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# Employee reactions to leader emotional display strategies in a crisis situation

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## Abstract

During a crisis, leaders experiencing fear have to decide whether to reveal or regulate their emotions. Drawing on the emotions as social information (EASI) model and employing an experimental vignette study ( $n = 159$ ) in the context of a young firm's crisis, we compare employee reactions (i.e., employee affect, job engagement, and affective commitment) to different leader emotional display strategies, namely, deep acting, surface acting, and genuine emotions. Compared with a leader's genuine emotions (i.e., display of fear), surface acting increased negative affect, whereas deep acting reduced negative affect. With regard to the total effects of our mediation model, surface acting negatively influenced employee job engagement and affective commitment, whereas deep acting surprisingly showed no differences to the display of genuine emotions. Our findings indicate that leaders who experience fear may consider revealing this genuine emotion during a crisis rather than engaging in potentially inauthentic emotion regulation strategies.

## KEYWORDS

crisis, emotion regulation, experimental vignette study, genuine emotions, leader authenticity, leadership

## INTRODUCTION

In times of crisis, employees look to their leaders for guidance and direction, which makes appropriate leader behavior particularly crucial (Madera & Smith, 2009; Slaughter et al., 2021). Against the background of economic crises, such as the COVID-19 pandemic, which particularly put nonestablished firms in difficult positions (Kuckertz et al., 2020), leaders find themselves in the position of having to lead their employees despite their own challenging situations (Humphrey et al., 2008). Even though leaders of young firms are often characterized as being optimistic in uncertain situations (Hmieleski & Baron, 2009), individual reactions to crises vary (De Clercq & Pereira, 2022), and leaders are not immune to negative emotions, such as fear (Dasborough & Scandura, 2021). As leaders' emotions potentially impact employee reactions, the question arises as to which leader emotional display strategy would be the most advisable

to implement in a crisis situation (Batchelor et al., 2018; Fisk & Friesen, 2012).

Although organizational crises are inherently emotional, research on leadership during crisis has so far predominantly focused on behavioral and cognitive approaches (Wu et al., 2021), which has brought forth recommendations for advisable leader attitudes and traits (e.g., empathy and compassion) (e.g., König et al., 2020), and leadership styles (e.g., transformational leadership) (e.g., Sommer et al., 2016). Regarding the emotional component of leader behavior during crisis, however, research is relatively scarce (Wu et al., 2021). One well-known research strand in leadership theory centers on emotional intelligence, that is, the individual ability to regulate own and others' emotions (Salovey & Mayer, 1990), a crucial ability for leaders to decide on appropriate and beneficial strategies with regard to employee reactions (Dasborough et al., 2021). However, not every leader might be adequately equipped with this

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ability by nature (Gardner et al., 2009), and there is limited knowledge on which explicit emotional display strategy might be most emotionally intelligent in crisis situations.

Two forms of emotion regulation strategies are deep acting (i.e., making an effort to display positive emotions) and surface acting (i.e., showing positive emotions that are not really felt) (Grandey, 2003; Hochschild, 1983). The alternative to regulating emotions is the display of genuine emotions (Ashforth & Humphrey, 1993; Diefendorff et al., 2005), and which, in a crisis context, could be the display of *fear*.

A leader's choice between either regulating emotional displays or revealing genuine emotions in front of employees in a crisis situation resembles a tradeoff. Extant research generally postulates that leaders should spread positive emotions during crisis (Belkin & Kong, 2021) to radiate confidence and optimism among employees, which could be achieved by engagement in emotion regulation (Humphrey et al., 2008, 2015). However, emotion regulation strategies differ in their effectiveness: Existing studies show that observers generally perceive a leader's deep acting as authentic, which in turn increases, for instance, employees' organizational commitment (Moin, 2018). At the same time, research also points to the negative consequences of emotion regulation (Grandey & Melloy, 2017)—for instance, when emotions are only superficially regulated by surface acting (Fisk & Friesen, 2012). Still, research on the benefits and detriments of deep and surface acting is inconsistent, as other studies show that *both* deep and surface acting are negatively related to employees' attitudes (Batchelor et al., 2018) and that infrequent surface acting can also have positive effects on followers' performance (Wang & Seibert, 2015).

Alternatively, leaders could choose to reveal their genuine emotions in a crisis, for example, their *fear*. The revelation of fear can be seen as an embodiment of authentic behavior (Luthans & Avolio, 2003), as authentic leaders are characterized by the genuineness in their emotional expressions (Ilies et al., 2013). Employees could perceive the display of genuine emotions as a trustworthy and transparent behavior in a crisis situation, as leaders share their inner and true feelings (Ilies et al., 2005). However, previous research assumes that a leader's authentic display of fear during crisis could trigger negative emotions and discouragement among employees, which could negatively impact employees' attitudes and behaviors (Humphrey, 2012), resulting in a negative emotional spiral within a firm (Barsade, 2002).

Considering the possible downsides of the described strategies, the question of which emotional display strategy might be most advisable for leaders in the context of a crisis remains (Batchelor et al., 2018; Fisk & Friesen, 2012). To approach this question, we employ an experimental pre-post design with a hypothetical crisis

scenario, utilizing the COVID-19 crisis as an example for an external threat. In our scenario, we specifically focus on a young firm, because we intend to examine a highly emotionally laden context, which can be found in the setting of young firms (Burch et al., 2013). Drawing on the emotions as social information (EASI) model (van Kleef, 2009), we explore employees' reactions, specifically their job engagement and affective commitment, mediated by their affective responses.

Our study has the following contributions. First, our findings provide novel insights into the role of genuine emotions as an alternative to deep or surface acting (Humphrey et al., 2015), thereby providing a more comprehensive picture of emotional display strategies than previous studies in the leadership context, which only focused on deep and surface acting (see Batchelor et al., 2018, as an exception). Furthermore, to the best of our knowledge, our study is the first attempt to compare the consequences of the three leader emotional display strategies in the specific context of a crisis. As emotions imply distinct meanings under different circumstances (George & Zhou, 2002), it is crucial to investigate discrete emotional displays in specific contexts (Batchelor et al., 2018; Grandey & Melloy, 2017). We therefore focus on a leader's *fear* as one potential negative genuine emotion that can occur during crisis, and we aim to disentangle the tradeoff between the three emotional display strategies.

