefore, the answers varied depending on the frequency of negative emotion occurring, the target towards whom these emotions were displayed (either towards the employee or his/her colleague) and degree of understanding the reason behind the provoked emotion(s). Based on that, the employees listed few specific reactions towards the boss’ negative emotions where one of them was trying to help the colleague with his/her work if he/she lacks experience, which was mostly seen as a way to change or end faster a non-pleasant situation, and to help entrepreneur calm down. As reported by more than half of the employees, they would try to avoid contact with their angry boss and do anything (e.g., helping) to end this unpleasant situation faster, while the minority of respondents said that they would be willing to go to the boss and talk about the situation and try to find solution. As clarified by one interviewee “if my boss is worried or down, then there is a reason for that, so I somehow feel obliged to give him some other reasons – to put trust in our team’s performance”.

For example, in most of the cases when employees perceived negative emotions as long-term (as opposed to short-lived negative emotional display), expressed directly/personally towards them (as opposed to colleagues), and little understanding was behind the reasons for anger, fear, and/or other negative emotion (as opposed to, e.g., the employee’s guilt or failure), the motivation to take decisions, overall performance, and willingness to work and/or take initiatives were negatively influenced and in most of the cases even diminished. However, one of the respondents mentioned that if the emotions of the entrepreneur “are due to my [employee’s] fault […] I feel upset and stressed and I am thinking how I could fix the situation, but if it is not my fault then I try not to take the emotions too personally and not to lose motivation”.

If the reason for the entrepreneur’s anger was not clear and the anger was directed towards the individual and not the colleague, and if the emotional display endured for a longer period of time, the most often reported feelings by respondents were: being confused, frustrated, upset,
stressed, depressed, irritated, scared, angry, feeling uncomfortable, unpleasant, and even getting into a bad mood. However, one of the respondents also mentioned that the entrepreneur is also “partially responsible for making a bad decision and being too confident: why is he angry if he himself decided to give a position to a person who has little expertise?” Also, the same interviewee had experienced a situation where entrepreneur’s anger was avoided, because the employee gave an explanation, why it was better not to accept assigned task:

Once my boss wanted to assign a project to me [...] and I was given time to consider this offer. My decision was negative [...] : I refused to accept it by explaining to my boss that I do not have enough experience and knowledge to accomplish the project properly and [meet his expectations]. I simply did not want to disappoint [him and] suggested my colleague who [...] would be a better candidate to work on the project.

If the reason for anger was clear (e.g., perceiving underperformance as the employee’s personal fault), negative emotions lasted short, and if they were directed towards another employee rather than personally, less emphasis was put on the need to react to the entrepreneur’s negative emotional display leading to less negative influence on the employee’s motivation, performance, and willingness to work and/or make decisions. One of the employees gave an example that if the boss “is angry because the salaries are late for the people he is directly supervising (me and my colleagues), I perceive such anger as normal (well, I’m also pretty angry when I do a good job and get a late salary)” . Here decision-making by most of the employees was seen as an important part of motivation where less motivation basically meant decreased willingness or less satisfaction in making decisions that are related to current personal responsibilities. Employees were likely to have even less motivation to take initiatives that may involve undertaking additional responsibilities that are not necessarily related to current duties.

Just two respondents stated that they try to manage their emotions and not to take emotions too personally, which means that they believe that their motivation and performance would not be affected significantly by entrepreneur’s negative display of emotions, but in general they still agreed that their overall feelings, performance and motivation would be, at least to some extent, influenced, and mostly due to the overall negative atmosphere and negative mood induced in the workplace. This was explained by one of the employees who said:

My boss becomes very emotional quite often: the business we do is all about numbers, so if the numbers are bad, he is likely to display his impulsivity towards me and my colleagues”.

The same interviewee also explained: once the critique is expressed I choose to hear only factual information without emotional background, because otherwise I feel bad, stressed and I am most likely to have a bad mood for the rest of the work day.

However, almost all of the respondents agreed that negative emotions (e.g., anger) do not help to solve problems and having a supportive boss and work environment based on mutual under-
standing and trust between the leader and follower are crucial factors for understanding why negative emotions occurred, and for being able to clearly identify and justify boss’ behavior and manage personal reaction positively. Only those few who reported that they have very supportive leader, who is always willing to explain things and accept mistakes as a part of practice, said that their motivation and overall performance would be affected very little by the entrepreneur’s display of negative emotions and they would be comfortable to go to the boss and have a discussion about the situation and potential ways to deal with it.

4.1.2. The Netherlands
As our results showed anger was displayed at times, but for most of the employees anger and other negative emotions were not displayed too often, so anger was seen as an exception rather than the rule. In those few cases when anger was perceived as being displayed “(quite) often” or (in one case) “always”, the negative emotions were shielded of by employees: in those cases the employees found a means of doing their tasks according to basic standards while avoiding the boss. This means that their motivation might be down, yet their performance is still on a good level. Some of the interviewees indicated that negative emotions are a rare occasion and as such these employees have the tendency to approach the boss or employee directly (e.g., going immediately to the boss and having a conversation about the negative emotions in question). In general, employees tended to set the entrepreneur’s wrongdoing right by approaching him/her and pointing out that the entrepreneur was in charge of the employees and placed an under-qualified employee in a certain position (even though the position was just temporary and no other adequate employees were at hand), the respondents still perceived guidance and assistance of the employee as the entrepreneur’s responsibility.

In a company were, in general, the employees’ turnover was high and new employees had no prior experience, one respondent indicated: “we have to take the colleagues by the hand and assist them step by step; only after a thorough explanation we can expect them to know what I and my boss expect from them”. Next to that, many employees found it unfair to be expected to know things without guidance and support from the entrepreneur. This seemed to be especially true in cases where the requests from the entrepreneur were unusual or out of their job specifications. One interviewee explained that such requests in general are “ok” and might be “inspiring a nice change or a challenge,” but the employee wants to have time and/or guidance to understand what to do. Two interviewees mentioned they would check and follow-up on the entrepreneur in order to make sure that the entrepreneur was actually assisting the troubled employee and would tell him/her if that was not done.

Many respondents told they were not fearful about stepping up to the boss. Only a small number of the respondents reported that they would put themselves forward to take over the tasks of the colleague who has difficulties coping with them. The interviewees highlighted several means of helping the colleague including: trying to calm and comfort the employee; taking over work; assisting with his/her tasks; supporting, guiding and explaining the colleague how things should
be done. Also, in companies where negative emotions were more common, the respondent would stick to comforting the colleague and if there was a lot of pressure the respondents would take over the colleague’s work. On the other hand, in companies where positive emotions were more common, the interviewees said that they would take time to support and explain the employee what to do. If they were not able to do so, they at least would make sure that somebody did.

The respondents in general made a clear distinction between grounded anger and misplaced anger. When the employee had committed a failure and the entrepreneur had a reason to be angry, some employees accepted the anger, but the majority found the expression of anger in a personal confrontation unprofessional and a sign that the entrepreneur cannot keep his or her temper. Furthermore, the overall consensus among employees was that the degree and frequency of negative emotions was very important for coping with the entrepreneur’s emotional display. Although, there were some employees who said that they were used to negative emotions from the employer, one of them emphasized: “when the entrepreneur is around then stress and chaos are always around: the entrepreneur interferes with the team which makes everybody more stressed” and “when we are by ourselves the team has more order and everything goes smoothly”. Following that, the interviewee added that she could cope with the frequency and degree of anger not only because she was used to it, but also because the negative emotions were not addressed to her personally and the entrepreneur simultaneously displayed happiness about the employee’s individual performance for which the employee said she enjoyed freedom and decision-making rights. Without acknowledgement, independence, and decision-making rights, the willingness to work and motivation were reported to diminish significantly due to negative emotions.

Yet another interviewee clarified that “when Mr. [the entrepreneur] displays negative emotions it is more often frustration and stress and these emotions often derive from personal frustration and stress”. This, in the employee’s opinion, could have something to do with an employee’s individual performance, but it was often the stress or frustration about the business or overarching processes in which the entrepreneur was also involved which made it everybody’s mistake. The respondent added that “reacting negatively to an employee who is already frustrated and stressed would very likely make him or her even more stressed, which would spiral down motivation and performance even further”.

In addition to that, the majority of interviewees believed that the display of anger diminished their motivation significantly, but when negative emotions were displayed as frustration and/or stress or even fear, then employees reported they would adopt a problem-solving attitude. Several employees even found it challenging to work towards positive results when their boss openly involved them and one employee claimed that “when we talk about the monthly figures the boss always adds a positive note to it; the entrepreneur sees how I am doing and we then move on to finding solutions”. Another employee with an open and trustful relationship with her boss said that “sometimes [the entrepreneur] calls me up stressed late in the evening. Then I calm her and
we often have small talk, but I also try to advise her and help her as much as possible, and I often tell her that everything will be alright again”. Therefore, the employee calming the boss over the phone meant giving a promise of undertaking sales oriented activities. Also, the intensity of the relationship with the boss was in many responses a factor of influence on the employee’s reaction and this was argued by saying that:

*We [employee and entrepreneur] have a long and close relationship. She hired me when I graduated after completing my internship in her company and I have worked for her ever since, so we can talk openly with each other, and we know each other. [...] she has taught me everything I know basically.*

Also, the amount of trust in the relationship has been emphasized as an especially important factor in how employees were coping with the entrepreneur’s display of any kind of negative emotions: “first there was a lot of anger and I did not like that obviously; however, after a really honest and personal conversation, I understood her [the entrepreneur’s] anger completely”. Due to this, the employee in question even indicated that she was more motivated and willing to take decisions and work more than prior to the personal conversation and display of negative emotions.

