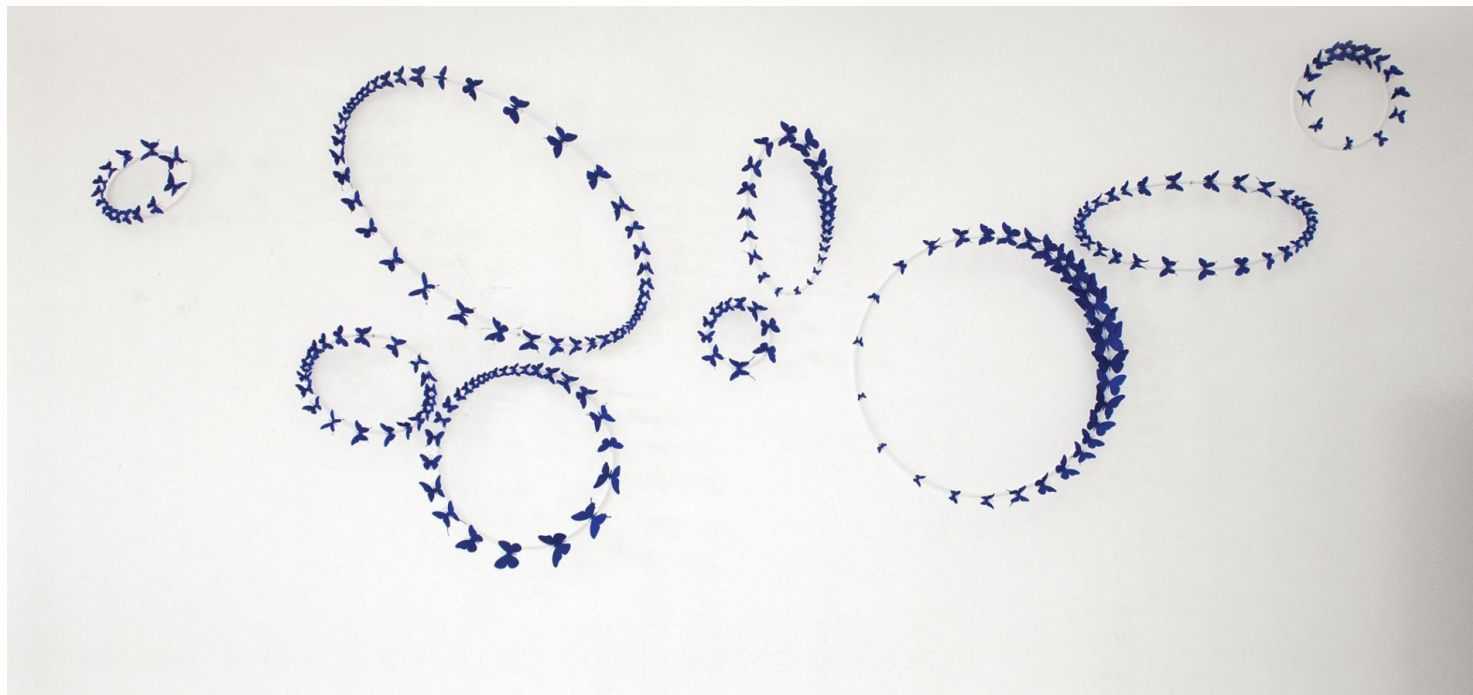


Harvard Business Review



LEADERSHIP & MANAGING PEOPLE

Manage Your Emotional Culture

by Sigal Barsade and Olivia A. O'Neill

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Before leaving work each day, employees at Ubiquity Retirement + Savings press a button in the lobby. They're not punching out—not in the traditional sense, anyway. They're actually registering their emotions. They have five buttons to choose from: a smiley face if they felt happy at work that day, a frowny face if they felt sad, and so on.

This may sound like an HR gimmick (“See? Management cares how you feel!”) or an instrument of forced satisfaction (“The team with the most smiley faces wins!”). But it’s neither. Ubiquity is using the data it collects to understand what motivates employees—to learn what makes them feel a sense of belonging and excitement at work. Other organizations are starting to do the same. Some use apps that record how much fun people are having. Some hire technology consultants who specialize in the monthly, weekly, daily, or even hourly tracking of moods. Unfortunately, though, these organizations are in the minority. Most companies pay little attention to how employees are—or should be—feeling. They don’t realize how central emotions are to building the right culture.