Second, we expand research on the underlying mechanisms of employees' reactions to leaders' emotional display strategies. Most existing studies start from the implicit premise that leaders' expressed emotions are genuine and employees automatically adopt those emotions (Wang & Seibert, 2015)—but research on the impact of leaders' regulated emotions is still scarce. The few existing studies investigated the direct effects of leaders' emotional displays on employees' reactions, by implicitly arguing with underlying affective mechanisms (Batchelor et al., 2018; Moin, 2018; Wang & Seibert, 2015), but not explicitly testing them as mediating mechanisms. To deepen our understanding of explanatory factors of the complex relationship between leaders' emotional displays and employees' reactions, we investigate the mediating mechanism of employees' induced affect as a precondition for employees' job engagement and affective commitment.

Third, our experimental vignette study extends literature on the emotional component of leadership during crisis, thereby responding to recent calls by scholars who emphasized the importance of incorporating the emotion regulation lens with regard to leader behavior (e.g., Wu et al., 2021). By exploring the benefits and detriments of the different leader emotional display strategies, we provide tangible implications for both leadership theory and practice. Furthermore, we embed our study results in two established research streams in the leadership domain, namely, leader emotional intelligence (Salovey &

Mayer, 1990) and authentic leadership (Luthans & Avolio, 2003). Our findings result in recommendations for a leader's emotionally intelligent behavior to achieve favorable employee reactions in a crisis situation, and we discuss the important component of authenticity with regard to advisable emotional displays.

## THEORETICAL BACKGROUND

Leader emotional displays during crisis can have far-reaching and long-term effects on employee attitudes and behaviors (Dasborough & Scandura, 2021)—especially during an external threat, which leads to feelings of belongingness between leaders and employees (Breugst et al., 2020), and during which employees are particularly dependent on their leaders for guidance (Madera & Smith, 2009). We conduct our experimental study using the example of nonestablished, young firms, because they operate in a highly emotional and uncertain environment (Cacciotti & Hayton, 2015), where external threats, such as the COVID-19 pandemic, are particularly precarious for the firm and employees' jobs (Kuckertz et al., 2020), making employees' job engagement and affective commitment crucial. At the same time, young firms with few employees provide a context with direct leader–employee relationships, in the sense that organizational leaders are key figures for employees, in contrast to a “distant” CEO as in more established organizations (Ensley et al., 2006). This, in turn, makes leaders' emotional displays potentially more influential, and their appropriate behavior especially important.

### Leaders' emotional display strategies during crisis

Research postulates that leaders should align their emotional behavior to certain contexts, such as a crisis, which embodies a leader's ability to regulate emotions (i.e., as a subdimension of emotional intelligence), which in turn should lead to positive employee outcomes (Dasborough et al., 2021; Salovey & Mayer, 1990). In crisis contexts, extant literature generally suggests displaying positive emotions as being most advisable for leaders, because employees potentially adopt these positive emotions that may lead to beneficial outcomes in uncertain situations, namely, confidence, optimism, resilience, and the ability to cope with a situation (Fredrickson, 2001; Humphrey et al., 2015, 2008).

At the same time, leaders may be struggling with the same negative emotions as their employees during crisis (Humphrey et al., 2008), which puts them in the position of either having to regulate their emotions or revealing their genuine emotions (e.g., their fear). Negative emotions are not always harmful, as they can potentially lead to support and motivation (Madera & Smith, 2009).

However, in a crisis context, extant literature suggests that a leader's display of negative emotions has detrimental effects on employees, because they potentially adopt these emotions, which may limit their personal resources (Fredrickson, 2001) and their performance (Humphrey et al., 2008).

Emotion regulation research to date has predominantly focused on a leader's deep and surface acting (Fisk & Friesen, 2012; Moin, 2018; Wang & Seibert, 2015), whereas the alternative strategy of displaying genuine emotions remains underexplored (Batchelor et al., 2018). Deep acting is the effort to really engage in a certain emotion and modify felt emotions (Grandey, 2003). Surface acting, on the other hand, is the superficial adjustment of emotions—meaning that displayed emotions are not really felt (Ashforth & Humphrey, 1993; Grandey, 2003). Existing research demonstrates that observers are able to recognize different forms of emotion regulation and detect if emotions are only regulated superficially (i.e., by surface acting) or if someone really tries to engage in a certain emotion (i.e., by deep acting) (Diefendorff et al., 2005; Fisk & Friesen, 2012; Grandey, 2003). As an alternative to engaging in emotion regulation, individuals have the option to show their spontaneous, genuine emotions (e.g., their fear), which is defined as the natural way of expressing emotions and hence the congruency between felt and shown emotions (Ashforth & Humphrey, 1993; Diefendorff et al., 2005; Mesmer-Magnus et al., 2012).

While extant research reveals that individuals high in (self-rated) emotional intelligence generally prefer deep over surface acting (Mesmer-Magnus et al., 2012), studies with objectively measured emotional intelligence show that individuals high in that ability use both deep and surface acting across different situations (Grandey & Gabriel, 2015). At the same time, there is little knowledge on the effects of displaying genuine emotions as an alternative to deep and surface acting (Batchelor et al., 2018; Fisk & Friesen, 2012), and it is unclear which emotional display strategy is most beneficial and, thus, emotionally intelligent in a crisis situation.

### Leaders' emotional displays as information for employees

We explore the effects of a leader's emotional display on employees by drawing on the EASI model that specifies both affective and inferential processing of emotional displays by observers, which in turn influence their attitudes and behaviors (van Kleef, 2009). Whereas the affective path accounts for a transfer of emotions, the inferential path indicates that emotions contain information, which observers cognitively process (van Kleef, 2009; Wang & Seibert, 2015). This inferential processing is especially relevant in a crisis, as employees look to their leaders for information on how to interpret uncertain situations

(Pescosolido, 2002). Hence, following the EASI model, employees may be influenced not only by the positive or negative emotions that are displayed by their leader but also by the concomitant information, that is, *how* emotions are displayed (van Kleef, 2009).