Table 2 on the next page summarizes the entrepreneur’s display of emotional display, employee’s feelings, and influence on his/her behavior (motivation, decision-making) in terms of negative entrepreneur’s display of such emotions as fear and anger towards the employee (in the first column of the table “L” refers to Lithuanian respondents and “N” refers to the respondents from the Netherlands). The final column contains a short description of employee’s relationship with the entrepreneur(s).
<table>
<thead>
<tr>
<th>Entrepreneur’s emotional display</th>
<th>Employee’s feeling</th>
<th>Influence on employee’s behavior</th>
<th>Description of employees’ relationship with the entrepreneur(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>L1</td>
<td>Anger (often)</td>
<td>The employee would talk with the boss about the anger, to try and solve the issue. If there is no option to talk the employee would feel stressed.</td>
<td>The employee has an informal yet professional understanding with the entrepreneur. The employee has the right to take decisions and does so. The entrepreneur directs the employee. The employee is impulsive and although this effects the employee he can handle it now.</td>
</tr>
<tr>
<td>L2</td>
<td>Stress and negative impulsivity (often)</td>
<td>Exhausting and stressful feeling. Likely to have a bad mood the rest of the day.</td>
<td>The employee has worked closely with the entrepreneur for many years and know many important details. The employee feels his positions is a responsible one and understands that his efforts are important and needed.</td>
</tr>
<tr>
<td>L3</td>
<td>Anger (some times)</td>
<td>The employee feels stressed and less motivated, but would still work and perform.</td>
<td>The employee has in the period of working for the company come to work independently and for a large part manage his own tasks and responsibilities. The entrepreneur allows so because of the trust they have build up.</td>
</tr>
<tr>
<td>L4</td>
<td>Frustration (often)</td>
<td>The employee and entrepreneur often share the same values, so the employee understands the anger, which is most times between boundaries. So the employee still works effectively and with similar motivation.</td>
<td>The employee works closely with the entrepreneur and meet almost daily. The entrepreneur directs the employee and together they find solutions for implementation and execution. The employee enjoys decision-making right through directive leadership.</td>
</tr>
<tr>
<td>L5</td>
<td>Anger (imaginative)</td>
<td>The employee would discuss the entrepreneur anger with the other employees and make sure the own tasks are performed correctly. Makes the employee feel demotivated.</td>
<td>The employee has a good understanding with the entrepreneur and follows his direction, although the employee understands what to do and how to do it. The employee solves problems individually. The employee also has specific decision-making right.</td>
</tr>
<tr>
<td>L6</td>
<td>Frustration (at times)</td>
<td>The employee feels distracted and fearful of getting repeatedly scolded at and attacked by the entrepreneur.</td>
<td>The entrepreneur and employee has a good mutual understanding. The boss and employee have contact on a routinely base about responsibilities. The entrepreneur allows so because of the trust they have build up.</td>
</tr>
<tr>
<td>L7</td>
<td>Anger (hardly ever)</td>
<td>The employee would talk to an angry boss and help employees to which the anger is directed to ensure the atmosphere at work remains or becomes positive again. Personally the employee would not get upset and try to calm the entrepreneur.</td>
<td>The employee understands her tasks and responsibilities but they would come from the top. the employee has numerous responsibilities but also the decision making right to work efficiently. Direct contact with the entrepreneur is rather scarce.</td>
</tr>
<tr>
<td>L8</td>
<td>Anger (occasionally)</td>
<td>The employee would dislike anger and other negative emotions being displayed. It reduces motivation, leads to poorer performance, also the employee is less willing to perform tasks. The employee would avoid the boss and assist the colleague.</td>
<td>The entrepreneur is very demanding and controlling. The employee however likes this pressure because it is good for the company. The employee has to ask approval on decisions and has direct contact with management and the entrepreneur.</td>
</tr>
<tr>
<td>L9</td>
<td>Anger (occasionally)</td>
<td>The employee will feel stressed, confused, tired, frustrated and “out of track”. If the reason for anger is known the employee would feel more in control and more relaxed.</td>
<td>The boss and employee have contact on a routinely base about tasks next to the daily responsibilities. These the employee performs herself.</td>
</tr>
<tr>
<td></td>
<td>If it is related to work the employee would feel bas, stressed and sad, the employee will also be more sensitive.</td>
<td>Depending on the mutual trust the reaction would be more or less severe. In the most extreme of cases the employee would seek another job, but in any case the employee would feel demotivated and less willing to work.</td>
<td>The entrepreneur and employee have a good mutual understanding. The employee enjoys decision making rights. The employee indicated there are formalities but also a sense of informal understanding in their cooperation.</td>
</tr>
<tr>
<td>Entrepreneur’s emotional display</td>
<td>Employee’s feeling</td>
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<tr>
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</tr>
<tr>
<td>N1 Anger (hardly ever) Fear (some times)</td>
<td>The employee freezes and feels uncertain. She perceives anger as unethical and it makes her insecure and not at ease</td>
<td>Employee willing to perform only standard job in accordance to demanded performance. Will have a personal conversation with the entrepreneur</td>
<td>The entrepreneur has an open and informal relationship with the employee, is perceived as very passionate and positive. Actively shows gratitude towards employee initiatives, provides freedom to contribute and is open to renewal and change. Is very talkative and a real people's manager. The employee likes working for the entrepreneur and is proud on the leadership</td>
</tr>
<tr>
<td>N2 Frustration and stress (both sometimes)</td>
<td>Employee feels demotivated and more ignorant towards tasks</td>
<td>In some case demotivates and in others motivates depending on the reason e.g. display geared towards employee yes or no</td>
<td>The employee has a good formal understanding with her direct boss, 1 out of the 4 entrepreneurs in the company. with one she has a more informal relationship. The entrepreneurs are at times unorganized and unprofessional in her view. The employee's efforts to improve service and products are hard to push through as management is conservative</td>
</tr>
<tr>
<td>N3 Anger (hardly ever) Stress, grumpy and fear (all some times)</td>
<td>Sheer anger is unprofessional, employee feels uncomfortable and troubled</td>
<td>Employee would confront the entrepreneur with the uncomfortable and troubled feeling, especially when the negative emotions are misplaced</td>
<td>The entrepreneur has been a personal friend of the employee prior to starting the business. They are friends and colleagues. The employee needs novelty and change on a continuous basis and does tell the entrepreneur what she feels and thinks in negative situations. The employee trusts the entrepreneur and admires her boldness and efforts</td>
</tr>
<tr>
<td>N4 Stress and tension (both sometimes)</td>
<td>Sometimes it has no effect on the employees mood. Sometimes it makes the employee tense and a bit grumpy</td>
<td>When it does not effect feelings no effect compared to normal work behavior. Otherwise the employee has less attention to the smaller tasks in her job and at times even the customers</td>
<td>The employee started to work for the company right after graduation and having completed an internship. The employee is the entrepreneur's protégé and right hand. They have a close and open relationship and can be both formal and informal. The employee can be critical about the entrepreneur but over trusts and admires her leadership and entrepreneurial efforts, she is always very willing to help the entrepreneur</td>
</tr>
<tr>
<td>N5 Anger (imaginative)</td>
<td>Gives a very unpleasant and uncomfortable feeling</td>
<td>Relativize with the entrepreneur in direct conversation</td>
<td>The employee works among a team of people that is fueled by positive emotions as these drive the sales of the company directly - they try to prevent negative emotions. The entrepreneur and employee have a good mutual understanding and open relationship</td>
</tr>
<tr>
<td>N6 Anger (imaginative) Stress, grumpy and fear (all some times)</td>
<td>Incomprehension and maybe personally anger</td>
<td>Confront the entrepreneur with the situation, probably react fierce</td>
<td>The employee has an open and informal relationship with the entrepreneur and is proud on the leadership</td>
</tr>
<tr>
<td>N7 Frustration (at times)</td>
<td>The employee would feel uncomfortable and displeased, but would except the display when she has fault in it</td>
<td>Depending on the reason the employee might be willing to initiate change and diminish the entrepreneur's frustration by her actions. If motivation should diminish the employee would still perform according to her job requirements</td>
<td>The entrepreneur has been a personal friend of the employee prior to starting the business. They are friends and colleagues. The employee needs novelty and change on a continuous basis and does tell the entrepreneur what she feels and thinks in negative situations. The employee trusts the entrepreneur and admires her boldness and efforts</td>
</tr>
<tr>
<td>N8 Anger (imaginative)</td>
<td>The employee finds it hard to express; is likely to feel insecure and unhappy</td>
<td>The employee is responsible for the employees and should act accordingly. The interviewee discourage anger and assist employees</td>
<td>The employee started to work for the company right after graduation and having completed an internship. The employee is the entrepreneur's protégé and right hand. They have a close and open relationship and can be both formal and informal. The employee can be critical about the entrepreneur but over trusts and admires her leadership and entrepreneurial efforts, she is always very willing to help the entrepreneur</td>
</tr>
<tr>
<td>N9 Frustration and fear (sometimes) stress (occasionally)</td>
<td>The employee will directly confront the entrepreneur about her unpleasant feeling regarding the situation and help colleagues when needed</td>
<td>The entrepreneur is responsible for the employees and should act accordingly. The interviewee discourage anger and assist employees</td>
<td>The employee started to work for the company right after graduation and having completed an internship. The employee is the entrepreneur's protégé and right hand. They have a close and open relationship and can be both formal and informal. The employee can be critical about the entrepreneur but over trusts and admires her leadership and entrepreneurial efforts, she is always very willing to help the entrepreneur</td>
</tr>
<tr>
<td>N7 Anger (occasionally) Stress (occasionally)</td>
<td>The employee felt displeased and frustrated at first but understood the reasoning behind it</td>
<td>The employee would talk to the boss directly as anger should be tempered and apologized made. The employee would work less motivated, but after an open conversation the likelihood to work actively and motivated and take decisions increased. Also, the trust between employee and entrepreneur increased</td>
<td>The employee at a certain time experienced anger often and had an open and honest conversation with the entrepreneur, this explained the employee a lot and made her take more initiative and solve issues directly. The mood also improved although negative emotions still occurred from time to time, trust and understanding prevailed</td>
</tr>
<tr>
<td>N8 Fear and frustration (both occasionally)</td>
<td>The employee feels the need to help and comfort the employee and if needed also other employees</td>
<td>The employee would directly confront the entrepreneur about her unpleasant feeling regarding the situation and help colleagues when needed</td>
<td>The employee started to work for the company right after graduation and having completed an internship. The employee is the entrepreneur's protégé and right hand. They have a close and open relationship and can be both formal and informal. The employee can be critical about the entrepreneur but over trusts and admires her leadership and entrepreneurial efforts, she is always very willing to help the entrepreneur</td>
</tr>
<tr>
<td>N9 Anger (imaginative) Stress (really often)</td>
<td>The employee feels demotivated and more ignorant towards tasks</td>
<td>The employee will directly confront the entrepreneur about her unpleasant feeling regarding the situation and help colleagues when needed</td>
<td>The employee started to work for the company right after graduation and having completed an internship. The employee is the entrepreneur's protégé and right hand. They have a close and open relationship and can be both formal and informal. The employee can be critical about the entrepreneur but over trusts and admires her leadership and entrepreneurial efforts, she is always very willing to help the entrepreneur</td>
</tr>
<tr>
<td>N7 Anger (occasionally) Stress (occasionally)</td>
<td>Similar to the above mentioned feeling for anger</td>
<td>The employee would talk to the boss directly as anger should be tempered and apologized made. The employee would work less motivated, but after an open conversation the likelihood to work actively and motivated and take decisions increased. Also, the trust between employee and entrepreneur increased</td>
<td>The employee at a certain time experienced anger often and had an open and honest conversation with the entrepreneur, this explained the employee a lot and made her take more initiative and solve issues directly. The mood also improved although negative emotions still occurred from time to time, trust and understanding prevailed</td>
</tr>
<tr>
<td>N8 Anger (imaginative) Stress (really often)</td>
<td>The employee will avoid the bosses anger and accept it when it is grounded or tell the boss personally and demand an explanation</td>
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<td>The employee at a certain time experienced anger often and had an open and honest conversation with the entrepreneur, this explained the employee a lot and made her take more initiative and solve issues directly. The mood also improved although negative emotions still occurred from time to time, trust and understanding prevailed</td>
</tr>
<tr>
<td>N9 Anger (imaginative) Stress (really often)</td>
<td>The employee feels weary, uncomfortable and at times uncomfortable</td>
<td>The employee would avoid the bosses anger and accept it when it is grounded or tell the boss personally and demand an explanation</td>
<td>The employee at a certain time experienced anger often and had an open and honest conversation with the entrepreneur, this explained the employee a lot and made her take more initiative and solve issues directly. The mood also improved although negative emotions still occurred from time to time, trust and understanding prevailed</td>
</tr>
</tbody>
</table>

**Employee’s behaviour:**
- The employee freezes and feels uncertain. She perceives anger as unethical and it makes her insecure and not at ease.
- The employee finds it hard to express; is likely to feel insecure and unhappy.
- The employee would talk to the boss directly as anger should be tempered and apologized made. The employee would work less motivated, but after an open conversation the likelihood to work actively and motivated and take decisions increased. Also, the trust between employee and entrepreneur increased.
- The employee is responsible for the employees and should act accordingly. The interviewee discourage anger and assist employees.
- The employee at a certain time experienced anger often and had an open and honest conversation with the entrepreneur, this explained the employee a lot and made her take more initiative and solve issues directly. The mood also improved although negative emotions still occurred from time to time, trust and understanding prevailed.

**Employee’s thinking:**
- The employee has an open and informal relationship with the employee, is perceived as very passionate and positive. Actively shows gratitude towards employee initiatives, provides freedom to contribute and is open to renewal and change. Is very talkative and a real people's manager. The employee likes working for the entrepreneur and is proud on the leadership.
- The employee has a good formal understanding with her direct boss, 1 out of the 4 entrepreneurs in the company. with one she has a more informal relationship. The entrepreneurs are at times unorganized and unprofessional in her view. The employee's efforts to improve service and products are hard to push through as management is conservative.
- The employee started to work for the company right after graduation and having completed an internship. The employee is the entrepreneur's protégé and right hand. They have a close and open relationship and can be both formal and informal. The employee can be critical about the entrepreneur but over trusts and admires her leadership and entrepreneurial efforts, she is always very willing to help the entrepreneur.

**Employee’s feeling:**
- The employee feels demotivated and more ignorant towards tasks.
- The employee would feel uncomfortable and displeased, but would except the display when she has fault in it.
- The employee would feel uncomfortable and displeased, but would except the display when she has fault in it.
- The employee feels the need to help and comfort the entrepreneur and if needed also other employees.
- The employee will directly confront the entrepreneur about her unpleasant feeling regarding the situation and help colleagues when needed.
- The employee would directly confront the entrepreneur about her unpleasant feeling regarding the situation and help colleagues when needed.
- The employee would confront the entrepreneur with the uncomfortable and troubled feeling, especially when the negative emotions are misplaced.
- The employee would confront the entrepreneur with the uncomfortable and troubled feeling, especially when the negative emotions are misplaced.
- The employee will directly confront the entrepreneur about her unpleasant feeling regarding the situation and help colleagues when needed.
- The employee finds it hard to express; is likely to feel insecure and unhappy.
- The employee finds it hard to express; is likely to feel insecure and unhappy.
- The employee would feel uncomfortable and displeased, but would except the display when she has fault in it.
- The employee feels the need to help and comfort the entrepreneur and if needed also other employees.
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- The employee finds it hard to express; is likely to feel insecure and unhappy.
- The employee would feel uncomfortable and displeased, but would except the display when she has fault in it.
- The employee would feel uncomfortable and displeased, but would except the display when she has fault in it.

**Employee’s experience:**
- The employee would feel uncomfortable and displeased, but would except the display when she has fault in it.
- The employee finds it hard to express; is likely to feel insecure and unhappy.
- The employee finds it hard to express; is likely to feel insecure and unhappy.
- The employee finds it hard to express; is likely to feel insecure and unhappy.
- The employee finds it hard to express; is likely to feel insecure and unhappy.
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- The employee finds it hard to express; is likely to feel insecure and unhappy.

**Employee’s motivation:**
- The employee would feel weary, uncomfortable and at times uncomfortable.
- The employee shields herself to prevent her from becoming weary and uncomfortable.
- The employee tries to avoid chaos and stress and assist and comfort the employees. Motivation fluctuates and performance is good.
- The employee is very willing to help the entrepreneur.
- The employee would feel uncomfortable and displeased, but would except the display when she has fault in it.
4.1.3. Summary of the Empirical Results regarding the Negative Emotions

Be it anger, fear, frustration or stress that was displayed by the entrepreneur, some reoccurring themes or patterns in the employee’s behavior can be identified. In general, our results showed:

- Factors such as (mutual) trust, strong and long relationships with the entrepreneur, support and concern for the employee were especially important for interviewees’ perception of the situation and their reaction to it. The more of these aspects were present in the relationships between the leader and the follower, the less stress, frustration, bad mood and even anger were felt by the employees.
- Employees who trusted the entrepreneur, understood the reasoning behind emotional display, and perceived that the negative emotions are not directed towards them personally, were willing to become involved to a certain extent and tried to solve the problem (e.g., providing support).
- The most common reported reactions were having a conversation with the boss and becoming involved in the process of finding a solution, helping a colleague, guiding or in some cases even doing the task for him/her in order to end this unpleasant situation. In addition to that, the frequency, length, and fairness of the entrepreneur’s behavior were also emphasized as crucial aspects.
- The more often emotions like anger were expressed, the longer they lasted and the more unfair the behavior of the boss was perceived (e.g., placing an under-qualified employee in a certain position), the greater was the responsibility the employees placed on the entrepreneur’s shoulders to guide and assist the employee. However, if it was perceived as the employee’s fault, one was ready to accept the fault and act accordingly. Similarly, in quite a lot of cases, the less fair the behavior of the entrepreneur was perceived, the more willing the employees were to go to the boss and point out his/her wrongdoing.
- Finally, constant display of negative emotions towards the employee was seen as having a significant influence on employee’s behavior in terms of negative effect on employee’s motivation, willingness to work, be involved in decision-making and initiative-taking processes. A constant display of negative emotions was seen as “putting oil on already big fire”.
- Regarding the differences between the two cases, the most significant difference was that Lithuanian employees reported being more concerned about how to help the colleague and the respondents from the Netherlands reported being more willing to go to the entrepreneur and have a conversation. Thus, Lithuanians were more willing to tolerate the display of anger by the entrepreneur than the Dutch employees.
4.2. Positive Emotions of Joy and Confidence

4.2.1. Lithuania
In terms of reactions to positive entrepreneur’s emotions (joy, confidence and alike), a majority of the respondents reported trusting and feeling a need to support the entrepreneur (especially employees who felt that their leader is in general supportive and concerned about employees). Although the upcoming changes were seen as challenge- and uncertainty-provoking events, one of the employees assured:

*Seeing my boss happy and confident about something would mean that we did a great job and our boss is satisfied and proud of what we did; it would mean that the efforts we put while trying to accomplish our responsibilities really paid off and the boss recognizes those efforts and the hard work that we did!*

So those who agreed on this believed that trusting the entrepreneur in uncertain situations would make them more confident and more secure about the current and future situation. Moreover, seeing the entrepreneur joyful and confident in most of the cases was also understood as some kind of expression of gratitude, because the employees probably did a good job that meets or exceeds entrepreneur’s expectations. When the company’s performance was good and the entrepreneur displayed positive emotions employees tended to perceive these emotions as a result of their behavior and appreciation of their effort, this being despite the fact that the situation given to the respondents did not specifically imply that the “increased sales” and “rising demand” might have had a direct connection with the performance of the employees.