When people talk about corporate culture, they’re typically referring to *cognitive* culture: the shared *intellectual* values, norms, artifacts, and assumptions that serve as a guide for the group to thrive. Cognitive culture sets the tone for how employees think and behave at work—for instance, how customer-focused, innovative, team-oriented, or competitive they are or should be.

Cognitive culture is undeniably important to an organization’s success. But it’s only part of the story. The other critical part is what we call the group’s *emotional* culture: the shared *affective* values, norms, artifacts, and assumptions that govern which emotions people have and express at work and which ones they are better off suppressing. Though the key distinction here is thinking versus feeling, the two types of culture are also transmitted differently: Cognitive culture is often conveyed verbally, whereas emotional culture tends to be conveyed through nonverbal cues such as body language and facial expression.

Despite a renaissance of scholarship (dubbed “the affective revolution”) on the ways that emotions shape people’s behavior at work, emotional culture is rarely managed as deliberately as cognitive culture—and often it’s not managed at all. Companies suffer as a result. Employees who should be showing compassion (in health care, for example)

become callous and indifferent. Teams that would benefit from joy and pride instead tolerate a culture of anger. People who lack a healthy amount of fear (say, in security firms or investment banks) act recklessly. The effects can be especially damaging during times of upheaval, such as organizational restructurings and financial downturns.

In our research over the past decade, we have found that emotional culture influences employee satisfaction, burnout, teamwork, and even hard measures such as financial performance and absenteeism. Countless empirical studies show the significant impact of emotions on how people perform on tasks, how engaged and creative they are, how committed they are to their organizations, and how they make decisions. Positive emotions are consistently associated with better performance, quality, and customer service—this holds true across roles and industries and at various organizational levels. On the flip side (with certain short-term exceptions), negative emotions such as group anger, sadness, fear, and the like usually lead to negative outcomes, including poor performance and high turnover.

Every organization has an emotional culture, even if it's one of suppression.

So when managers ignore emotional culture, they're glossing over a vital part of what makes people—and organizations—tick. They may understand its importance in theory but can still shy away from emotions at work. Leaders expect to influence how people think and behave on the job, but they may feel ill equipped to understand and actively manage how employees feel and express their emotions at work. Or they may regard doing so as irrelevant, not part of their job, or unprofessional.

In our interviews with executives and employees, some people have told us that their organizations lack emotion altogether. But every organization has an emotional culture, even if it's one of suppression. By not only allowing emotions into the workplace, but

also understanding and consciously shaping them, leaders can better motivate their employees. In this article we'll illustrate some of the ways in which emotional culture manifests at work and the impact it can have in a range of settings, from health care and emergency services to finance, consulting, and high tech. Drawing on our findings, we'll also suggest ways of creating and maintaining an emotional culture that will help you achieve your company's larger goals.

Delving Beneath the Surface

Some companies have begun to explicitly include emotions in their management principles. For instance, PepsiCo, Southwest Airlines, Whole Foods Market, The Container Store, and Zappos all list love or caring among their corporate values. Similarly, C&S Wholesale Grocers, Camden Property Trust, Cisco Finance, Ubiquity, and Vail Resorts, along with many start-ups, highlight the importance of fun to their success.

But to get a comprehensive read on an organization's emotional culture and then deliberately manage it, you have to make sure that what is codified in mission statements and on corporate badges is also enacted in the "micromoments" of daily organizational life. These consist of small gestures rather than bold declarations of feeling. For example, little acts of kindness and support can add up to an emotional culture characterized by caring and compassion.

Facial expressions and body language are equally powerful. If a manager consistently comes to work looking angry (whether he means to or not), he may cultivate a culture of anger. This phenomenon is surprisingly common: In one study, Don Gibson, the dean and a professor of management at Fairfield University's Dolan School of Business, found that working professionals from multiple organizations actually felt more comfortable expressing anger than joy on the job (they reported expressing anger three times as often). You can imagine the ripple effects.