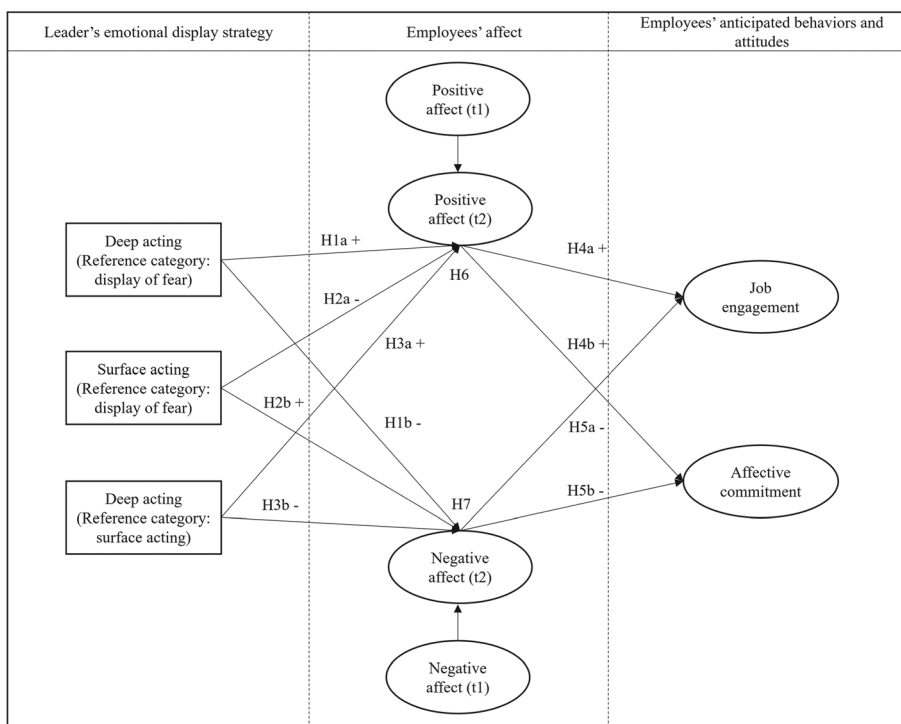
In the emotion regulation literature, scholars point out that the different emotional display strategies differ in their perceived authenticity by observers (Fisk & Friesen, 2012; Gardner et al., 2009). Observers commonly perceive deep acting as a more authentic strategy than the rather superficial strategy of surface acting, but the most authentic form of showing emotions is the display of genuine emotions (Gardner et al., 2009). Authenticity, in turn, forms an essential part of leader behavior, as the congruency of a leader's values, goals, and emotions commonly leads to various positive outcomes (Luthans & Avolio, 2003). Authentic leaders are more genuine in their emotional expressions (Ilies et al., 2013), and studies show that authentic leadership has positive outcomes on perceived leader effectiveness (Ilies et al., 2013), and trust in the leader (Gardner et al., 2009). We follow the argumentation of extant literature that the authenticity of emotional displays plays a crucial role in employees' perceptions and, thus, in their inferential processing (van Kleef, 2009), which we will elaborate on in the following hypothesis development. At the same time, we will question the reasonableness of negative emotional authenticity (i.e., display of fear) in the specific context of a crisis, as this could potentially lead to negative affective, attitudinal, and

behavioral employee reactions (Dasborough & Scandura, 2021; Fisk & Friesen, 2012; Humphrey et al., 2008).

## Hypothesis development

In our study, we compare the three leader emotional display strategies and subsequent employees' reactions by specifically focusing on a leader's initial communication of an emerging crisis. Based on the rationale that displayed emotions can induce changes in observers' affect (Hennig-Thurau et al., 2006), we suggest that a leader's emotional display leads to changes in employees' positive and negative state affect, which subsequently influences their affective commitment and job engagement (see Figure 1). We incorporate deep acting and surface acting as two strategies for displaying positive emotions, and we compare them to our designated reference category, genuine emotions (i.e., display of fear).

First, we expect a leader's *deep acting* to evoke positive affective reactions in employees in comparison to our reference category, a leader's genuine emotions (i.e., display of fear). Previous studies have shown that the effort of displaying a positive emotion by deep acting has positive implications for observers' affective reactions (Hennig-Thurau et al., 2006), because individuals engaging in deep acting try to align their inner feelings and outward expressions (Brotheridge & Lee, 2003; Mesmer-Magnus et al., 2012). Thereby, they create a



**FIGURE 1** Conceptual research model. *Note.* Employees' positive affect and negative affect (t1) were measured after participants read the hypothetical crisis scenario before they were randomly assigned to one of the three vignettes.

sense of perceived authenticity (Hennig-Thurau et al., 2006), which will assure employees that the shown positive emotions are real, and which will act as a mechanism for employees to adopt these positive emotions. Moreover, employees will inferentially judge the leader's emotional display and interpret the authentic positive emotions as a signal for opportunity and hope and as an indicator that there is no need to worry (Humphrey, 2012; Nifadkar et al., 2012). Employees are also likely to appreciate the leader's effort to spread positive emotions (Levine & Wald, 2020), which signals employees that the leader values them (Moin, 2018).

In comparison, we expect the display of fear to have opposite effects on employees' affect. Employees perceive genuine emotions as even more authentic than deep acting, so that employees will fully trust and believe the leader's emotional display (Gardner et al., 2009). At the same time, employees will interpret the leader's display of fear as a signal on how to evaluate the crisis situation and adopt this negative affective disposition (Humphrey et al., 2008). We therefore hypothesize:

**H1.** *In a crisis situation, a leader's deep acting is (a) positively related with employees' positive affect and (b) negatively related with employees' negative affect compared with a leader's genuine display of fear.*

Second, we expect a leader's *surface acting* to lead to negative affective reactions in employees in comparison to a leader's genuine emotions (i.e., display of fear). Although a leader's surface acting includes the display of positive emotions, research has shown that the concomitant perception of emotional inauthenticity constrains positive contagion processes (Hennig-Thurau et al., 2006). Employees will question the intention behind a leader's disguise of emotions (van Kleef, 2009; Wang & Seibert, 2015), which will also cause employees to scrutinize the truthfulness of the leader's report on the situation of the firm. Moreover, the superficial regulation of emotions will signal a low level of personal regard for employees (Fisk & Friesen, 2012), and it could also lead to employees' suspicion that their leader is trying to manipulate them (Dufour et al., 2019; Fisk & Friesen, 2012).