Among the feelings that were stimulated by the entrepreneur’s display of joy and confidence the positive emotions employees used to explain their perception were: being glad, excited about the coming changes; more confident, positive and happy for boss and about good performance; also, experiencing a good and pleasant mood and even more satisfaction with work. One of the respondents even stated that she would feel “like a fish in its waters” if joy and confidence were displayed by the leader on a constant basis.

Of the state and trait emotions mentioned, there were some cases the same employee expressed both a pleasant mood and excitement. Employees also mentioned that the positive atmosphere results in feeling less depressed, stressed, worried or uncertain about the future. In addition to that, employees did not emphasize the reasons behind the positive emotions expressed by their boss that much. Basically, little if any reasons were necessary for explaining why positive emotions occurred, because the existence of positive emotions was already perceived as a good and reasonable enough signal. Few of the interviewees who especially emphasized improved confidence and being happy for the leader also reported high trust and support felt from the boss, which was seen as a result of perceiving oneself as having a lot in common with the entrepreneur.
(e.g., in terms of point of view and values) that led to accepting the boss’ positive emotions as one’s own.

Regarding the impact on employee’s performance, employees generally affirmed that positive emotions displayed by their boss would most likely have either “slight” or “significant” positive influence on their motivation to make decisions, willingness to work as well as their actions/behavior in general. There were, however, two respondents who said that the impact due to this kind of emotions would be just minor and the explanation given for that was that the work is not dependent on mood/emotions and gives enough satisfaction in any case. One of the interviewees even said that she is “very used to the swinging moods and emotions of the boss and rather usually choose to react to the facts and not the emotions”. This was also reasoned by the other respondent who mentioned that “during my work experience I learned how to effectively manage my own and others’ emotions, so even if Mr. [the entrepreneur] becomes very emotional at work I stay calm and this doesn’t really influence my motivation or willingness to work”. Positive emotions, of course, had impact on feelings and behavior, but more motivation to improve performance, take more initiatives and work harder was seen as coming from knowing that one completed the task successfully and met or exceeded the expectations.

On the other hand, a majority of those respondents (with an exception of few interviewees) who argued for high influence of their boss’ emotions on their motivation, decision-making, performance and willingness to work, expressed this impact in a following way: greater willingness to keep on going, set higher goals and work harder towards achieving them; enhanced willingness to meet and exceed the boss’ expectations, keep level of performance high as well as to pay back boss for display of his/her positive emotions that were seen as a support and appreciation for employee’s effort; increased motivation to do a good job, work more and harder, implement upcoming changes and achieve results as positive as possible, to undertake additional responsibilities and initiatives necessary to move company’s performance towards positive/desired direction; more willingness to return to the welcoming work environment; and, finally, greatly improved efficiency, productivity, and motivation to better decision-making. One of the employees gave an argument for this by saying that:

*Joy and confidence automatically motivates more, because you can feel, know and understand that good results are brought by your work. [...] sometimes negative emotions can also motivate to work harder, but only if they are not overwhelming. Then you are willing to prove that there is no need to be angry, because everything can be done very well!*  

In short, as assured by another interviewee, “if he [the entrepreneur] is concerned, I do my best to ease things a little. That usually requires more effort from me, but, since we are on the same boat, the land is our goal”. However, if positive emotions were seen (for about half of the interviewees) as fake and dishonest or overdone (meaning the frequency and/or degree of the displayed emotions) the employee’s reacted as follows: more perceived risk, uncertainty and need
for re-assurance; lower confidence; greater perceived danger and less control over the upcoming changes (this being reported by one employee); more worry and anxiety about the future and the potential consequences. Regarding the issue of uncertainty, as expressed by one of the interviewees and applicable to a number of other respondents, “it’s always nice to read in boss’ eyes ‘Yeah, we gonna do some good job’ instead of ‘Now what?’ ”. In some cases, employees felt that rational thinking might be hindered due to the overly excitement with positive emotions and due to becoming blind to potential solutions for challenges.

4.2.2. The Netherlands
In a number of cases the interviewees indicated that the company lives of positive emotions: “in our business we need everybody to be fueled with positive emotions. As experience shows a positive mood leads to increased sales”. Other interviewees explained that they could turn on a switch themselves and deal with customers in good manner. So, as indicated by one of the interviewees, “when the atmosphere is focused on a positive spike I try to have a contagious effect on the other employees and flip a switch”. When the entrepreneur was reported to display honest positive emotions actively, the employees became more positive and in particular honest towards colleagues and customers as well. The current positive company’s results and foresight of positive times ahead contributed to the employees’ willingness and motivation.

When it came to uncertain changes that laid ahead in a positive situation, most of the interviewees said they liked the new responsibilities: in particular these were the younger interviewees and those in general needed change and novelty to prevent their work from becoming routine, standard or even boring. There were some employees, specifically two with previous corporate experience who would remain more skeptical about uncertain changes ahead: “I would be more skeptical due to my corporate experience. I know that the top management that pushes through changes hardly ever exactly knows what happens on the work floor. […] changes don’t always turn out for the better”. Yet, another interviewee explained why it was easier to trust the entrepreneur more than a corporate top manager: “a few years ago, just before the entrepreneur bought this company, we were part of a nationwide chain and the positive mindset of the entrepreneur in the company and the things he has accomplished so far makes me trust him more and more”. The interviewee added that “as a part of the chain we did not care so much and I remained skeptical, but when the entrepreneur shows me that he is proud of us, his employees and obviously his money is at stake, and when we succeed, he thanks us and that gratitude motivates significantly”.

Regardless of the interviewee’s background the display of positive emotions by the entrepreneur instilled willingness to do more work and motivated the employee. Interviewees also indicated that their own initiative, decision-making and performance were also stimulated, although this was less than their motivation would be stimulated. Thus, the positive emotions were perceived as having most effect on the employee’s willingness to do work, which made them more motivated, meaning that the contagion made them work in a good manner and with joy. This state-
ment can be very well summarized with the words of one interviewee who proclaimed that “if I close the door I am willing to go to work or come back the next day depending on whether it’s my front door or the office’s door”.

In few cases interviewees dealt with customers and employees in such a way that a continuous negative situation also negatively affected the bottom line of the company. In these cases the interviewees also added that continuous return of negative experiences that resulted in a negative mood would be catastrophic for the team. Overall, the companies have worked actively at diminishing the negative situations as well as boosting the positive emotions within the team and towards customers. In one case the employee said that the entrepreneur even fakes positive emotional display towards employees and when the employees are unaware of this habit it has almost or exactly the same effect as positive emotions are supposed to have. However, when the employee noticed such a behavior from the entrepreneur, the employee reported feeling betrayed and perceived the display of emotions as a lie. One employee said that “I know and understand why we need a positively minded team, yet in some cases the positive emotions are a lie to me. We, together as a team, could work with negative situations and solve problems and challenges we have. I am not sure, but I expect this to have a longer lasting effect because we solve things together as a team”.

Joy and confidence by itself or as a combination was found to be important for the interviewees; however, besides those emotions, the employees indicated that they found involvement, challenges, freedom to take decisions, gratitude and acknowledge upon successful completion of tasks particularly important aspects. Signs of one of the previously mentioned aspects combined with positive emotions were likely to have a longer-lasting effect on the employees and one of the interviewees summarized this by saying: “I have been given a lot of new tasks and responsibilities over the past few months. Mrs. [the entrepreneur] triggers me to prove myself and when I am successful I get appreciation from her and this is a great motivator, and it makes my work feel better than just the paycheck”. When contemplating on these motivational factors the employee acknowledged that almost automatically her performance went up. For other interviewees performance was also reported to go up, although, the gain was perceived more in terms of the ease in doing work and positive feelings attached to it due to the good mood.

Table 3 on the next page summarizes the entrepreneur’s display of emotional display, employee’s feelings and influence on his/her behavior (motivation, decision-making) in terms of positive entrepreneur’s display of such emotions as joy and confidence towards the employee (in the first column of the table “L” refers to Lithuanian respondents and “N” refers to the respondents from the Netherlands). The final column contains a short description of employee’s relationship with the entrepreneur(s).
<table>
<thead>
<tr>
<th>Entrepreneur’s emotional display</th>
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<tr>
<td>L1 Joy and confidence (not too often)</td>
<td>The employee feels good and excited. Also feels part of something important and successful the employee is also proud of the job she did. Makes the employee feel really great</td>
<td>Although the entrepreneur has mood swings the employee and entrepreneur tend to work based on fact and not the emotions related to those. The mood is better and the employee will work better and do more work</td>
<td>The employee has an informal yet professional understanding with the entrepreneur. The employee has the right to take decisions and does so. The entrepreneur directs the employee. The entrepreneur is impulsive and although this effects the employee he can handle it now</td>
</tr>
<tr>
<td>L2 Joy and confidence (often)</td>
<td>Makes employee feel good and that work pays off. The employee is also confident, less stressed and more appreciative</td>
<td>The employee is more willing to work and try harder to keep a higher performance level.</td>
<td>The employee has worked closely with the entrepreneur for many years and know many important details. The employee feels his positions is a responsible one and understands that his efforts are important and needed</td>
</tr>
<tr>
<td>L3 Joy and confidence (very often)</td>
<td>The entrepreneur’s joy makes the employee interested. The employee feels supported and happy. It makes the employee feel good and excited. The employee will work harder and do more. the employee is more willing and better and more decisions will be made by the employee.</td>
<td>The joyful feeling would work contagious on the employee. The employee performance and willingness to work is similar - it increases when the bosses’ emotions become more negative as the employee feels she has to do something about that.</td>
<td>The employee has in the period of working for the company come to work independently and for a large part manage his own tasks and responsibilities. The entrepreneur allows so because of the trust they have build up</td>
</tr>
<tr>
<td>L4 Joy and confidence (rather often)</td>
<td>When employees do a good job it is expected to see pride and positive emotions from the entrepreneur. Yet when the entrepreneur is surprisingly joyful the employee feels supportive and happy</td>
<td>The employee likes changes and trusts the entrepreneur. Positive display of emotions make to employee more willing to work and achieve more positive results. The employee will be more confident and happier while working, although there is no influence on willingness to work</td>
<td>The employee works closely with the entrepreneur and meet almost daily. The entrepreneur directs the employee and together they find solutions for implementation and execution. The employee enjoys decision-making right through directive leadership</td>
</tr>
<tr>
<td>L5 Joy and confidence (from time to time)</td>
<td>It makes the employee feel happier and also more confident with what is going to happen in the company. Feeling good because of a pleasant and welcoming working atmosphere</td>
<td>The employee believes and follows the experience and guidance of the employee and is in a positive environment more confident in doing so. Also does it make the employee more willing and perform better.</td>
<td>The employee has a good understanding with the entrepreneur and follows his direction, although the employee understands what to do and how to do it. The employee solves problems individually. The employee also has specific decision-making rights</td>
</tr>
<tr>
<td>L6 Joy and confidence (from time to time)</td>
<td>It gives the employee a good and positive feelings. The employee considers the boss as expert and has admiration for that. The employee would get in a better mood</td>
<td>Positive display of emotions make to employee more willing to work hard and achieve more positive results. The employee will be more confident and happier while working, although there is no influence on willingness to work</td>
<td>The employee understands her tasks and responsibilities but they would come from the top. The employee has numerous responsibilities but also the decision making right to work efficiently. Direct contact with the entrepreneur is rather scarce</td>
</tr>
<tr>
<td>L7 Joy and confidence (quite often)</td>
<td>The employee would be more confident and excited about positive emotions. It makes the employee happier.</td>
<td>The employee is sensitive to others’ emotions and it easily sets the mood. It provides a lot of motivation and improves the employee performance. More initiative to make decisions and more willing to do work for the entrepreneur</td>
<td>The entrepreneur is very demanding and controlling. The employee however likes this pressure because it is good for the company. The employee has to ask approval on decisions and has direct contact with management and the entrepreneur</td>
</tr>
<tr>
<td>L8 Joy and confidence (very often)</td>
<td>The employee is less uncertain and more confident about the future if the entrepreneur is happy. The employee will work hard and do more. The employee is more willing to improve performance and decision making.</td>
<td>The employee takes work more serious works more considerate. The employee is more willing to improve performance and decision making.</td>
<td>The boss and employee have contact on a routinely base about tasks next to the daily responsibilities, these the employee performs herself</td>
</tr>
<tr>
<td>L9 Joy and confidence (at times)</td>
<td>The employee would be little worried about positive feelings and uncertain times ahead. The employee would be suspicious about the actual meaning and would be less trustful. Joy and emotions a like are also short-lived so there is no continuing effect on the employee.</td>
<td>Very confident and joy to the employee feels like childish behavior</td>
<td>The entrepreneur and employee has a good mutual understanding. The employee enjoys decision making rights. The employee indicated there are formalities but also a sense of informal understanding in their cooperation</td>
</tr>
<tr>
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</tr>
<tr>
<td>Joy and confidence (very often)</td>
<td>The employee feels happy and cheerful.</td>
<td>The employee works happy and is more motivated, performance however remains similar.</td>
<td>The entrepreneur has an open and informal relationship with the employee, is perceived as very passionate and positive. Actively shows gratitude towards employee initiatives, provides freedom to contribute and is open to renewal and change. Is very talkative and a real people’s manager. The employee likes working for the entrepreneur and is proud on the leadership.</td>
</tr>
<tr>
<td>Gratitude and trust (very often)</td>
<td>The employee feels part of a larger whole, is proud, motivated and confident about her work. He employee is thankful and happy about the entrepreneur’s appreciation.</td>
<td>The employee is willing to go the extra mile and put in effort not for herself but also for the entrepreneur himself. The employee is more willing to come with solutions and work towards solutions. Performance is also likely to improve a little.</td>
<td></td>
</tr>
<tr>
<td>Joy (often/weekly) confidence (sometimes/ monthly) Respect, understanding and trust (often)</td>
<td>Joy and confidence make the employee feel happy and comfortable. The employee is sensitive to a happy atmosphere and appreciates the expression by the entrepreneur. However the employee feels respect, mutual understanding and trust are the basis for the happy and comfortable feeling.</td>
<td>The employee might feel more motivated to do things, however the employee in general feels in time additional work needs to be done regardless of the atmosphere. It is more the mutual understanding, respect and trust the entrepreneur and employee have that provoke such additional effort and motivation, positive emotions are merely a nice way of expressing it.</td>
<td>The entrepreneur has a good formal understanding with her direct boss, 1 out of the 4 entrepreneurs in the company. With one she has a more informal relationship. The entrepreneurs are at times unorganized and unprofessional in her view, the employee’s efforts to improve service and products are hard to push through as management is conservative.</td>
</tr>
<tr>
<td>Joy and confidence (often)</td>
<td>The display of joy and confidence make the employee feel satisfied and makes her look towards the future with confidence and fun. The employee also feels appreciated, involved and trusted by the entrepreneur.</td>
<td>Novel and positive foresights are in a trigger for the employee motivating her to initiate things to take on new tasks and responsibilities and grow with the company. It tends to make the employee willing to act entrepreneurially as well, the employee will for that reason also take more decisions because she feels involved, a part and trusted</td>
<td>The entrepreneur has been a personal friend of the employee prior to starting the business. They are friends and colleagues. The employee needs novelty and change on a continues basis and does tell the entrepreneur what she feels and thinks in negative situations. The employee trusts the entrepreneur and admires her boldness and efforts.</td>
</tr>
<tr>
<td>Joy and confidence (often)</td>
<td>The employee will feel enthusiastic and will fill excited and full of expectancy about what is to come. The employee wants to go to work for greater reasons than the paycheck.</td>
<td>The reaction of the employee would be really positive and open towards the entrepreneur emotions, the contagious effect would motivate the employee and make her more willing to take on new challenges and projects. The employee indicated that her performance and willingness to take decisions would remain similar.</td>
<td></td>
</tr>
<tr>
<td>Joy and confidence (often)</td>
<td>Has a contagious effect on the employee and makes her happy and cheerful.</td>
<td>The employee would work with joy and sell more, the customers will notice this.</td>
<td>The employee started to work for the company right after graduation and having completed an internship. The employee is the entrepreneur’s protege and right hand. They have a close and open relationship and can be both formal and informal. The employee can be critical about the entrepreneur but over trusts and admires her leadership and entrepreneurial efforts, she is always very willing to help the entrepreneur.</td>
</tr>
<tr>
<td>Trust, honesty and fairness (often)</td>
<td>Has a great impulse on the employee’s happiness and mood. The employee would feel appreciated, important and a part of the company.</td>
<td>Due to the positive mindset and great motivation the sales would get and impulse from the employee’s work. Important decisions derive from the entrepreneur’s trust and fairness. The employee did indicate she goes on “auto-pilot” when happiness is present too long and to her negative emotions provoke more action.</td>
<td></td>
</tr>
<tr>
<td>Joy and confidence (often)</td>
<td>Give the employee a comfortable, cheerful and happy. It would give also a feeling of rest and ease, the sense that everything will be ok and work out fine.</td>
<td>Employee is personally sensitive to emotions and would be more motivated to work, push other employees to reach new milestones and help others.</td>
<td>The employee works among a team of people that is fueled by positive emotions as these drive the sales of the company directly - they try to prevent negative emotions. The entrepreneur and employee have a good mutual understanding and open relationship.</td>
</tr>
<tr>
<td>Joy (rather often) and confidence (sometimes) Positive involvement and attentive</td>
<td>Gives the employee a good and welcoming feeling.</td>
<td>The entrepreneur is not particularly happy, this can differ at times, though the entrepreneur is hard working and involved and attentive towards the employees. This especially motivates and triggers the employee to work hard and put in effort as well. Positive emotions only contribute to this.</td>
<td>The employee at a certain time experienced anger often and had an open and honest conversation with the entrepreneur, this explained the employee a lot and made her take more initiative and solve issues directly. The mood also improved although negative emotions still occurred from time to time, but trust and understanding prevailed.</td>
</tr>
<tr>
<td>Joy and confidence (often)</td>
<td>When the entrepreneur displays joy and confidence in what is to come it instills a positive tension within the employee. It makes him happy but also alert and sharp.</td>
<td>The entrepreneur tends to always add a personal and honest positive edge to dialogues and meetings with employees. This motivates and triggers the employee to assist and work along the lines of the entrepreneur. Positive emotions can provoke actions and decisions.</td>
<td>The entrepreneur and employee have a formal and from time to time informal relationship with one another. The employee and entrepreneur respect each others opinion and trust in each others plans. The entrepreneur values the employee and shows involvement.</td>
</tr>
<tr>
<td>Joy and confidence (some times) Trust (rather often)</td>
<td>The employee feels happy and cheerful.</td>
<td>The cheerful atmosphere as a positive effect on customer interactions. Willingness to work is up and performance is as demanded an.</td>
<td>The entrepreneur tends to be stressed and chaotic, although the employee has a good understanding and close relationship with the entrepreneur it does affect the work process and atmosphere. The employee however does respect the entrepreneur passion and commitment.</td>
</tr>
</tbody>
</table>
4.2.3. Summary of the Empirical Results regarding the Positive Emotions