Office décor and furnishings, too, may suggest what's expected or appropriate emotionally. Photos of employees laughing at social events or action figures perched on cubicle walls can signal a culture of joy. Signs with lists of rules and consequences for breaking them can reflect a culture of fear. Comfy chairs and tissues in small conference rooms convey that it's OK to bare your soul or cry if you need to.

But as Edgar Schein, a professor emeritus at MIT's Sloan School, has shown with his popular "three levels of culture" model, the most deeply entrenched elements of organizational culture are the least visible. Take, for instance, the deep underlying assumption that pitting employees against one another gets the best work out of them. That's not the kind of thing managers publicize; sometimes they're even unaware that they are fostering this dynamic. And yet it's felt by leaders and employees alike. While it may result in healthy competition, it's just as likely to create a strong culture of envy, which can erode trust and undermine employees' ability to collaborate.

Emotional Cultures in Action

Nearly 30 years ago the social psychologist Phil Shaver and his colleagues found that people can reliably distinguish among 135 emotions. But understanding the most basic ones—joy, love, anger, fear, sadness—is a good place to start for any leader trying to manage an emotional culture. Here are a few examples to illustrate how these emotions can play out in organizations.

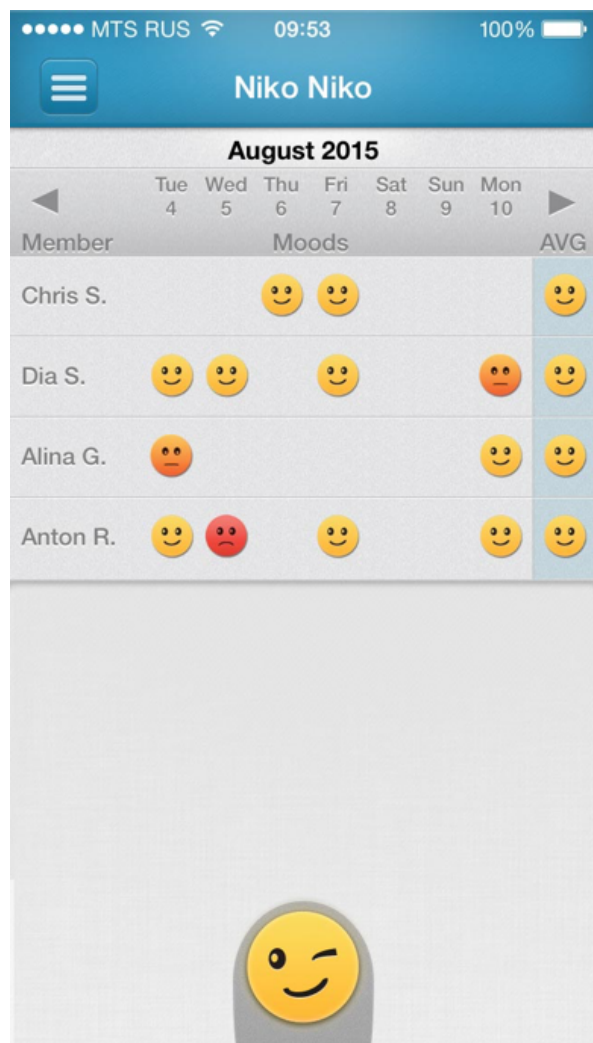
A culture of joy.

Let's begin with one that's often clearly articulated and actively reinforced by management—above the surface and easy to spot. Vail Resorts recognizes that cultivating joy among employees helps customers have fun too, which matters a lot in the hospitality business. It also gives the organization an edge in retaining top talent in an extremely competitive industry. "Have fun" is listed as a company value and modeled by

Vail's CEO, Rob Katz—who, for instance, had ice water dumped on his head during a corporate ALS Ice Bucket Challenge and then jumped fully clothed into a pool. About 250 executives and other employees followed his lead.

Tracking Emotions

Companies have started using apps like Niko Niko to help individual employees and teams log their emotional reactions to various activities and make the connection between their moods and productivity.