In comparison, although the display of fear implies the potential adoption of negative affect by employees, genuine emotions are perceived as authentic and trustworthy (Gardner et al., 2009)—whereas inauthentic positive emotions are perceived as phony (Fisk & Friesen, 2012), which will spoil the positive impact of surface acting on employees' affect. Therefore, we assume that the factor of inauthenticity will prevail in this case, making a leader's surface acting the worse option with regard to employees' affective reactions. We therefore hypothesize:

**H2.** *In a crisis situation, a leader's surface acting is (a) negatively related with employees' positive affect and (b) positively related with employees' negative affect compared with a leader's genuine display of fear.*

To provide a more differentiated picture of the two emotional display strategies involving the active regulation of emotions (Ashforth & Humphrey, 1993), we additionally compare a leader's deep and surface acting. Although both strategies imply a leader's display of positive emotions, they differ in their degree of authenticity (Grandey et al., 2005). Existing research has shown that a leader's deep acting is preferable to surface acting for employees' attitudes and behaviors, as surface acting led to decreased employees' job satisfaction (Fisk & Friesen, 2012) and organizational commitment (Moin, 2018). Regarding affective reactions, research indicated that only authentic positive emotional displays lead to an increase in observers' positive affect (Hennig-Thurau et al., 2006). We reassess this reasoning in our crisis context and expect that a leader's deep acting will increase employees' positive affect and decrease employees' negative affect in comparison to surface acting, because deep acting signals employees that the displayed positive emotions are honest (Humphrey, 2012) and hence make it likely that employees adopt these emotions. We therefore hypothesize:

**H3.** *In a crisis situation, a leader's deep acting is (a) positively related with employees' positive affect and (b) negatively related with employees' negative affect compared with a leader's surface acting.*

Following the assumptions of the EASI model, employees' affective and inferential reactions will influence their attitudes and behaviors (van Kleef, 2009). We specifically investigate two variables that depend on employees' affective states, namely, employees' job engagement as the full investment of their cognitive and emotional energies into their work roles (Kahn, 1992; Rich et al., 2010) and affective commitment as a job attitude that indicates the involvement of employees in their organizations (Allen & Meyer, 1990). Both concepts are antecedents of employees' performance at work (Allen & Meyer, 1990; Rich et al., 2010); thus, we consider them as highly relevant during a young firm's crisis. As we conduct a hypothetical experiment, and participants have to mentally put themselves into the described crisis situation, we measure participants' *anticipated* behaviors and attitudes.

First, we expect employees' positive affect to be positively related with job engagement because positive affect is likely to facilitate employees to engage and interact in activities at work and to make personal resources available (Fredrickson, 2001). Positive affective states also

improve employees' attention and tendency to take action (Fredrickson, 2001). Conversely, employees who experience negative affect (e.g., anxiety) tend to have less motivation to engage in their work roles (Hu et al., 2020).

Second, employees' affective states are associated with affective commitment because positive affect increases employees' proactivity and the focus on their jobs (Breugst et al., 2012; Fredrickson, 2001). Negative affective states, in contrast, decrease the willingness of employees to involve themselves in their organizations (Shepherd et al., 2011).

Thus, we formulate the following hypotheses, which account for the proposed mediating mechanisms of employees' positive and negative affect:

**H4.** *In a crisis situation, employees' positive affect is positively related with employees' anticipated (a) job engagement and (b) affective commitment.*

**H5.** *In a crisis situation, employees' negative affect is negatively related with employees' anticipated (a) job engagement and (b) affective commitment.*

**H6.** *In a crisis situation, employees' positive affect mediates the relationship between a leader's emotional display strategies and employees' anticipated (a) job engagement and (b) affective commitment.*

**H7.** *In a crisis situation, employees' negative affect mediates the relationship between a leader's emotional display strategies and employees' anticipated (a) job engagement and (b) affective commitment.*

Considering the limited knowledge on advisable leader emotional display strategies, we experimentally explore the hypothesized employees' reactions with a vignette study, which we will describe in the following section.

## METHOD

We applied a one-factorial, pre-post between-subject design using a written hypothetical scenario and three vignettes as our treatments. Experimental vignette studies are an increasingly popular instrument in the leadership context to investigate individuals' attitudes and behaviors in the context of hypothetical real-life events (Taylor, 2005), as they offer the opportunity to establish causal relationships in controlled settings in which participants are independent of external influences that could confound results (Aguinis & Bradley, 2014).

Furthermore, controlled vignette studies provide a viable opportunity to examine sensitive topics such as an emotionally charged crisis context and the perception of emotions (Aguinis & Bradley, 2014).

## Sample

For the implementation of our study, we employed an online panel of a certified (ISO 20252:2019) German online sample provider. Before we conducted our main study, we pretested the vignettes and the questionnaire with a sample of 62 employees and made minor changes in the wording of items and study instructions to increase comprehensibility. Afterwards, the online sample provider invited potential participants for our main study by e-mail, based on our inclusion criteria of full- and part-time employees. Participants who are registered in the online panel earn credits by participating in surveys, but they received no other specific incentive for participating in our study.

For our main sample, we recruited 159 participants from the working population. We consider these individuals suitable for our study because currently employed participants are able to empathize with a crisis situation in the workplace, as they are at least hypothetically aware of the possibility of financial difficulties that could ultimately lead to the loss of their jobs and firm failure. Slightly more than half of our participants were female (50.9%), and the mean age was 44.87 years ( $SD = 11.41$ ). Full-time and part-time employment was reported by 81.8% and 18.2% of our participants, respectively. On average, participants had 22.65 years ( $SD = 12.52$ ) working experience.

## Development of scenario and vignettes

We followed the recommendations by Aguinis and Bradley (2014) for conducting vignette studies and designed our hypothetical scenario and the three vignettes as realistic and comprehensible as possible so that participants could mentally put themselves in the hypothetical situation. The scenario and vignettes can be found in the [Appendix](#).

We conducted a pre-post measurement to measure the process from affective to attitudinal and behavioral reactions and provided all participants with the same baseline information, that is, the general description of a hypothetical crisis scenario, which also ensured validity of our between-subjects design (Aguinis & Bradley, 2014).

We asked participants to imagine that they were working in a young firm with 40 employees and that they were attending a meeting with their CEO, who announces that the development of the firm during the COVID-19 crisis has led to a serious liquidity strain. We

focused on this real-life threat, which coincided with the period of our data collection, to make the situation particularly realistic and to ensure that participants could identify with the scenario (Aguinis & Bradley, 2014). We focused on the role of the CEO in our context, rather than a team leader, to stress the severity and credibility of the crisis announcement for participants. Furthermore, to further intensify the emotionality of the described situation, we explicitly emphasized the employee's immediate relationship with the leader. Regarding participants' anticipated behaviors and attitudes, we aimed to ensure that participants sensed that the described situation could be overcome by the employee's active cooperation in dealing with the crisis (e.g., by expanding the firm's online activities).