We identified certain patterns of employee’s behavior in situations defined by positive emotional display of the entrepreneur:

• Unlike the patterns identified previously in terms of negative emotional display, the expression of entrepreneur’s positive emotions was reported by employees as less necessary to be justified or reasoned meaning that the employees were not looking for reason why the entrepreneur was behaving in a positive manner.
• On the other hand, like in the discussion of negative emotions, trust in the entrepreneur, his/her support and concern for the employee, and having something in common with the entrepreneur were key points that interviewees especially focused on when discussing positive emotions such as joy and confidence.
• Trusting the entrepreneur and seeing him/her joyful and confident even during the times of high uncertainty led to the employee’s positive mood, feeling happy, glad, confident, more secure, even being excited about the upcoming changes and willing to come back to what was defined as a “welcoming work environment”.
• The positive emotional display of a supportive and trusted boss who constantly showed an honest concern for and shared his/her concern with his/her employees was met by the responsibility felt by the employee to show concern in return by acting in a supportive manner.

The results showed also a number of re-occurring themes in terms of how the employees view the perceived emotions. The employees, in general, felt:

• Especially in the Lithuanian case the entrepreneur’s display of positive emotions was seen as an expression of good company’s performance and also as an acknowledgement of the employees’ success and well done job.
• A more honest and less fake approach when displaying emotions was emphasized, meaning that those positive emotions that were perceived as overdone or not appropriate in the situations defined by uncertainty, were met with skepticism, a feeling of insecurity and even fear for future outcomes.
• Concern, gratitude, acknowledgment, and appreciation were reported to be strong motivators and performance boosters.
• The display of fake emotions (even positive ones) was perceived as a lie resulting in employees feeling betrayed. Lithuanian employees were especially sensitive to this and in general wished for more rationality and reason compared to the Dutch employees.
• In particular the Dutch employees tended to be sensitive to positive emotions: the display stimulated performance, willingness to work, decision-making and initiative taking practices. Positive emotions also slightly increased the motivation.
4.3. Entrepreneurial Passion

4.3.1. Lithuania

The results showed that employees perceive their boss as being passionate from time to time, but in general they could not directly relate to an experience in the past when the entrepreneur’s display of passion was specifically accompanied by high risk-taking behavior. In this case, only a few respondents said that they could in a minor way relate to such kind of situation, but even if it ever occurred, it occurred rarely. With regards to what potential reactions the display of entrepreneurial passion in the context of high risk involvement would provoke, the interviewees’ reactions did not differ much. Surprisingly, all of the employees (with little differences in the answers) replied that their reaction to a risky situation and overly display of entrepreneurial passion would be especially affected by the degree of trust the employee has in the entrepreneur and mutual support that exists between them. Therefore, those who reported trusting the entrepreneur also believed that even if they perceived the entrepreneur’s behavior as too risky and very contradictory to the majority’s opinion, high levels of entrepreneurial passion displayed could be acceptable and justifiable. In the cases where high trust in the leader was involved, some of the most commonly listed employees’ reactions were: trusting and supporting the entrepreneur (based on employee’s belief that the entrepreneur “probably knows what is right”) and avoiding supporting the fears and doubts of the colleagues about the boss’ potential wrongdoing. So, as one interviewee reported: “questioning the entrepreneur’s credibility would mean doubts in his/her actions, lack of trust, and belief that this behavior is found somewhat non-constructive”.

Trust, as reported by three of the interviewed employees, was also associated with mutual understanding, good relationships with the leader as well as shared opinions and values. Several of those employees (specifically those who said that they either share similar values and opinions with the boss or see him/her as a highly supportive leader who is always willing to explain things and accept employee’s failures as a learning tool) reported reacting to similar situations by going to the entrepreneur, having a talk, asking questions, discussing and trying to warn him/her about the associated risks, and even looking and negotiating for win-win solutions or providing advice to the entrepreneur. So, if the entrepreneur during a discussion could give a reasonable explanation why he/she believes that risky behavior will turn out for the good, employees became compassionate about their boss’ passion and were likely to start trusting and supporting the behavior even if it was accompanied with a subjectively perceived extreme amount passion and risk. Trustful employees said they would share their boss’ emotions (be glad, agreeable, passionate and more confident) and as stated by one of the employees: “I trust Mr. [the entrepreneur] and if he stands up for something, it’s really worth it”; and another respondent added that “I will even be most likely to try to persuade those colleagues who have a contradicting opinion and do not support the entrepreneur”.

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When asked how the respondents would be likely to feel in such situations, a great emphasis was put on the degree of entrepreneurial passion expressed by the entrepreneur. In other words, majority of the respondents said that if they perceived the boss as too passionate or unreasonably passionate about the situation and risk-taking behavior, they would be feeling: endangered and somewhat scared due to potential risks and dangerous consequences that may lead to trouble; unsecure and uncertain about the future of the company; preoccupied by negative feelings (e.g., disappointment) towards the boss, because of his/her persistence and stubbornness to follow passion and not listen to what others suggest; feeling a lack of control over the situation and inability to make change, because of the perception that the boss has the final say; confusion and inability to find logic behind exaggerated passion; and struggle to see unreasonably passionate actions as smart. An additional argument for this was given by one of the interviewees: “I become curious and start wondering whether there is a guarantee that things, in general, will go well”. These feelings were explained by a number of employees using such expressions as: the entrepreneur is “being blinded” by unreasonable levels of passion; he/she closes the eyes and simply follows passion without any rational explanation or “plan B” if something unexpected happens; etc. One of the respondents believed that “if I see my boss as overdoing in terms of passion, I perceive this as him wearing ‘pink glasses’ that makes him unable to see high risk and potential danger involved”.

The impact of both high entrepreneurial passion and a risk-associated activity on employee’s performance, motivation, willingness to work, and decision-making activity, was described by the respondents as follows: motivation “to pour even more petrol into the fire” and use more time and effort to meet or exceed expectations and help reach targets of an overly passionate entrepreneur who is showing concern for employees; increased desire to work hard, take initiatives and responsibilities, make decisions and perform tasks as good as possible in order to reduce risks; and greater motivation to get the job done by working better and trying harder than ever to support their leader and make him/her proud of the employee. As considered by one respondent:

> When I see a person who is really into something, I just ask ‘Is it really that good? Then, let’s make it even better!’ and “concern, no matter if it’s wrapped in anger or laughter, is one of the best motivating factors at any workplace, so my willingness to work increases with every situation when it is expressed.

This influence was clearly and strongly perceived as positive when the employee’s trust in the entrepreneur was high (in some cases also emphasizing the importance of mutual support and understanding) and reasons behind undertaking very passionate actions (as opposed to more rational behavior based on calculated risk-taking) were clear. Here, passionate leaders were seen as a catalyst that always have more chances to get things done, because, according to one of the employees, “such bosses have more followers who believe him/her,” so if passion is supported by clear arguments it becomes a very strong force for inducing a desirable behavior from employees. However, when employees failed to understand why their boss is willing to take high
risks and based decisions solely on passion (perceived as an irrational behavior) rather than rational and logic behavior, the influence on performance, motivation, and willingness to work and make decisions was seen as “just slight” or “very little significant”. In these cases the interviewees were basically just willing to continue working on daily tasks and did not want to take new initiatives, improve performance, and/or participate in new decision-making activities.

4.3.2. The Netherlands

As the results from the interviews with the employees from the Netherlands showed, most of the employees preferred the display of passion of the entrepreneur and found it hard to relate to a situation where the entrepreneur is so passionate that it would harm the company. There were, however, few cases where the employees had to learn and understand how to deal with the overly display of passion. One interviewee reported that one of the entrepreneurs can become overly passionate calling the boss “a young boy” and “almost too excited” and it was these cases when the employee was actually willing to reason and temper the level of emotion a little. The same employee felt at times she has to “bring Mr. [the entrepreneur] back to earth, because although good or great, some of the ideas are just not of the essence”. Another employee reported having had similar experiences at her company where the entrepreneur was often coming up with new and exciting ideas and was involved in brainstorming sessions related to work and planning of things. The employee soon learned how to deal with the entrepreneur’s sudden bursts of passion by accepting that “it is great to be involved in new things and ideas, but it can be all different next week, so I really have to prioritize which projects and tasks are more important […] to make sure all work gets done”. The employee agreed that not all new ideas get carried out completely, but in her opinion she at least had a start for next week’s new burst of passion.