This playful spirit at the top permeates Vail. Management tactics, special outings, celebrations, and rewards all support the emotional culture. Resort managers consistently model joy and prescribe it for their teams. During the workday they give out pins when they notice employees spontaneously having fun or helping others enjoy their jobs. Rather than asking people to follow standardized customer service scripts, they tell everyone to “go out there and have fun.” Mark Gasta, the company’s chief people officer, says he regularly sees ski-lift operators dancing, making jokes, doing “whatever it takes to have fun and entertain the guest” while ensuring a safe experience on the slopes. On a day-to-day basis, Vail encourages employees to collaborate, because, as Gasta points out, “leaving people out is not fun.” At an annual ceremony, a Have Fun award goes to whoever led that year’s best initiative promoting fun at work. The resort also fosters off-the-job joy with “first tracks”

(first access to the ski slopes for employees),
adventure trips, and frequent social gatherings.

All this is in service to an emotional culture that makes intuitive sense. (Joy at a ski resort? Of course.) But now consider an organization where the demand for joy wasn't immediately visible. When we surveyed employees at Cisco Finance about their organization's emotional culture, it became clear to management that fostering joy should be a priority. The survey didn't ask employees how they felt at work; it asked them what emotions they saw their coworkers expressing on a regular basis. (By having employees report on colleagues' emotions, researchers could obtain a more objective, bird's-eye view of the culture.) It turned out that joy was one of the strongest drivers of employee satisfaction and commitment at the company—and more of it was needed to keep up engagement.

So management made joy an explicit cultural value, calling it “Pause for Fun.” This signaled that it was an important outcome to track—just like productivity, creativity, and other elements of performance. Many companies use annual employee engagement surveys to gauge joy in the abstract, often in the form of job satisfaction and commitment to the organization. But Cisco Finance measured it much more specifically and is conducting follow-up surveys to track whether it is actually increasing. In addition, leaders throughout the organization support this cultural value with their own behavior—for example, by creating humorous videos that show them pausing for fun.

A culture of companionate love.

Another emotion we've examined extensively—one that's common in life but rarely mentioned by name in organizations—is companionate love. This is the degree of affection, caring, and compassion that employees feel and express toward one another.

In a 16-month study of a large long-term-care facility on the East Coast, we found that workers in units with strong cultures of companionate love had lower absenteeism, less burnout, and greater teamwork and job satisfaction than their colleagues in other units. Employees also performed their work better, as demonstrated by more-satisfied patients, better patient moods, and fewer unnecessary trips to the emergency room. (Employees whose dispositions were positive to begin with received an extra performance boost from the culture.) The families of patients in units with stronger cultures of companionate love reported higher satisfaction with the facility. These results show a powerful connection between emotional culture and business performance.

Because this study took place in a health care setting, we wondered whether companionate love matters only in “helping” industries. So we surveyed more than 3,200 employees in 17 organizations spanning seven industries: biopharmaceutical, engineering, financial services, higher education, public utilities, real estate, and travel. In organizations where employees felt and expressed companionate love toward one another, people reported greater job satisfaction, commitment, and personal accountability for work performance.

Take Censeo, a consulting firm that has deliberately cultivated a culture of companionate love. Cofounder and CEO Raj Sharma wanted to build a company that made authentic connections with clients. Along the way, Sharma realized that this strategy, which increased clients’ trust and the firm’s impact, was also critical to Censeo’s organizational culture.

Now the firm hires people who will help sustain its culture; that means turning away some really smart people who would destroy it. Censeo also encourages employees to cultivate genuine relationships by interacting socially both at and outside work. The message seems to be getting through: When asked to describe colleagues at the firm, one junior analyst called them “my friends.” Employees also hold themselves accountable for

treating one another with compassion. They'll confront colleagues—including those above them in the hierarchy—for blatantly disregarding the feelings of others or frequently blowing up at coworkers.

A culture of fear.

Of course, organizations can be defined by negative emotions as well. In *Turn the Ship Around!* the retired Navy captain L. David Marquet describes how a culture of fear plagued the USS *Santa Fe*, a nuclear submarine that suffered under extreme command-and-control leadership before he took over. The crew had low morale and the worst retention rate in the fleet.