After our participants read the hypothetical crisis scenario, we measured participants' baseline affect as the pre-measurement of our pre-post design (t1). Afterwards, participants were randomly and equally assigned to one of the three vignettes. In each of the vignettes, we described one of the three emotional display strategies, which included a description of the facial expression and behavior of the described CEO: the CEO's genuine emotions, that is, the display of fear (Vignette 1, 52 participants), deep acting (Vignette 2, 53 participants), and surface acting (Vignette 3, 54 participants). The number of vignettes was theory-driven (Aguinis & Bradley, 2014) and based on the assumption in the literature that there are three different emotional display strategies (Ashforth & Humphrey, 1993; Diefendorff et al., 2005). After reading one of the three vignettes, we measured participants' affect as the post-measurement of our pre-post design (t2), as well as participants' anticipated affective commitment and job engagement.

## Measures

We adapted the description of the leader's emotion regulation from the Emotional Labor Scale (Brotheridge & Lee, 2003) to provide a theoretically well-founded manipulation (Aguinis & Bradley, 2014). We analyzed all hypothesized effects of the leader's deep and surface acting in comparison to genuine emotions (i.e., display of fear) as our reference category; hence, we built two dichotomous dummy variables (deep acting and surface acting). For the direct comparison between deep and surface acting (H3), we calculated an additional dichotomous variable without the genuine emotions vignette.

In our pre-post design, we measured *employees' positive affect and negative affect* twice with eight items from the International Positive and Negative Affect Schedule-Short Form (Thompson, 2007). The four items measuring state positive affect were determined, attentive, inspired, and active, with anchors ranging from 1 (*not at all*) to 5 (*very much*). Cronbach's alphas were 0.79 (t1) and 0.86 (t2). The four items measuring state

negative affect were afraid, nervous, upset, and hostile. Cronbach's alphas were 0.67 (t1) and 0.71 (t2).

We measured *employees' job engagement* with two items from the emotional engagement subscale of the Job Engagement Scale (Rich et al., 2010). We slightly adjusted the wording of the items to fit into the context of our scenario. Items were "I would continue working enthusiastically" and "I would feel energetic at my job," with anchors ranging from 1 (*strongly disagree*) to 5 (*strongly agree*). Cronbach's alpha was 0.88.

We measured *employees' affective commitment* with two slightly adjusted items from the Affective Commitment Scale (Allen & Meyer, 1990). Items were "I would feel emotionally attached to my employer" and "I would feel a strong sense of belonging to my employer," with anchors ranging from 1 (*strongly disagree*) to 5 (*strongly agree*). Cronbach's alpha was 0.94.

As it is plausible that employees' trait affect could influence their state affect as well as their consequential attitudes and behaviors, we measured *employees' trait positive affect and negative affect* as control variables ("In general, how did you feel in the past year?"), with the same items as state affect. Cronbach's alpha was 0.84 for trait positive affect and 0.83 for trait negative affect. We also assessed participants' gender, age, educational level, and working experience in years.

For our manipulation check, we measured *perceived inauthenticity of the leader's emotional display* with three items. We slightly adjusted two items from Grandey et al. (2005) and one item from Côté et al. (2013). Items were "The CEO's emotions seem genuine" (R), "The CEO's emotions seem insincere," and "The CEO seems to pretend emotions," with anchors ranging from 1 (*strongly disagree*) to 5 (*strongly agree*). Cronbach's alpha was 0.92.

## Quality instruments

We undertook several steps to ensure data quality. First, we implemented a manipulation check (Shadish et al., 2002) after participants read one of the three vignettes to ensure that participants understood the vignettes correctly. We asked participants to select the correct emotional display strategy (e.g., "The CEO tries to actually feel and experience the displayed positive emotions" for participants who read the deep acting vignette). A false answer led to the participant's exclusion from the survey.

As a second manipulation check, we investigated the differences in perceived inauthenticity between the three vignettes by conducting a one-way analysis of variance (ANOVA) and Tukey post hoc comparisons. Perceived inauthenticity differed significantly,  $F(2, 156) = 65.50$ ,  $p < 0.01$ , revealing the highest mean for a leader's surface acting ( $M = 3.70$ ,  $SD = 1.05$ ), whereas a leader's deep acting ( $M = 2.10$ ,  $SD = 0.87$ ) and a leader's genuine



emotions ( $M = 1.80$ ,  $SD = 0.78$ ) were perceived as less inauthentic. In line with theoretical expectations, Tukey post hoc analysis showed a significant difference ( $p < 0.01$ ) between a leader's surface acting and genuine emotions (1.85, 95% CI[1.43, 2.27]) as well as deep acting (1.60, 95% CI[1.18, 2.01]). No significant difference between a leader's genuine emotions and a leader's deep acting regarding perceived inauthenticity was found, supporting the assumption that these two strategies are perceived as similarly authentic (Gardner et al., 2009).

Third, we conducted a reality check (Maute & Dubé, 1999) with two items measuring the realistic representation of the scenario and vignettes ("How realistic was the described situation?"; anchors ranging from 1 [*not realistic at all*] to 5 [*very realistic*]; mean = 4.03) and their validity ("How well were you able to put yourself into the described situation?"; anchors ranging from 1 [*very poor*] to 5 [*very well*]; mean = 4.16). The high means confirmed that our participants assessed our scenario and vignettes as realistic, which endorses the validity of our experiment.

## Analytical procedure

To investigate our hypothesized research model, we applied structural equation modeling (SEM) (Anderson & Gerbing, 1988). First, we estimated the measurement model for a confirmatory factor analysis (CFA) and included the latent variables positive affect, negative affect, affective commitment, and job engagement. Fit indices include chi-square statistics ( $\chi^2$ ), the comparative fit index (CFI), and the root mean square error of approximation (RMSEA) (Hu & Bentler, 1999). The CFA with positive affect and negative affect, as initially measured in our study with four items per affect dimension, showed a poor fit to our data ( $\chi^2 = 622.40$ ,  $df = 155$ ,  $p = 0.00$ ,  $CFI = 0.76$ ,  $RMSEA = 0.14$ ). An investigation of the factor loadings revealed that the model misfit occurred due to the measurement of negative affect. Accordingly, we built a second model, with negative affect comprising two distinct factors: one factor "fear" for the two items afraid and nervous and one factor "hostility" for the two items upset and hostile. The measurement model with the two-factor solution for negative affect showed a better fit to our data ( $\chi^2 = 289.40$ ,  $df = 142$ ,  $p = 0.00$ ,  $CFI = 0.92$ ,  $RMSEA = 0.08$ ); thus, we selected this five-factor model as the basis for the following analyses.