Regardless of witnessing an overly passionate entrepreneur, the employees, in general, had the tendency to talk with the entrepreneur about the risk and criticism that other experts expressed. When the risks were perceived as grounded, most of the employees reported being willing to advise the entrepreneur or said they liked to work together on finding solutions; however almost all interviewees, except one, said being willing to follow the entrepreneur based on their previous experiences. The employees in general felt that first and foremost the entrepreneur was the owner/boss and had a final say and for that reason he/she was seen as responsible for taking such decisions. Secondly, most interviewees indicated that risk is a part of entrepreneurship and besides the fact that their entrepreneurs were making the right decisions till now, they thought that it should go fine in the future. Probably one of the best quotes to encompass the essence of passion displayed by one of the interviewees is the following: “if the entrepreneur is not passionate about his/her own business, then why should I be?” And although many employees would react differently to an overly display of passion all agreed that passion was important. More than half of the interviewees stated that they saw passion almost on a daily basis brought forth in very small things, for example, helping a customer.
When the display of passion was perceived in terms of a risky investment it led the employees to feel admiration for the entrepreneur. One employee indicated, for example, that “when [new] things are happening and there is a buzz at the location and the mood is spiraling in a good direction the display of passion is paramount to emotions, because when the team sees passion is not as short-lived as joy, it creates the atmosphere and positive radiation in the team”. Another interviewee mentioned why positive emotions are better motivators than passion by emphasizing that “positive emotions have a direct effect on somebody and passion is not always visible, which, of course, does not have to be”. The employees felt that the quick, contagious effect of positive emotions could have more effect than passion. Looking at all interviews the overall impression is that positive emotions and passion as contributors to motivation tended to go hand-in-hand. Employees found it hard to relate to passion and negative emotions going hand-in-hand or even hard to cope with entrepreneurs being negative due to their passion. The interviewees thought this could happen and three respondents had examples of the entrepreneur being frustrated, chaotic and/or stressed about the business for which they cared so much. In all three examples the entrepreneurs had been in the business for a relatively long time - 15 years or longer.

In general, all employees wished to see passion from their entrepreneur as it inspired them to do more and motivated them to work harder: “when my boss comes back with new ideas from her marketing course to us, the team and I would like to work with that and sell more”. Other interviewees also mentioned that they could get carried away in the entrepreneur’s passion and stressed that the entrepreneurial passion was in particular contagious if it was displayed based on the employee’s effort and/or when the employee got involved in the entrepreneur’s plans and projects. More than a half of the interviewees mentioned that passion does not increase their performance significantly, but in these cases they felt that their work is valued more and thus their efforts come at greater ease since work is more enjoyable knowing the entrepreneur appreciates what they did for the business he/she is passionate about.

Table 4 on the next page summarizes the entrepreneur’s display of emotional display, employee’s feelings and influence on his/her behavior (motivation, decision-making) in terms of entrepreneur’s display of entrepreneurial passion towards the employee (in the first column of the table “L” refers to Lithuanian respondents and “N” refers to the respondents from the Netherlands). The final column contains a short description of employee’s relationship with the entrepreneur(s).
Table 3

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<td>L1 Entrepreneurial Passion (sometimes)</td>
<td>Passion is irrational and gives the employee more uncertainty and makes the employee a bit anxious.</td>
<td>Passion might blind the entrepreneur rational vision and thus the employee would be more motivated to keep an eye on that. Overly display of passion has a poor effect on motivation and decision making.</td>
<td>The employee has an informal yet professional understanding in their cooperation. The employee enjoys decision making right through directive leadership.</td>
</tr>
<tr>
<td>Trust (often)</td>
<td>The rationality of trust gives the employee more confidence and trust than passion.</td>
<td>The display of trust provides more motivation and better decision making than passion does.</td>
<td>The boss and employee have contact on a routine base about responsibilities but also the decision making right to work efficiently. The employee has an informal yet professional understanding with the employer.</td>
</tr>
<tr>
<td>L2 Entrepreneurial Passion (often)</td>
<td>The entrepreneur is an expert and curious. The employee trusts the entrepreneur and is encouraged to follow the plans and projects. The employee feels cheerful and good.</td>
<td>The employee would support the entrepreneur in his passion and it would motivate the employee slightly. The employee would be willing to perform better and try harder. More willing to work and take on important decisions.</td>
<td>The employee has worked closely with the entrepreneur for many years and know many important details. The employee feels his positions is a responsible one and understands that his efforts are important and needed.</td>
</tr>
<tr>
<td>L3 Entrepreneurial Passion (sometimes)</td>
<td>The employee feels happy when passion is displayed and motivated.</td>
<td>The employee likes to follow, mediate and assist in the entrepreneur’s passion to ensure goals are achieved. In general the employee is willing and active in decision making so that does not change a lot but motivation does.</td>
<td>The employee has the right to take decisions and together they find solutions for implementation and execution. The employee understands her tasks and responsibilities but they have build up.</td>
</tr>
<tr>
<td>L4 Entrepreneurial Passion (sometimes)</td>
<td>Passion is only very strong when it is supported by rational arguments. Passion by itself will infuse the employee and positively affect her mood.</td>
<td>The employee is weary about too much passion as it destroys constructive problem solving. A considerable amount of passion however will motivate and infuse the employee to do more work and take decisions.</td>
<td>The employee understands her tasks and responsibilities but they have build up.</td>
</tr>
<tr>
<td>L5 Entrepreneurial Passion (not often)</td>
<td>Overly passionate display would make the employee uncertain and afraid. Good levels of passion would make the employee feel good and motivated - otherwise a bad mood and negative feelings.</td>
<td>The employee would negatively react to the entrepreneur’s persistence. But when passion is displayed accordingly than it infuses the employee and team to work goal oriented including; willingness and more decision making. Motivation would remain the same.</td>
<td>The employee has worked closely with the entrepreneur and meet almost daily. The entrepreneur directs the employee and together they find solutions for implementation and execution. The employee enjoys decision making right through directive leadership.</td>
</tr>
<tr>
<td>L6 Entrepreneurial Passion (often)</td>
<td>Happy and excited feeling. Yet with caution about the future when passion is too extreme as perceived by the employee. The employee does like the foresight of challenges and changes.</td>
<td>The employee’s trust in the employee makes her follow the passionate directive of the entrepreneur. The employee is likely more productive, perform better than normally and support the entrepreneur in riskier situations.</td>
<td>The employee has a good understanding with the entrepreneur and follows his direction, although the employee understands what to do and how to do it. The employee solves problems individually. The employee also has specific decision-making right.</td>
</tr>
<tr>
<td>L7 Entrepreneurial Passion (rarely)</td>
<td>The employee prefers rationality and passion (especially a lot) gives an insecure and overwhelming feeling. It provides uncertainty.</td>
<td>Passion in moderate ways is good to see and witness but when it involves risks and is displayed overly it makes the employee more careful about decisions and willingness to work on things. Motivation and performance would remain similar or decrease.</td>
<td>The entrepreneur is very demanding and controlling, the employee however likes this pressure because it is good for the company. The employee has to ask approval on decisions and has direct contact with management and the entrepreneur.</td>
</tr>
<tr>
<td>L8 Entrepreneurial Passion (hardly ever)</td>
<td>The employee feels passion is good and it can have a contagious effect on the employee’s passionate feeling and happiness. The employee is a bit anxious about the blinding effect of passion.</td>
<td>The amount of passion determinate the reaction. It could increase performance and motivation as long as it is not too much. It could also make the employee more willing to work and to do a better job.</td>
<td>The employee has a good mutual understanding, the employee enjoys decision making rights. The employee indicated there are formalities but also a sense of informal understanding in their cooperation.</td>
</tr>
<tr>
<td>L9 Entrepreneurial Passion (at times)</td>
<td>The employee would be surprised about an overly display of passion and expect an adequate display which makes the employee feel good, important and involved.</td>
<td>The employee would actively evaluate and overly display of passion. The employee would likely follow the employee in risky ventures but be motivated to help and assist actively. It would increase motivation and involvement.</td>
<td>The employee and employee has a good mutual understanding. The employee enjoys decision making rights. The employee indicated there are formalities but also a sense of informal understanding in their cooperation.</td>
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</tbody>
</table>

Lithuania - Entrepreneurial Passion
<table>
<thead>
<tr>
<th>Entrepreneur’s emotional display</th>
<th>Employee’s feeling</th>
<th>Influence on employee’s behavior</th>
<th>Description of employees’ relationship with the entrepreneur(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>N1 Entrepreneurial Passion (very often)</td>
<td>The employee feels a lot of passion coming from the entrepreneur which has a contagious effect and makes her feel special and important because her work is more than a job to the entrepreneur.</td>
<td>In general the employee often feels the urge to do a little extra. The display of passion keeps her more focussed. The employee trusts the entrepreneur’s opinion and vision in general and is willing to help caring out his projects and plans.</td>
<td>The entrepreneur has an open and informal relationship with the employee, is perceived as very passionate and positive. Actively shows gratitude towards employee initiatives, provides freedom to contribute and is open to renewal and change. Is very talkative and a real people’s manager. The employee likes working for the entrepreneur and is proud on the leadership.</td>
</tr>
<tr>
<td>N2 Entrepreneurial Passion (from time to time)</td>
<td>The employee feels welcome and part of a whole. The employee also feels inspired at times.</td>
<td>The employee becomes extra motivated from passion. The performance and willingness to work remains similar or increases slightly. In cases where the entrepreneur is overly passionate the employee will rationally consider how to deal with it and might not work additionally or perform on a higher level.</td>
<td>The employee has a good formal understanding with her direct boss, 1 out of the 4 entrepreneurs in the company. With one she has a more informal relationship. The entrepreneurs are at times unorganized and unprofessional in her view. The employee’s efforts to improve service and products are hard to push through as management is conservative.</td>
</tr>
<tr>
<td>N3 Entrepreneurial Passion (rather often)</td>
<td>The employee feels admiration for the entrepreneur’s daring and gut feel to initiate, try and run the business. It gives the feeling the job is important.</td>
<td>The employee enjoys renewal and improvement and the entrepreneur stimulates decision making through active display of emotion, the performance will remain the same in some cases go up. The employee does add that there is no big difference between the effect of positive emotions of passion.</td>
<td>The entrepreneur has been a personal friend of the employee prior to starting the business. They are friends and colleagues. The employee needs novelty and change on a continuous basis and does tell the entrepreneur what she feels and thinks in negative situations. The employee trusts the entrepreneur and admires her boldness and efforts.</td>
</tr>
<tr>
<td>N4 Entrepreneurial Passion (rather often)</td>
<td>When the entrepreneur is passionate the employee feels bewildered, admiration and at times inspired. When the entrepreneur is overly passionate the employee feels insecure and possibly also fear.</td>
<td>When the entrepreneur is overly passionate the employee will safeguard her own position and talk with the boss and follow his plans/ideas. When display of passion is normal the employee feels inspired but prioritizes all her activities actively to ensure all is done properly.</td>
<td>The employee and entrepreneur have a very good understanding the passionate and over/normal entrepreneur inspires the employee to work, contribute and think. The brainstorm sessions energize and instill action and decision-making. The employee knows she puts in effort, works and is sensitive towards emotions.</td>
</tr>
<tr>
<td>N5 Entrepreneurial Passion (very often)</td>
<td>The employee feels inspired and dedicated and also happy about display of passion.</td>
<td>The entrepreneur is in charge of innovation and the employee follows and gets inspired from passion. The employee tries to have a contagious effect on other employees as well. The passion motivates and makes the work worthwhile. The employee finds entrepreneurial passion essential.</td>
<td>The employee started to work for the company right after graduation and having completed an internship. The employee is the entrepreneur’s protege and right hand. They have a close and open relationship and can be both formal and informal. The employee can be critical about the entrepreneur but over trusts and admires her leadership and entrepreneurial efforts, she is always very willing to help the entrepreneur.</td>
</tr>
<tr>
<td>N6 Entrepreneurial Passion (very often)</td>
<td>Very often the employee experiences passion which she finds very important and gives a really good feeling, a positive and happy feeling.</td>
<td>According to the employee passion has more effect than positive emotions because emotions create the atmosphere and radiation in the team. Display of passion has a motivating effect and stimulates the employee to work and cooperate with the boss. The effect on performance and willingness to work remains similar or improves slightly.</td>
<td>The employee works among a team of people that is fueled by positive emotions as these drive the sales of the company directly - they try to prevent negative emotions. The entrepreneur and employee have a good mutual understanding and open relationship.</td>
</tr>
<tr>
<td>N7 Entrepreneurial Passion (rather often)</td>
<td>The employee will be triggered and feel more motivated. Passion shows and instills drive and effort, it makes the employee proud on her boss.</td>
<td>Passion has a contagious effect and motivates the employee. More drive and effort is also likely to come from display of passion. The performance will remain similar but things are done easier.</td>
<td>The employee at a certain time experienced anger often and had an open and honest conversation with the entrepreneur, this explained the employee a lot and made her take more initiative and solve issues directly. The mood also improved although negative emotions still occurred from time to time, but trust/understanding prevailed.</td>
</tr>
<tr>
<td>N8 Entrepreneurial Passion (very often)</td>
<td>The employee very much associates passion with personal and friendly involvement which makes the employee feel cared for, happy and important.</td>
<td>The entrepreneur’s display of passion is important for the employee as it provides general motivation and creates a positive atmosphere. Due to passion the employee is more willing to cooperate, advise and take decisions.</td>
<td>The entrepreneur and employee have a formal and from time to time informal relationship with one another. The employee and entrepreneur respect each others opinion and trust in each others plans. The entrepreneur values the employee, shows involvement.</td>
</tr>
<tr>
<td>N9 Entrepreneurial Passion (often)</td>
<td>The employee feels part of a larger whole and something important through passion. Passion must be real and sincere (not about money) if show the employee feels out of place and a tool or number.</td>
<td>Passion must be present in the company and it motivates the employee to work for the employee positive emotions have more effect on motivation than passion - as a positive atmosphere is always present, but passion is not always displayed.</td>
<td>The entrepreneur tends to be stressed and chaotic, although the employee has a good understanding and close relationship with the entrepreneur it does affect the work process and atmosphere. The employee however does respect the entrepreneur passion and commitment.</td>
</tr>
</tbody>
</table>
4.3.3. Summary of the Empirical Results regarding the Entrepreneurial Passion

The following common themes were identified in terms of the discussion of entrepreneurial passion:

- The interviewees mostly focused on mutual trust and support as well as strong and close relationships with the boss which meant having something in common with the entrepreneur.
- The respondents indicated that it feels really good to step out of the employer-employee relationship once in a while and to feel like talking to a friend. Apparently, the bond had an effect on the employee’s behavior when the boss expressed passion.
- Even though the behavior of the boss might be perceived as risky or contradicting the opinion of others, trust and the belief in the entrepreneur being an expert in his/her field were the key indicators for the employees to feel secure, confident, happy, agreeable, and even share passion and support.
- What was observed as an overacted degree of passion, on the other hand, was mentioned as having a negative influence on the feelings of the employees where “too much of passion” (perceived as very unconstructive behavior) led to respondents feeling scared, endangered, insecure, being unable to control the situation, and even disappointed in the boss’ behavior. Lithuanian respondents especially argued that they expect clear reasons to be identified for why the entrepreneur is behaving in such a way.
- Well reasoned behavior and passion of the entrepreneur accompanied by trust, a supportive and a strong relationship were mentioned as those criteria that would lead to the following employees’ reactions: having a conversation with the entrepreneur, discussing and warning about the associated risks, trying to come up with the best ways out, and even giving advice.
- The employees acknowledged that eventually the entrepreneur had the responsibility of taking the final decision.
- Passion, in general, was reported as having a positive influence on motivation, but not such a significant effect on employee’s performance; rather, the fact that the entrepreneur who displayed passion might have done this to express his/her gratitude and appreciation for the employee’s work was especially valued by the interviewees.
- Lithuanian employees overall tended to be more critical to passion and wished to see reason and rationality in order to prevent the entrepreneur from being blinded by emotions.
- Dutch employees, on the other hand, greatly valued the display of passion as a motivator and source for creating a good work atmosphere.