Nuclear submarines must accomplish their missions while maintaining security and safety, so performance depends in large part on the skill and judgment of the crew. Marquet argues that the constant fear of being yelled at—for making mistakes, not knowing things, challenging authority, and so on—made it harder for sailors to think well and act quickly. This view is backed by research that the Berkeley professor emeritus Barry Staw and his colleagues have done on “threat rigidity” (the tendency to narrow one’s focus under threat) and by findings on the impact of excessive stress on the prefrontal cortex: It impairs executive functions such as judgment, memory, and impulse control.

Marquet changed that emotional culture by using classic “high involvement” management techniques, such as empowering crew members to make decisions and not punishing them for every misstep. As a result, they became more confident and accountable—and less inclined to simply wait for permission or directions from their commanding officer. The transformation paid off. Marquet led the ship from low-performing to award-winning, and 10 of his top 20 officers later went on to become submarine captains.

What Happens When Emotions Intersect

Clearly, fear can be toxic, but even positive emotions can have unintended side effects if given too much sway. In a culture of unmitigated joy, fun might impede work. In a culture of love, where everyone feels like family, employees might struggle to have honest conversations about problems. To quote one person we interviewed, “People don’t want to talk about conflict because they don’t want to get in the way of the love.”

Sometimes organizations avoid those problems because multiple emotions balance one another out. For example, in a comprehensive study of firefighters’ organizational culture (conducted by one of us, Olivia O’Neill, and Nancy Rothbard, a professor at Wharton), two emotions came through quite strongly. Participants described a culture of joviality, expressed mainly through elaborate jokes and pranks. (They said their most important rule for hiring someone new was “No stiffs.”) But that coexisted with a culture of companionate love, which the researchers hadn’t expected to see in a typically masculine profession. The firefighters supported one another emotionally—offering words of encouragement when someone was struggling after a tough call, for example, or was going through a painful divorce. They also offered nonverbal gestures of affection, such as a bear hug for someone who was choked up over a personal issue.

There were reasons for both emotional cultures to be strong: Joviality helped teams coordinate better on the job, because all the pranks had honed their understanding of individuals’ weaknesses (anthropologists would call this an evolutionary advantage of play). Monitoring and managing those weaknesses is particularly important in fast-moving, high-stress, or dangerous situations. And companionate love helped the firefighters heal from the traumatic events endemic in their jobs.

Like any other emotion, companionate love can lead to varying outcomes, depending on what it’s paired with. For the firefighters, it had a tempering effect on the joviality and teasing, which—if taken to extremes—could become isolating and hurtful.

Another example of how emotions intersect comes from our research with the Católica-Lisbon professor Francesco Sguera. In a study of a major medical center in the United States, we found that the emotional culture was largely defined by anxiety and anger. The medical center's punishment-based "point system" reinforced the anxiety: "If you call in sick, you get a point," an employee wrote. "If you are one minute late for work, you get a point. We often feel that we are liabilities to the department, as disposable as gauze." The rampant anxiety led to many negative outcomes, including poor financial performance, burnout, and low job satisfaction. However, in units where a strong culture of anxiety was coupled with companionate love, employee performance and attitudes matched those in units with lower anxiety. The culture of companionate love essentially served as an antidote to the culture of anxiety. It reduced the negative impact on the bottom line—specifically, on gross profit margin—by offsetting the ill effects on employee attitudes and behavior. Although employees expressed a lot of anxiety and saw it all around them, knowing that they were cared for by their colleagues helped them to deal with it.

Creating an Emotional Culture

To cultivate a particular emotional culture, you'll need to get people to feel the emotions valued by the organization or team—or at least to behave as if they do. Here are three effective methods:

Harness what people already feel.

Some employees will experience the desired emotions quite naturally. This can happen in isolated moments of compassion or gratitude, for example. When such feelings arise regularly, that's a sign you're building the culture you want. If people have them periodically and need help sustaining them, you can try incorporating some gentle nudges during the workday. You might schedule some time for meditation, for instance; or provide mindfulness apps on people's work devices to remind them to simply breathe, relax, or laugh; or create a kudos board, like the one in an ICU we studied, where people can post kind words about other employees.