To account for the two measurement time points of our mediators' employees' positive affect, fear, and hostility, we based our analyses on the principles of autoregressive models (Geiser & Lockhart, 2012). By conducting a two-step approach, we compared our former model without autoregressive error term covariances with a different model including all possible error

covariances of the t1 and t2 items of positive affect, fear, and hostility ( $\chi^2 = 171.50$ ,  $df = 134$ ,  $p = 0.02$ ,  $CFI = 0.98$ ,  $RMSEA = 0.04$ ). Although the model with all possible error covariances showed a better fit to the data, this complex model returned a Heywood case (Dillon et al., 1987); hence, in a stepwise manner, we added only significant error covariances between the t1 and t2 items ( $\chi^2 = 184.81$ ,  $df = 139$ ,  $p = 0.01$ ,  $CFI = 0.98$ ,  $RMSEA = 0.05$ ). Because the model with significant error covariances showed a better fit than the model without any error covariances, we determined this as our final model.

## RESULTS

### Descriptive statistics

Table 1 reports the means, standard deviations, and correlations of our variables.

### Results of the SEM

Table 2 and Figure 2 show the results of our experimental SEM. We applied Swain correction due to our large model and rather small sample size (Herzog et al., 2007) and estimated the SEM with all direct and indirect effects ( $\chi^2 = 221.74$ ,  $df = 175$ ,  $p = 0.01$ ,  $CFI = 0.98$ ,  $RMSEA = 0.04$ ). Although the  $\chi^2$  test was significant at  $p < 0.05$ , the fit indices indicated that this complex model displayed a good fit to the data. To account for our control variables, we also tested a model with trait positive affect, trait fear, and trait hostility as covariates of our mediators and endogenous variables. The SEM showed a worse fit to our data ( $\chi^2 = 469.34$ ,  $df = 344$ ,  $p = 0.00$ ,  $CFI = 0.94$ ,  $RMSEA = 0.05$ ), and only trait positive affect revealed a significant effect on state positive affect (t2) ( $b = 0.27$ ,  $\beta = 0.21$ ,  $p < 0.05$ ). Because incorporating control variables worsened the model fit and did not change the results of our SEM, we excluded them from further analysis.

Our results not only partially support our hypotheses but also offer unexpected insights into the influence of different emotional display strategies on employees. Regarding employees' positive affect, both a leader's deep acting and a leader's surface acting showed no significant differences compared with a leader's display of fear ( $p > 0.05$ ), thus, H1a and H2a were rejected. However, a leader's deep acting decreased, as expected, employees' fear ( $p < 0.001$ ), which partially supported H1b. On the other hand, a leader's deep acting was not related with employees' hostility ( $p > 0.05$ ). Compared with a leader's display of fear, a leader's surface acting increased employees' hostility ( $p < 0.001$ ), partially supporting H2b, but it did not influence employees' fear ( $p > 0.05$ ).

TABLE 1 Means, standard deviations, and correlations

Variable	M	SD	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1. Deep acting	0.33	0.47															
2. Surface acting	0.34	0.48	-0.51**														
3. Positive affect (t1)	3.70	0.69	-0.02	0.04													
4. Positive affect (t2)	3.66	0.74	0.13	-0.11	0.61**												
5. Fear (t1)	3.43	1.03	-0.05	0.04	-0.11	-0.06											
6. Fear (t2)	3.26	1.10	-0.29**	0.11	0.04	-0.13	0.70**										
7. Hostility (t1)	2.05	0.87	0.00	0.07	-0.40**	-0.17*	0.25**	0.07									
8. Hostility (t2)	1.87	0.93	-0.27**	0.40**	-0.14	-0.39**	0.14	0.24**	0.41**								
9. Affective commitment	3.72	0.96	0.12	-0.26**	0.32**	0.52**	0.05	0.07	-0.24**	-0.52**							
10. Job engagement	3.39	0.93	0.17*	-0.25**	0.35**	0.64**	-0.18*	-0.30**	-0.12	-0.44**	0.58**						
11. Trait positive affect	3.70	0.67	-0.07	0.06	0.55**	0.52**	-0.11	-0.03	-0.05	-0.04	0.25**	0.37**					
12. Trait fear	2.60	1.10	-0.11	0.09	-0.04	-0.03	0.46**	0.43**	0.25**	0.22**	-0.08	-0.09	-0.10				
13. Trait hostility	2.10	0.94	-0.10	0.06	-0.01	-0.07	0.29**	0.24**	0.32**	0.26**	-0.20*	-0.12	-0.17*	0.59**			
14. Perceived inauthenticity	2.55	1.22	-0.27**	0.67**	-0.07	-0.27**	0.04	0.20**	0.10	0.58**	-0.46**	-0.43**	0.03	0.10	0.08		
15. Gender	0.49	0.50	-0.11	0.17*	-0.01	-0.01	-0.13	-0.14	0.06	0.02	-0.02	-0.05	0.10	0.18*	-0.06	0.02	
16. Age	44.90	11.40	-0.04	0.06	0.07	0.03	-0.22**	-0.16	-0.08	-0.06	-0.06	-0.03	0.02	-0.03	-0.07	0.00	0.19*

Note:  $n = 159$ ; gender: female = 1, male = 2.

\* $p < 0.05$ .

\*\* $p < 0.01$ .