4.4. Emotional Display Overall

This section covers the final questions of the interview. In this part of the interview the employees’ overall opinion, view upon and importance of emotions in general are discussed as found in two cases (Lithuania and the Netherlands) covered in this research.
4.4.1. Reasoning and Balance of Emotions
In general for both the Netherlands and Lithuania some of the most common explanations of why the extent of emotional influence was varying included: the degree of the employee’s understanding of why these emotions occurred (e.g., personal fault versus no reason); the type of emotions displayed (positive versus negative); the existence and strength of external factors (e.g., degree of risk associated with the situation); the frequency and strength of boss’ emotions. The following aspects were especially visible in the two cases:

• Display of negative emotions in Lithuania was associated with negative employee’s feelings (being sad, upset, stressed, disappointed, not in a mood, and even angry) as well as increased distraction, disturbance, and even destruction. However, positive emotions were perceived as bringing good mood, more smiles, happiness, fun, a positive and welcoming atmosphere, and more satisfaction.

• Most of the Dutch employees reported being sensitive to a good mood and positive emotions. Also, most of the employees were sensitive to negative emotions and based on the amount of consideration involved, employees reported having the tendency to solve wrongdoing or deal with a negative atmosphere. When negative emotions came into play, the employees were ready for dialogue, offering assistance, helping and giving advice, but when positive emotions were displayed and perceived employees said that they would happily continue as they were doing.

• The Lithuanian respondents found reasoning and rationality very important in the display of emotions and perceived the lack of it as an overly display. Too much passion or an unreasonable degree of emotional display was believed to make the entrepreneur “blind” which diminishes trust and increases the employee’s concern.

• The Dutch employees, whether they found positive emotions very important or not so much, perceived mostly positive emotions expressed 70 to 90 percent of the time. The employees also found it the entrepreneur’s responsibility to steer towards positive emotions in order to stimulate drive and passion. Compared to the Lithuanian employees the Dutch employees wished for less rationality and reasoning behind the emotional display.

4.4.2. Mutual Trust and Emotions
A majority of the results from both the Netherlands and Lithuania stressed the importance of mutual trust and good relationships with the entrepreneur:

• When positive emotions were perceived as being accompanied by similar values and beliefs as of the entrepreneur, the influence of the entrepreneur’s emotions on the employee’s feelings and behavior was positive. When negative emotions were combined with trust and a
good relationship with the entrepreneur even then the employees’ reaction was often positive in terms of motivation and decision-making.

• When trust was present between the entrepreneur and the employee, the employee was more affected by the negative emotional display of the entrepreneur rather than the display of positive emotions. While respondents who had a less good relationship and less mutual trust in the entrepreneur claimed that they would be more scared, stressed, upset, and more down because of the entrepreneur’s negative emotions rather than negative emotions displayed by their colleague.

4.4.3. Overall Influence of Entrepreneur’s Emotional Display on the Employee’s Motivation and Decision-making

All participants (with little variance in their answers) claimed that less motivation and inspiration to make significant decisions and take more initiatives would result in those cases when any of the following situations were applicable:

• When emotions in general were more negative than positive; the reasoning behind the occurrence of the entrepreneur’s emotional state was not clear; some negative external factors were present (e.g., high degree of risk and danger, perceived uncertainty regarding upcoming changes); the entrepreneur’s emotional display was unreasonably frequent and over-done/over-expressed; and, finally, the boss’ emotions were perceived as personal rather than directed towards a colleague.

• In general, results showed that the entrepreneur’s negative emotional display led to a reduced employee’s willingness to take higher level decisions, and leader’s positive emotional display resulted in more willingness to show initiative, take significant decisions, and take on more responsibilities.

• As reported by one of the employees, “good emotions make you feel good and that’s almost always the rule”. Of course, trust and some other factors (as discussed in detail in the previous discourses of the results) were especially important in recognizing the impact of the entrepreneur’s specific emotional display towards the employees.

• However, sometimes negative emotions were seen as being helpful in terms of greater ability to make more constructive decisions; while too much positive emotions were reported to lead to the perception of incompetence to make rational decisions, seeing overdone emotions as fake, as a sign of dishonesty and threat, and as an overall lack of appreciation from the entrepreneurs. In words of one of the employees: “some bosses’ smile at you and cut a salary the next minute. Some never shake hands and feel really special. My boss has a set of very high values and I appreciate that more than a constant smile, good humor, praise words, (artificial) joy or any forms of ‘‘white lies’ ’.”
• When asked whether there would be any perceived difference between the employee’s reactions towards the entrepreneur’s versus the colleague’s emotions, the interviewees reported being influenced more by the display of the entrepreneur’s emotions that were of negative valence, while emotions of positive valence were considered to be equally important to the employee whether they were expressed by the entrepreneur or colleagues.

4.4.4. Importance of Emotions

Both Lithuanian and Dutch employees wished to see positive situations at work, therefore employees working with a rather negative entrepreneur preferred joy and a positive mood and found ways of shielding of and/or avoiding negativity and the grumpy entrepreneur. However, the following patterns between the two cases occurred:

• All of the Lithuanian employees agreed that emotions of entrepreneur played a “somewhat” to “very significant” role in shaping their behavior, influencing the mood, and affecting the overall work atmosphere.

• The results from the Netherlands showed that all interviewees deemed emotions as important to “very important” and in one case the interviewee stressed that working without emotions is impossible. Many interviewees found the entrepreneur’s display of emotions paramount to the colleague’s display of emotions and in cases where the respondents found the same emotions from the colleague they perceived them as equally important.

• All of the interviewees agreed that they would prefer to see more positive emotions at work as opposed to negative ones, but some of them also added that they would accept a rational and reasonable degree of the leader’s negative emotional display.

To conclude, the importance of the emotions as found by our research can be very well summarized with the following quote expressed in a very lively manner by one of the interviewees:

*What’s the difference between a workplace and a fully-automated factory? Emotions may be one of the answers. Emotions help you see through a person, evaluate him, relate to him. When you get a full picture of what a person is, you can then motivate yourself to work harder or maybe quit the job. Emotions stand next to you, your job and your workplace; it’s just something you can’t ignore. Emotions alter your behavior and attitude. If your boss seems really angry, you can’t just punch his belly and say ‘Sup, man, did Lakers lose or what?’*
5. Discussion
In the following sections the four research questions of this thesis are answered based on the analysis and interpretation of this empirical study’s results and in terms of the previously discussed theoretical framework in order to provide a complete and precise picture of the topic.

5.1. Answer to the Research Question (a): How does the Entrepreneur’s Display of Emotions positively or negatively affect the Employees?
Based on the results of our thesis, the employees reported the importance of both short-term (e.g., anger) and long-term (e.g., confidence) emotions that can be either state or trait, which is in line with findings by Izard (1977), Collins (2004), and Harmon-Jones et al. (2011) who discuss the differences between the short- and long-term emotions and the significance of the trait and state emotions. Our findings are in line with their theories primarily because employees often indicate that they are less affected by short-lived, incidental displays of emotions as opposed to emotions that define the mood and atmosphere. The employees also claimed that short-lived emotions’ effect on their behavior is influenced by their mood (internal feeling/stimuli) and atmosphere (external stimuli) (Salas, Radovic & Turnbull, 2011). This is something defined by Brundin and Melin (2006) as the source of low or high levels of emotional energy.

The employees often indicated that they consider the intensity of the relationship, the formality, distance, and the past experiences between the employee and entrepreneur. These are defined by components such as the values, age and culture the employee has (Brundin & Melin, 2006). The literature indicates that the employee’s performance is largely defined by the emotional display of the entrepreneur (Humphrey, 2002); however our study showed that despite emotions diminishing the motivation, willingness to work, and decision-making of employees, the employees would still perform the duties they were hired for (the respondents indicated that only in the worst cases their performance would go down).

Employees were in some cases likely to take over emotional feelings as displayed by the entrepreneur. Also, emotional contagion is very important as indicated by Breugst et al. (2012) meaning that emotional contagion has a positive effect on the employees’ work, goal orientation, and/or clarification. The findings of our results showed a similar outcome regarding the employee’s motivation and willingness to work, and in some cases emotional contagion also positively affected the employee’s performance. Employees also tended to act more goal-oriented, meaning that employees were willing to take decisions and initiatives. However, our research showed that the employee’s goal clarification largely depended on factors such as reason and rationality rather than emotions.

In perceiving the emotions displayed by the entrepreneur expectancy theory has proven to be of importance. When employees considered their reaction and weighed the effect of emotions, the relationship and dynamics between the entrepreneur and employee seemed to be a consciously
viable aspect and deciding factor. Based on the feedback of the interviewees, there were quite a few important factors in the relationship and dynamics employees see between themselves and the entrepreneur/boss. The factors mentioned below (section 5.1.1. onwards) were especially relevant and apparent in both countries studied; however there was a subtle difference between the two cultures in how the strength of the relationships was defined and which dynamics played a more important role in judging the entrepreneur’s emotions and influencing the employee’s behavior accordingly (this is discussed under section 5.2.1). Thus, based on our findings, the relations and dynamics between the entrepreneur and the employee are of importance, including:

5.1.1. The Duration and Intensity of the Relationship with the Entrepreneur
A majority of the employees knew the entrepreneur and had a contact on a regular basis. In some cases the contact moments were infrequent and not on a continuous basis: these employees tended to attach a lot of value to considering the entrepreneur’s emotions when the few contact moments they had were important, intense and valuable in the eyes of the employees. The efforts employees put in understanding the entrepreneur’s emotions increased over time with an increase of the relationship’s intensity. In some cases employees considered themselves being close to or even personal friends of the entrepreneur: “we knew one another since the university, so [the entrepreneur] had an assured feeling hiring me as assistant manager”. Similarly, other employees indicated that they felt as a protégé: “I have worked for [the entrepreneur] since my graduation and she has taught me everything I know”.

5.1.2. The Formal/Informal Distance between the Entrepreneur and Employee
When the employee reported having a long-standing and close relationship with the entrepreneur the degree of informalities tended to play an important role. It seemed that employees wish for some degree of informalities in return for their effort and respect towards the entrepreneur. The employees did mention that business comes first and formalities are important, but there should be a suitable balance between them: “when we meet or call we talk about business, but generally we also have some small talk, which is good because we both need that”. The employees valued such aspects not just for the change, but also because it makes the entrepreneur human and involved, and employees appreciate some attention, care, and listening.

5.1.3. The Past Experiences the Employee has had with the Entrepreneur
Employees tended to automatically consider the entrepreneur’s past emotional expressions as an indicator of the value the emotion(s) has. In some cases the amount of positive emotions was rule rather than exception, and other employees experienced negative emotions more often. For example, one employee reported that her “work environment is usually pleasant and could be defined in terms of good positive emotions,” whereas another interviewee explained that her “boss is quite impulsive and gets angry quite often”. Employees were likely to have a personal preference and method of dealing with the emotions and weighted the current emotions with previous expressions by the entrepreneur(s).
5.1.4. State-trait Emotions and Passion displayed by the Entrepreneur(s)

The employees clearly differentiated between state and trait emotions and in all cases they have adapted to the entrepreneur’s trait. For that reason, some employees wished for change and renewal from time to time and those interviewees who felt that their entrepreneur is more negative than positive have in general a way of shielding from negativity. Some employees even found their relationship with the other colleagues more important: “my colleague’s negative emotions are more important, because I work closely with them; it is rather hard to work together when we have a dispute among each other [with the entrepreneur]. I can simply avoid her”. When employees perceived negativity continuously, it defined the mood and atmosphere: the emotions more severely impeded with their work and the negative effect multiplied to them. Simultaneously when the frequency and degree of displayed happiness, joy and other positive emotions took on extreme proportions some employees indicated it would raise suspicion, insecurity, uncertainty, and employees would doubt the sincerity. One employee mentioned: “it cannot always be happy and cheerful, it changes” and “if everything would always be good, we should maybe aim higher and more challenging, as things apparently are too easy for us”.

5.2. Answer to the Research Question (b): What Influence does the Display of Negative and Positive Emotions have on Employee’s Motivation and Decision-making?

As described above many dynamics in the relationship and the appraisal of the employee amongst other aspects were reported to be responsible for the employee’s consideration before taking action based on the entrepreneur’s display of emotions. The most important aspects are combined and all employees in some way balance the entrepreneur’s displayed emotions. For some emotions and/or employees this implied more effort than for other emotions and/or employees. Despite the culture of the entrepreneurial firm virtually all employees had preference for positive emotions to be displayed, yet the effect of this on the employees seemed to be marginal or reasonable. Positive effect largely derived from the entrepreneur instilling passion, honesty, gratitude, sincerity or frustration and stress, but for later mentioned negative emotions the employee and entrepreneur were willing to have a good mutual understanding and the reason for the occurrence of emotions needed to be clear for the employee.