But what can you do about emotions that are toxic to the culture you're striving for? How can you discourage them when they already exist? Expecting people to "put a lid" on those feelings is both ineffective and destructive; the emotions will just come out later in counterproductive ways. It's important to listen when employees express their concerns so that they feel they are being heard. That's not to say you should encourage venting, or just let the emotions flow with no attempt at solving the root problems. Indeed, research shows that extended venting can lead to poor outcomes. You're better off helping employees think about situations in a more constructive way. For example, loneliness, which can eat away at employee attitudes and performance, is best addressed through cognitive reappraisal—getting people to reexamine their views of others' actions. Considering plausible benign motivations for their colleagues' behavior will make them less likely to fixate on negative explanations that could send them into a spiral.

Model the emotions you want to cultivate.

A long line of research on emotional contagion shows that people in groups "catch" feelings from others through behavioral mimicry and subsequent changes in brain function. If you regularly walk into a room smiling with high energy, you're much more likely to create a culture of joy than if you wear a neutral expression. Your employees will smile back and start to mean it.

But negative feelings, too, spread like wildfire. If you frequently express frustration, that emotion will infect your team members, and their team members, and so on throughout the organization. Before you know it, you'll have created a culture of frustration.

People in groups "catch" feelings from others.

So consciously model the emotions you want to cultivate in your company. Some organizations go a step further and explicitly ask employees to spread certain emotions. Ubiquity Retirement + Savings says, "Inspire happiness with contagious enthusiasm.

Own your joy and lend it out.” Vail Resorts says, “Enjoy your work and share the contagious spirit.”

Get people to fake it till they feel it.

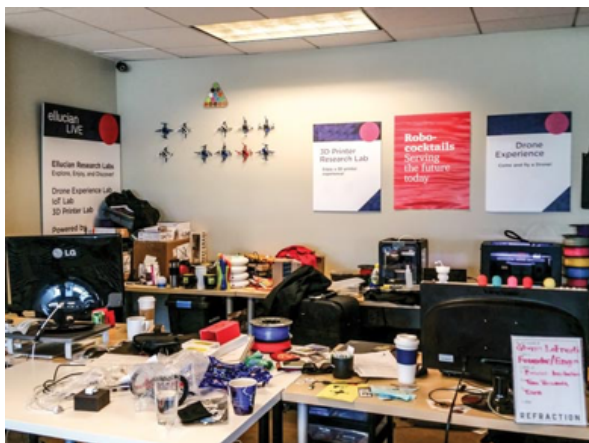
If employees don’t experience the desired emotion at a particular moment, they can still help maintain their organization’s emotional culture. That’s because people express emotions both spontaneously and strategically at work. Social psychology research has long shown that individuals tend to conform to group norms of emotional expression, imitating others out of a desire to be liked and accepted. So employees in a strong emotional culture who would not otherwise feel and express the valued emotion will begin to demonstrate it—even if their initial motivation is to be compliant rather than to internalize the culture.

This benefits the organization, not just the individuals trying to thrive in it. In early anthropological studies of group rituals, strategic emotional expression was found to facilitate group cohesion by overpowering individual feelings and synchronizing interpersonal behavior.

Cultural Artifacts

An organization’s physical environment can send cues—subtle or strong—about which feelings employees do and should express at work. Here are some examples:

So maintaining the appropriate culture sometimes entails disregarding what you are truly feeling. Through “surface acting,” employees can display the valued emotion without even wanting to feel it. Surface acting isn’t a long-term solution, though. Research shows that it can eventually lead to burnout—particularly in the absence of any outlet for authentic emotions.



1 This coworking space for technology start-ups reflects a culture of joy and fun. Note the robotcocktail posters and drones parked on the wall.



2 An intensive care unit at one university hospital has a culture of fear: Employees must stay silent so as not to disturb critically ill patients.