TABLE 2 Results of the structural equation modeling (SEM) (Model 1)

	Positive affect			Fear			Hostility			Job engagement			Affective commitment		
	b	SE	$\beta$	b	SE	$\beta$	b	SE	$\beta$	b	SE	$\beta$	b	SE	$\beta$
Direct effects															
Deep acting	0.17	(0.12)	0.11	-0.48	(0.12)	-0.27***	-0.22	(0.14)	-0.12	-0.20	(0.12)	-0.11	-0.13	(0.14)	-0.06
Surface acting	-0.14	(0.12)	-0.09	-0.13	(0.11)	-0.08	0.52	(0.14)	0.29***	-0.34	(0.13)	-0.19**	-0.21	(0.15)	-0.11
Positive affect										0.77	(0.11)	0.65***	0.58	(0.12)	0.44***
Fear										-0.27	(0.07)	-0.26***	0.22	(0.08)	0.20**
Hostility										-0.03	(0.09)	-0.03	-0.44	(0.10)	-0.40***
Total indirect effects															
Deep acting										0.26	(0.12)	0.14*	0.08	(0.12)	0.04
Through positive affect										0.13	(0.10)	0.07	0.10	(0.07)	0.03
Through fear										0.13	(0.05)	0.07**	-0.11	(0.05)	-0.05*
Through hostility										0.01	(0.02)	-0.01	0.10	(0.07)	0.05
Surface acting										-0.09	(0.12)	-0.05	-0.34	(0.13)	-0.17***
Through positive affect										-0.11	(0.09)	-0.05	-0.08	(0.07)	-0.04
Through fear										0.04	(0.03)	0.02	-0.03	(0.03)	-0.01
Through hostility										-0.01	(0.05)	0.00	-0.23	(0.09)	-0.13**
Total effects															
Deep acting										0.07	(0.15)	0.04	-0.04	(0.17)	-0.02
Surface acting										-0.42	(0.16)	-0.23**	-0.55	(0.17)	-0.28***

Notes: Reference category: display of fear;  $n = 159$ ; number of bootstrap samples = 2000.

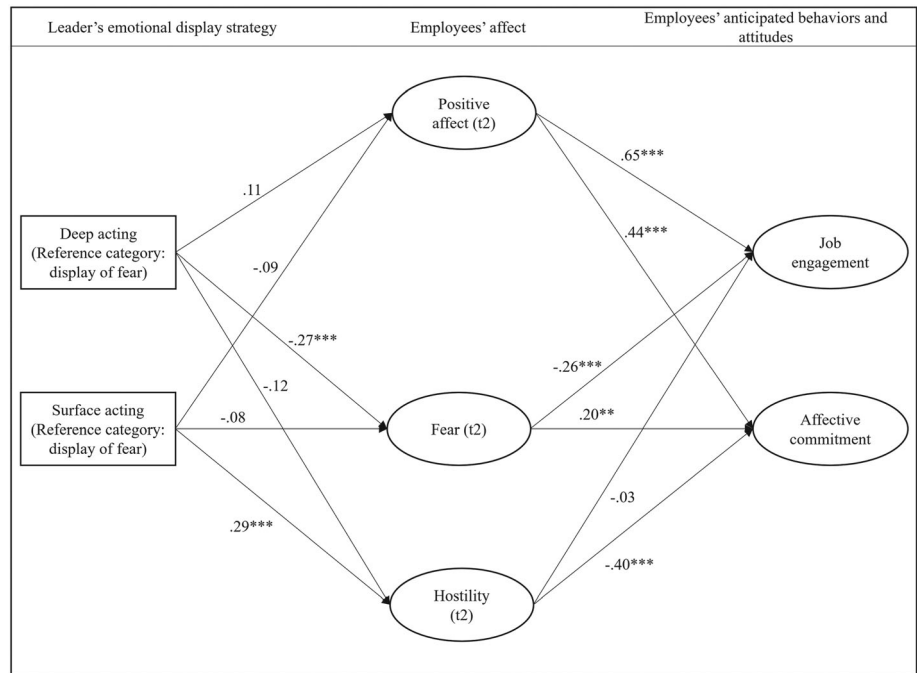
Abbreviations: b, unstandardized effect; SE, standard error;  $\beta$ , standardized effect.

\* $p < 0.05$ .

\*\* $p < 0.01$ .

\*\*\* $p < 0.001$ .

**FIGURE 2** Results of the structural equation modeling (SEM) (Model 1). *Note.* Model fit:  $\chi^2 = 221.74$ ,  $df = 175$ ,  $p = 0.01$ , CFI = 0.98, and RMSEA = 0.04. Standardized coefficients are given. \* $p < 0.05$ ; \*\* $p < 0.01$ ; \*\*\* $p < 0.001$ .



Regarding the direct effects of our mediators on outcomes variables, employees' positive affect increased employees' anticipated job engagement ( $p < 0.001$ ) and affective commitment ( $p < 0.001$ ), which supported **H4a** and **H4b**. Whereas employees' fear diminished employees' anticipated job engagement as expected ( $p < 0.001$ ), it positively influenced affective commitment ( $p < 0.01$ ). Employees' hostility decreased employees' anticipated affective commitment ( $p < 0.001$ ) but not employees' anticipated job engagement ( $p > 0.05$ ). Thus, both **H5a** and **H5b** were partially supported.

Regarding the mediating mechanisms, we found a significant indirect effect between a leader's deep acting and employees' anticipated job engagement via the three mediators ( $p < 0.05$ ) but no indirect effect on employees' anticipated affective commitment ( $p > 0.05$ ). Between a leader's surface acting and employees' anticipated affective commitment, we found a significant indirect effect via the three mediators ( $p < 0.001$ ) but no indirect effect on employees' anticipated job engagement ( $p > 0.05$ ). We found partial support for employees' fear and hostility (i.e., negative affect) as mediators but not for employees' positive affect. Therefore, we rejected **H6a** and **H6b**, but we found partial support for **H7a** and **H7b**.

## Robustness check

For a robustness check of our results, we assessed participants' experience in a young firm, defined as participants' former or current employment in a firm with firm age up to 10 years (Haltiwanger et al., 2013) ("Have you been or

are you employed in a young firm (firm age <10 years)"; with response categories [*Yes, I am currently employed in a young firm*], [*Yes, I was already employed in a young firm*], and [*No, none of the above*]). We applied a multi-group analysis with participants who currently work or have worked in a young firm ( $n = 41$ ) and with participants who have not worked in a young firm before ( $n = 118$ ). Following the procedure suggested by Byrne et al. (1989), we first tested for measurement invariance by constraining our measurements to be equal among the two groups. This showed a nonsignificant increase in  $\chi^2$  ( $p > 0.05$ ) between the unconstrained model ( $\chi^2 = 511.80$ ,  $df = 350$ ,  $p = 0.00$ , CFI = 0.92, RMSEA = 0.05) and the constrained model ( $\chi^2 = 527.64$ ,  $df = 362$ ,  $p = 0.00$ , CFI = 0.92, RMSEA = 0.05), hence implying measurement invariance. Afterwards, we constrained the regression weights across the two groups to test for structural invariance (Byrne et al., 1989). This, in turn, also showed a nonsignificant increase in  $\chi^2$  ( $p > 0.05$ ) between the unconstrained model and the constrained model ( $\chi^2 = 556.60$ ,  $df = 381$ ,  $p = 0.00$ , CFI = 0.92, RMSEA = 0.05), thus implying structural invariance. This comparison between participants with and without working experience in a young firm confirms that there was no statistical significant difference between the two groups.