Negative effect on the employee’s behavior derived from a less diverse set of variables. An overly display of positive emotions made employees suspicious and less motivated and an overly display of negative emotions, such as anger, created avoidance. Employees were likely to leave the company when the degree and frequency remained too high or increased over time.

5.2.1. Contagion of Emotions and the Influence on the Behavior of the Employees

Based on the results, employees also indicated that they were more sensitive to some emotions or, in few cases (in particular for Lithuania), rationality. While some employees wished to be inspired by positive emotions like joy and involvement, other employees mentioned getting
equally inspired or even more inspired by the challenges of a stressed and frustrated entrepreneur. As suggested by one of the respondents, “negative emotions? Personally, those are more motivating than positive ones. My boss knows I do a good job and I know that, so I can’t be inspired more. But if my boss is troubled, I fix things or improve the overall performance of the team”.

As the table on negative emotions indicated, the interviewees put a lot of thought, consideration, and effort towards negative emotions regardless of the positive effect they have on work behavior. It seems that employees can cope and handle negative emotions to some extent and beyond that point employees wished to either avoid it or provide a solution to the negative effect it had on them. On the other hand, when the entrepreneur displayed positive emotions the feeling was profound yet it was easier for the employees to clarify (most often mentioned were: good, happy, cheerful, and joyful). It became clear that employees had weaker tendency to consider rationalizing the positive feeling: the employees, in general, enjoyed the feeling. The following section explains why the display of emotions matter based on the positive and negative influence emotions had on employees’ motivation and decision-making in our study.

5.2.2. Why the Display of Emotions Matter?
There are at least two main reasons why we think that the display of emotions matter. First of all, a majority of the interviewees agreed that emotions define their mood and influence the work atmosphere regardless of the kind of emotions displayed. In most cases the employees were affected by the emotions and the feelings of the employees in turn not only shaped the working atmosphere, but also had impact on the employee’s motivation and performance. When asked about the importance of the emotions in the workplace in general, one of the respondents replied that “emotions take a huge part at work. It is a guarantee for work of good quality; when people feel happy and receive constructive feedback they are willing to do more for the company”.

The second argument of why emotions are important based on our research is related to the issue of rationality, reasoning, and risk that were especially common factors in our study. As reported by the employees, for a better understanding of the entrepreneur employees strived for the rationality in the entrepreneur’s decisions, which had to be accompanied with appropriate reasoning. One respondent, for example, indicated that when the entrepreneur was “blinded” by emotions and was unable to make sound and rational decisions, the employee felt unsure about how to react to just the feelings as it did not provide a base for decisions. When employee found little rationality and understanding in the entrepreneur’s decision-making and emotions the employees felt very uncomfortable (especially in the Lithuanian case).
5.3. Answer to the Research Question (c): Why do the Employees react the Way they do?

Expectancy theory as well as the valence and appraisal of emotions are important for the employee’s perception of the emotional display he or she experiences. Based on the expectancy theory discussed earlier, the behavior of the individual is purely a combination of a number of different individual as well as environmental forces (Nadler & Lawler, 1977). The fact that such factors as past experience, expectations and especially the individual perceptions of the situation intervene in behavioral reactions of the individuals was demonstrated by our research results. When asked to convey feelings, reactions, and impact on behavior due to exposure to entrepreneurial emotions, the employees emphasized not only the importance of past experiences and the significance of employees’ expectations towards the emotional expressions of the boss, but also a number of other factors that were already discussed in the previous sections. These findings prove that it is not only emotions that matter in their perception process, but also a number of other aspects.

Looking at the perspective of traditional motivation theory that focuses only on one-size-fits-all approach (Nadler & Lawler, 1977), the approach taken by the expectancy theory more closely depicts the results of our research just because of the complexity of our findings that, we believe, the simplistic traditional motivation theory could not completely explain. This is mainly because the expectancy theory is more precise and complete and explains the feeling of an individual by assuming that similar and dissimilar employees act differently regardless of the of the situation (Nadler & Lawler, 1977), which is true for our case. The results in our research showed that, dissimilar individuals tend to behave differently in similar situations and even if the individuals are similar, there is still a tendency for them to act differently (Nadler & Lawler, 1977). Thus, coming back to the propositions of the expectancy theory, these differences can be due to intervention of many other aspects such as past experiences, expectations, perceptions of the situations and emotions, and the like.

Finally, relating and applying our findings to the theory of appraisal, we noticed that positive emotions did not necessarily result in just positive behavior (Smith & Kirby, 2009): for example, if the positive emotions were overdone or fake the reaction was likely to be negative. Similarly, negative emotions not always led to negative behavior of the employees. Based on the appraisal theory, the findings of our study showed that there were differences in how individual employee appraised the emotion based on the perceived impact on individual’s well-being due to the differences of how individual employees evaluate situations (Smith & Kirby, 2009). And it is this point where the expectancy and appraisal theories overlap meaning that not only the appraisal of individual emotional and situational perceptions can be of significant importance to the individual behavioral differences (as suggested by the appraisal theory), but also an important part is taken by the expectancy theory where different aspects influence the employee’s behavior (Nadler & Lawler, 1977; Smith & Kirby, 2009). Also, in our study not only a number of different rela-
tionships are seen between the appraisal of the emotion, but also the relation to valence theory is notable where the similarities or differences of valence in emotions also seemed to be one of the predicting factors in the perception of the emotional display (Nezlek, Vansteelandt, Van Meche- len & Kuppens, 2008).

5.4. Answer to the Research Question (d): What Patterns could be found between Dutch and Lithuanian Employees in Their Perception of the Entrepreneur’s Emotions?

Emotions are prone to be perceived differently across cultures and as indicated in the literature some universal cultural aspects regarding emotions also exist (Brundin & Nordqvist, 2008; Rafaeli & Sutton, 1989; Ekman, 1992), which was disclosed by similar findings in our study. In general, looking from the cultural perspective, we see both Lithuanian and Dutch cultures as striving for the balance of positive and negative emotions (Leu, Wang & Koo, 2011); however, a constant tendency to shift towards more positive feelings can also be visible. Overall, the findings suggest that even though the two cultures are not exactly similar in the way employees perceive the entrepreneur’s emotional display, there are still a number of reoccurring themes that imply that some emotions are or might be socially and culturally instilled into two cultural contexts (Rafaeli & Sutton, 1989; Ekman, 1992).

As results showed, almost all the interviewees at some point severely stressed the importance of sincerity in the expression of emotions. Even in the case where an interviewee reported working at a company where positive emotions have a direct positive influence on the sales, the employee who experienced the expression of fake positive emotions by the entrepreneur labeled this as being close to lying and deceiving others. It seems to be so due to employees’ preference to know the truth even if it is the hard one as explained by one of the respondents: “I like talking to real and normal person no matter what emotions he/she experiences”.

5.4.1. The Level of Mutual Trust

Especially in cases where there was a mismatch between the entrepreneur’s emotions and the employee’s feelings (e.g., a mix between positive emotions filled with uncertainty), the employees often reported reacting based on the degree of mutual trust between themselves and the entrepreneur. The way in which the employees earned trust and were respected by the entrepreneur seemed to be important to them: “over the years I [the employee] have gained the completed trust of [the entrepreneur]: he listens even to the craziest suggestions I come up with”.

Earning/receiving and giving trust in order to create mutual trust was perceived as very important in the eyes of the employees as the following quote indicates: “he trusts me to do things right, therefore I don’t really change anything in my actions or performance”. It creates not only a stable working atmosphere and relationship between parties, but also efficiency which was affirmed by one of the respondents claiming that his “performance allowed him [the entrepreneur] to build
trust in me [the employee], because we both know that the end result will satisfy us”. To employees trust was essential as stated by one respondent: “I trust his [the entrepreneur’s] emotions to indicate a real situation”. Because trust was mentioned often in the interviews regardless of the country in which the interview took place, there are two separate discussions provided below on how both Lithuanian and Dutch employees tend to deal with the entrepreneur’s trust.

5.4.2. The Issue of Trust, Support, Concern, Rationality, and Reasoning in Lithuania

Trust from the Lithuanian perspective derived from, besides its display, the entrepreneur’s support and concern combined with a clear sense of rationality and reasoning. Lithuanian employees often related the entrepreneur’s display of emotion(s) directly to their performance, and even more when emotions were directed towards the employee’s personally. Regardless of the emotions being personal, positive or negative, employees found it comforting to know the entrepreneur and that he/she has a sense of concern for employees’ well-being and performance. However, Lithuanian employees found that, besides trust, rationality and reason from the entrepreneur are important. As one of the employees expressed, “if my boss expressed anger towards me without an acceptable reason, I would be stressed because of the uncertainty of why it happened”. Employees reported willing to see a balance between emotions, rationality and reason from the entrepreneur so that they could be ensured that emotions are sincere, and, most importantly, the entrepreneur is not blinded by emotions, but instead his/her decision-making is sound and justified. In addition to that, the sense of appreciation was also important.

5.4.3. The Issue of Trust, Involvement, and Informalities in the Netherlands

Interviewees from the Netherlands indicated that trust derives from involvement and informalities. The employees were open and direct towards the entrepreneur and it was expected that the employee can approach the entrepreneur. The employees reported that they like to see involvement from the entrepreneur both in terms of receiving personal attention as well as the entrepreneur working hard for the business. Next to that, Dutch employees saw informality as an indicator of a good relationship with the entrepreneur. Most important of informalities were attentive personal questions, compliments and appreciation. The employees valued the interchange between formal and informal behavior and switched easily back into their working role with increased motivation. As an example, one interviewee stressed: “[the entrepreneur] thanks me virtually every day, sometimes with a tap on the shoulder and sometimes with words, and even though it is daily I appreciate this”. Due to such situations employees feel involved and a part of a larger whole where the small gestures and tokens of appreciation make the employee “work for more than just the paycheck” as indicated by one of the interviewees. Another employee said that she worked harder after the entrepreneur explained her personal circumstances and reason behind anger: “after a long conversation with [the entrepreneur] I had understanding for her situation and took more initiative myself; [the entrepreneur] displayed anger less often since then”.

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5.5. Emotions in the Middle Phase of the Entrepreneurial Process

5.5.1. Compared to the Start-up Phase
Compared to the start-up stage of the entrepreneurial process, the emotions displayed in the middle phase of the entrepreneurial process can be defined in terms of more developed relationships between the leader and the follower, which in turn helps build mutual trust, concern, and willingness to provide support if needed. We see the levels of mutual understanding and trust among the employer and the employee in the start-up phase as the process when different people with little previous experience of working with one another (unless they knew one another for a long time before starting a venture which does not happen that often as seen in our study) come into one organizational context. Thus, it is quite reasonable to assume that there is still a lot of discovery involved in developing the relationship and getting to know people with whom an individual gets into contact during the start-up phase.

Considering that entrepreneurship is an emotional journey (Cardon et al., 2012), we see the middle stage as especially important in terms of development and the strength of the relationships between the entrepreneur and the employee. As our findings showed, factor such as building trust is especially significant in the middle phase. Therefore, based on the results of this study we suggest that the middle phase of the entrepreneurial process, as opposed to the start-up stage, might be more advanced in terms of the degree and intensity of the mutual trust and understanding between the employee(s) and the entrepreneur(s). This fact is supported by our findings, which especially focus on the importance of employer-employee relationship when employee’s perception of entrepreneur’s emotional display is involved. Hence, in the middle phase the relationship between the entrepreneur and the employee becomes stronger which means less unknown and more mutual understanding.

5.5.2. Compared to the Exit Phase
As suggested by Cardon et al. (2012), emotions play a significant role during the entry/start-up phase; the authors apply the same logic to the exit stage and find that this stage also involves a great amount of entrepreneurial emotions. However, we believe that these emotion-driven events might have more influence on single individuals (entrepreneur, the employee) and not necessarily such a significant effect on the relationships between the entrepreneur and his/her employees. And it was these relationships between the entrepreneur and the employee in the middle stage of the entrepreneurial process, specifically where more (mutual) trust, support, and understanding are likely to be present in the organization, which were important to our study. The findings indicated that there were few aspects reported why emotions are especially important and make a difference in the middle phase. Firstly, the willingness to work, by which we mean that in the middle stage of the entrepreneurial process there is still some room to go in terms of developing the relationships between the entrepreneur and his/her employees. As very well illustrated in our study, willingness to improve and avoidance of failure are crucial aspects in what is called the
emotional journey of entrepreneurship (Cardon et al., 2012). Highly emotional situations between the entrepreneur and the employees are present in the middle phase of the entrepreneurial process. Secondly, based on our findings, the importance of emotions in the middle entrepreneurial process phase is depicted by demand for novelty, change, and renewal as reported by the employees when the emotional display of the entrepreneur was combined with potential future changes. And it was this fact that made the middle stage an especially interesting object to study in terms of emotional effect of the entrepreneurial firm’s performance.
6. Conclusions
The interpretation of the empirical data in this thesis clearly contributes to the existing field of knowledge by providing some interesting findings for entrepreneurs to consider when leading the middle phase of the entrepreneurial process. We found that the perception that employees had in terms of display of the entrepreneur’s emotions can illustrate the difference between no or little motivation and high motivation, initiative and decision-making, and those reactions can derive from both positive and negative emotions.

6.1. Entrepreneurial Emotions, Balancing Emotions, Passion, and Rationality
The study evolved around entrepreneurial companies of which the establishment dates several years back and the business can be considered as established and out of the start-up phase. Within these companies the entrepreneur and employees work hard at consolidating the business and many are handling the crisis or its aftermath. As our study showed, in many cases the employees mentioned several positive emotions that they deem to be important: besides the display of the entrepreneur’s joy and confidence, some feelings such as happiness, feeling good, and experiencing gratitude were also mentioned. Some important negative emotions besides the entrepreneur’s anger expressed towards employees were frustration and stress. Surprisingly, both important negative and positive emotions can have a mediating effect on employee’s motivation and decision-making, and it can be equally true that the same emotions have a stimulating effect.