A better way to cultivate a desired emotion is through “deep acting.” With this technique, people make a focused effort to feel a certain way, and then suddenly they do. Imagine that an employee at an accounting firm has a family emergency and requests a week off work at the height of tax audit season. Although his boss’s first thought is *No—not now—no!* she could engage in deep acting to change her immediate feelings of justifiable panic into genuine caring and concern for her subordinate. By trying hard to empathize, saying “Of course you should go be with your family!” and using the same facial expressions, body language, and tone of voice she would use when actually feeling those emotions, she could coax herself into the real thing. She would also be modeling a desired behavior for the subordinate and the rest of the team.

Fortunately, all these ways of creating an emotional culture—whether they involve really feeling the emotion or simply acting that way—can reinforce one another and strengthen the culture’s norms. People don’t have to put on an act forever. Those who begin by expressing an emotion out of a desire to conform will start to actually feel it



3 But fear and sadness in the ICU are mitigated by companionate love, reflected in this “kudos” board for employees.

through emotional contagion. They’ll also receive positive reinforcement for following the norms, which will make them more likely to demonstrate the emotion again.

Of course, the culture will be much stronger and more likely to endure if people truly believe in the values and assumptions behind it. Someone who is uncomfortable with an organization’s emotional culture and has to keep pretending in order to be successful would probably be better off moving to a different work environment.

Companies often have more than one emotional culture, so another unit or department might be a good fit. But if the culture is homogeneous, the employee may want to leave the company entirely.

Implementation Matters at All Levels

Just like other aspects of organizational culture, emotional culture should be supported at all levels of the organization. The role of top management is to drive it.

Leaders are often insufficiently aware of how much influence they have in creating an emotional culture. Traci Fenton is the founder and CEO of WorldBlu, a consulting firm that tackles fear at work. She shares this example: At one *Fortune* 500 company, unbeknownst to the CEO, senior employees regularly use text message codes to describe his nonverbal expressions of anger in meetings. “RED” means he is getting red in the face. “VEIN” means his veins are popping out. “ACP,” which stands for “assume the crash position,” means he is about to start throwing things. This leader is very effective at creating an emotional culture—but it’s probably not the one he wants.

So don't underestimate the importance of day-to-day modeling. Large, symbolic emotional gestures are powerful, but only if they are in line with daily behavior. Senior executives can also shape an emotional culture through organizational practices. Take "compassionate firing," which is common at companies that build a strong culture of companionate love. Carlos Gutierrez, the vice president of R&D systems at Lattice Semiconductor, was deeply concerned about the impact of layoffs on his employees. He recognized that the traditional HR protocol of asking terminated employees to clean out their desks immediately and leave the premises would be especially painful to people who had worked side by side for 10 to 20 years. Along with his partners in HR and R&D, he implemented a protocol whereby employees had an extended time to say good-bye to their colleagues and to commemorate their time together at the company. Also, although two-thirds of the R&D workforce is outside the United States, Sherif Sweha, the corporate vice president of R&D, believed it was important for the affected team members in each region to receive the news from a senior leader face-to-face. So he and members of his staff flew to the company's sites in Asia to have in-person conversations with all the employees to be laid off—and also those who would remain with the company.

Though top management sets the first example and establishes the formal rules, middle managers and frontline supervisors ensure that the emotional values are consistently practiced by others. Because one of the biggest influences on employees is their immediate boss, the suggestions that apply to senior executives also apply to those managers: They should ensure that the emotions they express at work reflect the chosen culture, and they should speak explicitly about what is expected from employees.

It's also important to link the emotional culture to operations and processes, including performance management systems. At Vail Resorts the culture of joy has been incorporated into the annual review, which indicates how well each employee integrates fun into the work environment and rates everyone on supporting behaviors, such as

being inclusive, welcoming, approachable, and positive. Someone who exceeds expectations is described as not only taking part in the fun but also offering “recommendations to improve the work environment to integrate fun.”

Decades’ worth of research demonstrates the importance of organizational culture, yet most of it has focused on the cognitive component. As we’ve shown, organizations also have an emotional pulse, and managers must track it closely to motivate their teams and reach their goals.

Emotional culture is shaped by how all employees—from the highest echelons to the front lines—comport themselves day in and day out. But it’s up to senior leaders to establish which emotions will help the organization thrive, model those emotions, and reward others for doing the same. Companies in which they do this have a lot to gain.

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