From the employee’s perspective, the relationship dynamics between the entrepreneur and employee is positively influenced and employees want to have more opportunities to give ideas and, to some extent, freedom in order to exploit themselves. It is especially true when the entrepreneur provides understanding, appreciation, listens, involves and provides personal attention for the employee (shows some form of informalities). It makes employee feel important, respected and part of a larger whole. In return, the relationship becomes valued by trust, willingness to work, motivation, and, in general, a good and happy feeling towards the idea of working for the company and the entrepreneur.

Only a minority of employees have shielded of the constant negativity of the entrepreneur resulting in rather different reasons for motivation and willingness to work. Our study shows that these employees are more likely to get a rewarding feeling from the colleague’s display of emotions, which they generally value more than the entrepreneur’s emotional display. Moreover, some employees attach great value to the frequency and degree of entrepreneurial passion – a fact that was particularly apparent in the Netherlands. Thus, when the entrepreneur simultaneously displays passion and negativity in the form of, for example, frustration and stress, the effect on the employee’s behavior can be positive meaning that employee is instilled with motivation and the willingness to work as well as take initiative and increase involvement in decision-making.
There is a personal balance that employees deem very important. In order to explain the way employees consider how situation should be dealt with we introduce a tentative model on the following page, which we named “The model of emotional balance”. This tentative model is in line with the theory of emotional balancing depicted by the model of emotional balancing during radical change developed by Huy (2002). The model we provide here displays balancing, but not from a radical change perspective. In that way the model is more applicable to the topic and findings of our thesis’ research. Our model looks at the effect the entrepreneur’s emotional display has on the employee in the middle phase of the entrepreneurial process. The assumption for the model is that all employees (whether sensitive or not to positive and/or negative emotions) have a certain preferred balance based on the entrepreneur’s display of emotions. However, despite the entrepreneurial display of either state or trait emotions, the employee perceives effect on motivation and decision-making primarily based on the established relationship the two parties have (mutual understanding, respect, and trust), the (former) display of entrepreneurial passion, and willingness for rationality and reasoning.
Tentative model 1: “The model of emotional balance”
6.2. A Tentative Model

In general, our study shows that employees wish a positive and good atmosphere and for that reason, entrepreneur should steer and lead their company based on positive emotions: even if the motivation and performance do not increase significantly in long-term, a positive atmosphere proves to be valuable as it helps avoid stress, chaos, and frustration, because the employees are willing to do their work with greater ease and in a more relaxed manner. For the purpose of depicting in detail the findings of our research in terms of how the display of entrepreneur’s emotions affect employee’s behavior, we developed a second tentative model (“A grid depicting the influence of the entrepreneur’s emotions on the employee’s behavior” on the next page) that, we believe, is an effective way of explaining the complexity of emotions and can complement the previous model by explaining how the balance comes to be and might potentially change. The main contribution of the model, however, is giving a detailed and summarized overview of the potential variations among employee’s feelings and reactions towards the emotional display of the entrepreneur and its impact on the employee’s behavior.

This grid presents four main quadrants that are plotted on two axes: first, on the vertical axis we plot the degree, frequency, and sincerity of entrepreneur’s emotional display which can vary from high to low (low for passion and positive emotions and high for negative emotions on the one end of the axis and high for passion and positive emotions and low on negative emotions on the other end of the axis); and, second, the horizontal axis differentiates between weak relationship dynamics and influential factors (mutual trust, concern, support, involvement, attention, listening) on one end of the axis and strong relationship dynamics and influential factors on the other end of the axis. Therefore, all four quadrants are placed on the grid based on how low/high passion/positive/negative emotions are based on just mentioned factors and how weak/strong the relationship dynamics and influential factors are as perceived by the employees.

Each separate quadrant is self-explanatory, because it lists the feelings, reactions, and the effect on employee’s behavior when the entrepreneur displays negative (anger and fear), positive (joy and confidence) emotions, and passion. As depicted in the grid the most preferred quadrant is quadrant four and the least favorable is quadrant one (see the numbers on each quadrant). The feelings, reactions and effect on the employee’s behavior due to specific entrepreneur’s emotional display that are all listed in the corresponding quadrants explain why one is more preferable than the other. For example, the fourth quadrant is more favorable, because it involves a number of positive feelings (joy, satisfaction, appreciation, etc.), positive reactions (pride, support, understanding, etc.), and positive effect on the employee’s behavior (improved motivation, splendid performance, etc.). Thus, it makes sense that majority of the employees would be willing to strive for these feelings, reactions and influence on their behavior due to the display of the entrepreneur’s emotions.
Tentative model 2: “A grid depicting the influence of the entrepreneur’s emotions on the employee’s behavior”
7. Challenges, Limitations, and Future Research

7.1. Challenges of the Study
Emotions are a complex topic and studying them, as we can see now, can bring a number of challenges. One of the challenges we faced with while conducting the research on emotions for this thesis was related to the unexpected results that can turn the situation around which means that there is always a need to be flexible and adaptable. It was also relatively hard to talk about emotions for ourselves and the respondents who had to reflect on the emotions presented. Since some people are less talkative than others, in some cases we were challenged by a need to encourage the interviewees to respond to their leader’s emotions in the way they really perceive them. However, despite this challenge we succeeded in inducing the employees’ responses by using a friendly interviewing tone, not pushing them to say something they did not want to say and not displaying a sense of urgency for the answers. Also, it was quite challenging for us to talk about emotions with different people, because we had to find the best ways to adapt to each individual personality of the interviewee, his/her pace of talking and his/her willingness to respond to certain questions.

This research also challenged us by exposing to the complexity of examining emotions. Each participant reacted differently to asked questions and since during all of the interviews we saw the facial expressions as well as the body gestures of the interviewees it made the process of the interpretation easier, but at the same time complicated the task. Seeing the body gestures and facial expressions helped better understand whether employees really felt comfortable to talk about this and even whether their non-verbal reactions contradicted or confirmed what they said. Although, the fact that we could see the facial expressions and the body gestures of the interviewees, we think, was a big advantage to our study and us since it helped a lot when working on the interpretation of the results from recorded interviews.

7.2. Limitations of the Study
This study acknowledges limitations important when interpreting the results. First of all, since research was done using self-reporting technique (interviews with employees) (Kvale & Brinkmann, 2009), limitations derive from self-reporting due to the single perspective on emotions and cultural limitations as shown by some other researches as well (see e.g., Breugst et al., 2012; Brundin et al., 2008; Welpe et al., 2012; Hahn et al., 2012). As argued by Lazarus and Smith (1988), when compared to the other methods self-reporting is one of the most reliable and valid techniques that can help get a more complete picture of individual’s emotional reactions and feelings. Similarly, Smith (1987, cited in Lazarus & Smith, 1988) states that in order to deal with potential self-reporting-related limitations the research should be conducted at multi-level and using multi-methods. In our case, to reduce this limitation to a minimum, we conducted a total of 18 in-depth interviews both in the Netherlands (nine) and Lithuania (nine) that were conducted using three vignettes and corresponding questions.
By taking into account two cases of different countries a potential cultural limitation was diminished, yet the differences and similarities of patterns between the two cases in this study can be considered as neither general nor universal as there may still be distinct differences in other regions in the world (see, e.g., Masuda et al., 2008). Thus, the research is limited to the researched countries complementing their domestic view with one another and providing an overall European perspective on the manner, but not a universal/global one. Also, a limitation on a number of emotions studied can also be seen since the focus of this study was only on two negative emotions (fear and anger), two positive emotions (joy and confidence), and the entrepreneurial passion. However, we think that since our chosen emotions are very basic ones, they are also very good representations of different categories of emotions (negative and positive).

Third limitation can be based on the way research analysis was done. Since collected data from interviews and answers to vignettes’ questions was based on self-reporting technique, the analysis could have had minor interpretation issues since it is hard to interpret words, feelings, reactions and emotions of other people in a precisely the same way as they are brought forth by interviewees. However, all interviews were recorded and transcribed and the facial expressions and body language of the participants were seen and taken into consideration in order to better interpret the findings. These aspects, we think, helped reduce this specific limitation to a minimum.

7.3. Future Research
As the results of this thesis showed, a special emphasis (highlighted during both the interviews with Dutch and Lithuanian employees) was put on trust as an aspect that might play a significant role in discovering the impact of entrepreneur’s emotional display on employee’s decision-making, motivation, and way of handling entrepreneur’s emotions. Therefore, one of our suggestions for further research is to pay more attention to the importance of trust as a potential force that may have influence on organizational behavior. Also, we suggest studying the importance of trust aspect by looking at how the perception of emotional display varies based on cultural differences.

As it was found by this study, the perception of entrepreneur’s emotions by the employees depends on many variables one of which can be the entrepreneur’s emotional intelligence. Thus, we believe that the further research should focus on such factors as emotional intelligence in combination with the emotional contagion. The influence of entrepreneur’s emotional intelligence on employee’s performance in the organizational context could provide a more complete picture on how employees perceive different aspects of entrepreneur’s emotional display(s) and how this perception influences and even shapes their behavior.

Finally, since based on the results of this research an attempt was made at creating tentative models that would help explain the employee’s perception of the entrepreneur’s emotional display and since these models were created based on a limited number of emotions used in this research, our suggestion for future research is to test the validity of these models, and see if they
hold or can be complemented in other cultural contexts. We also believe that it would be beneficial to find out how these models could differ and/or could be similar if other emotions were researched and results were applied.

The body of knowledge about the role emotions play in entrepreneurship is becoming extensive and we made an effort to contribute to this field. Many questions are already (or at least partially) answered and some emotion-related issues are agreed upon; however, there is still a long way to go and lots of challenges to be dealt with by future research when it comes to the discussion of emotions (see also Cardon et al., 2012). This research has taken a look into the dynamics of entrepreneurial emotions as perceived by employees in an international context. With few new insights there is much more to explore about the importance of relationships’ dynamics, being a motivated employee in a negative setting, the way entrepreneurs can better balance their emotions with rationality and reasoning, and the way entrepreneurs can effectively support their emotional intelligence by applying the tentative models proposed by this research. Therefore, our last question is: how do YOU handle your boss’ emotions?
List of References


Appendices

Interview Questions for Employees
1. For how long have you been working with your current boss?

2. How would you describe your role, position, and responsibilities in the company? To whom do you report?

3. Can you explain in what manner your boss assigns your responsibilities? How does she/he give decision power, if any, to employees?

Vignettes 1 to 3 and Corresponding Questions

Vignette 1: New Sales Rep
Your boss has temporarily appointed your colleague, who has to present the company during an important meeting, but lacks experience in these kinds of duties and responsibilities and little information is available to your colleague. With the important meeting a couple of days away, your boss has started to display anger towards your colleague as well as others around.

Vignette 2: Over the Moon
The outlook for the remainder of the year looks promising: the sales increased significantly and many prospects indicate that demand will remain on the rise. More than usual your boss seems to be joyful about what is going on in the company. Important decisions need to be made: some new people are needed, some job rotation needs to take place and some will need to get new training. Despite all these upcoming changes, your boss seems very confident.

Vignette 3: Too much Passion?
Your boss is considered to be an expert by many in the field, constantly accomplishing many things by looking for new and innovative ways to exploit opportunities within his area of expertise. However, lately there has been a dispute over an investment; although risky, the investment could bring good returns, but the finance and marketing colleagues are unsure about the outcome. Despite their advice your boss remains very passionate about pulling off the investment and does not see risks others are pinpointing.
Vignette Questionnaire for Employees

Show Vignette 1:
1. Can you relate to this situation? If yes, how would you react to this kind of situation? If no, how would you be likely to react to a similar situation as described in Vignette 1?

2. How would you feel in such a situation (if your boss displays anger)? (please be specific here)

3. Do you often experience this kind of situation with your boss where your boss is likely to become angry and/or express emotions of fear? In general, how does it make you feel?

4. How would such a situation/display of emotions affect your motivation? Why? What impact would it have on your performance?

5. In similar previous situations, how did your boss’ emotion affect your actions? How did it affect your decision-making? And how did it affect your willingness to work?

Show Vignette 2:
1. Can you relate to this situation? If yes, how would you react to this kind of situation? If no, how would you be likely to react to a similar situation as described in Vignette 2?

2. How would you feel in such a situation (if your boss displays joy and confidence)? (please be specific here)

3. Do you often experience this kind of situation with your boss? How often is your boss likely to express joy and confidence? In general, how does it make you feel?

4. How would such a situation/display of emotions affect your motivation? Why? What impact would it have on your performance?

5. In similar previous situations, how did your boss’ emotion affect your actions? How did it affect your decision-making? And how did it affect your willingness to work?

Show Vignette 3:
1. Can you relate to this situation? If yes, how would you react to this kind of situation? If no, how would you be likely to react to a similar situation as described in Vignette 3?

2. How would you feel in such a situation (if your boss displays passion)? (please be specific here)

3. Do you often experience this kind of situation with your boss? How often is your boss likely to express passion? In general, how does it make you feel?
4. How would such a situation/display of emotions affect your motivation? Why? What impact would it have on your performance?

5. In similar previous situations, how did your boss’ emotion affect your actions? How did it affect your decision-making? And how did it affect your willingness to work?

Follow-up Questions

1. Do the emotions of your boss have influence on you/your behavior? If yes, what kind of influence? Is there any difference in your behavior if the same emotions are expressed towards you by your colleague rather than your boss?

2. Do you often take important decisions and are motivated? Are you willing to make important decisions at work even if they contradict your boss’ present emotional state?

3. How do you feel when your boss expresses negative emotions such as anger and fear? Are you willing to make any important decisions or take initiatives?

4. Does it have any influence on your motivation at work?

5. How do you feel when your boss expresses positive emotions such as joy, confidence, and passion? Are you willing to make any important decisions or take initiatives?

6. Does it have any influence on your motivation at work?

7. In what cases do the negative emotions (such as, for example, fear and anger or any other) expressed by your boss make you feel less motivated and/or willing to make important decisions in workplace?

8. In what cases do the positive emotions (such as, for example, joy, confidence, and passion or any other) expressed by your boss make you feel more motivated and/or willing to make important decisions in workplace?

9. In your line of work which kind of emotions do you wish to see from your employer, in other words what kind of emotions could inspire and encourage you being motivated and making significant decisions that help the company?

10. In general, do you think that emotions at work are very important? What influence do they have in the workplace?