## Results of the reduced SEM

To further explore the differences between deep and surface acting, which we hypothesized in **H3**, we tested a

TABLE 3 Results of the reduced structural equation modeling (SEM) (Model 2)

	Positive affect			Fear			Hostility			Job engagement			Affective commitment		
	b	SE	$\beta$	b	SE	$\beta$	b	SE	$\beta$	b	SE	$\beta$	b	SE	$\beta$
Direct effects															
Deep acting	0.29	(0.11)	0.20**	-0.36	(0.12)	-0.21**	-0.75	(0.14)	-0.43***	0.15	(0.14)	0.09	0.17	(0.16)	0.09
Positive affect										0.91	(0.15)	0.74***	0.83	(0.16)	0.62***
Fear										-0.26	(0.09)	-0.24**	0.19	(0.10)	0.17*
Hostility										0.02	(0.12)	0.02	-0.21	(0.14)	-0.19
Total indirect effects															
Deep acting										0.35	(0.15)	0.20*	0.33	(0.14)	0.17*
Through positive affect										0.27	(0.12)	0.15*	0.24	(0.11)	0.13*
Through fear										0.09	(0.05)	0.05**	-0.07	(0.05)	-0.04
Through hostility										-0.01	(0.12)	-0.01	0.16	(0.12)	0.08
Total effects															
Deep acting										0.50	(0.17)	0.28***	0.51	(.017)	0.26**

Notes: Reduced model without display of fear; reference category: surface acting;  $n = 107$ ; number of bootstrap samples = 2000.

Abbreviations: b, unstandardized effect; SE, standard error;  $\beta$ , standardized effect.

\* $p < 0.05$ .

\*\* $p < 0.01$ .

\*\*\* $p < 0.001$ .

reduced SEM without genuine emotions (i.e., display of fear). This reduced SEM showed a satisfactory fit to our data ( $\chi^2 = 209.67$ ,  $df = 163$ ,  $p = 0.01$ ; CFI = 0.97; RMSEA = 0.05). Results are reported in Table 3 and reveal that a leader's deep acting positively influenced employees' positive affect ( $p < 0.01$ ) and decreased employees' fear ( $p < 0.01$ ) and hostility ( $p < 0.001$ ) compared with a leader's surface acting. Thus, we found support for H3. Moreover, we found significant indirect effects on job engagement and affective commitment ( $p < 0.05$ ), indicating a mediating effect of employees' positive and negative affect between a leader's emotional display and employees' anticipated behaviors and attitudes.

## DISCUSSION

To address our research question of which leader emotional display strategy would be the most advisable during crisis regarding employees' reactions, we conducted an experimental vignette study and utilized the emotionally laden context of a young firm's crisis. The results of our experiment have several theoretical and practical implications.

### Theoretical implications

First, we contribute to the literature on the impact of different leader emotional display strategies on employees' reactions in times of crisis. Although the emotion regulation literature repeatedly emphasized the importance of conducting studies in extraordinary and highly emotionally laden contexts, research in this domain is scarce (Wu et al., 2021). We extend existing knowledge by incorporating both a leader's active emotion regulation (i.e., deep and surface acting) and the display of genuine emotions (i.e., display of fear) in one comprehensive model. This juxtaposition of the two well-known emotion regulation strategies with showing genuine emotions allowed us to explore the relationship between the three possible emotional display strategies and employees' reactions in a broader context than in previous research (Humphrey et al., 2015), which provides partly unexpected implications for leader behavior during crisis. In particular, our results show that a leader's deep acting is only partially preferable compared with the display of fear in a crisis situation. With regard to the total effects of our model, a leader's deep acting showed no differences to the display of fear, whereas a leader's surface acting showed detrimental effects on employees' reactions in terms of their anticipated job engagement and affective commitment. Concerning employees' affect, we found that a leader's deep acting indeed reduced employees' fear, whereas a leader's surface acting increased hostility. However, surprisingly, both emotion regulation strategies

attempting to display positive emotions had no effects on employees' positive affect compared with display of fear.

Our results contradict past assumptions that it might be generally more advisable for leaders to regulate emotions than to reveal their negative emotions (Fisk & Friesen, 2012) and that leaders' displays of positive emotions were imperative in crisis situations (Humphrey et al., 2008). A possible explanation for the unexpected similarity between the display of fear and deep acting could be rooted in the perceived authenticity of those strategies. Our results suggest that it is not the positivity or negativity of the emotional display that is the most decisive factor in a crisis situation but the congruency and, hence, perceived authenticity of displayed emotions (Mesmer-Magnus et al., 2012), which both deep acting and the display of genuine emotions imply to a certain degree (Batchelor et al., 2018; Gardner et al., 2009). Rather than favoring the display of positive and optimistic emotions, employees apparently first and foremost place value on authentic emotions—even when these are negative. This finding supports the concept of authentic leadership, which constitutes that leaders should reveal their inner selves to followers, and, by that, create relational transparency (Ilies et al., 2013). Although original notions of authentic leadership focused mainly on the expression of positive emotions and signals (e.g., hope, optimism) (Ilies et al., 2005; Luthans & Avolio, 2003), more recent studies state that authentic behavior can also include the expression of negative emotions with positive outcomes on followers (Ilies et al., 2013)—a notion supported by our study results. Our results also correspond to recent study findings on leader behavior, which showed that leaders who acknowledge their worries in a crisis are likely to motivate employees (Hu et al., 2020), whereas leaders' dishonest behaviors generally lead to negative employee reactions (e.g., Zoghbi-Manrique-de-Lara & Viera-Armas, 2019). Thus, our results suggest that research should strive for a more nuanced view of the traditional postulate that leaders should display positive emotions during crisis (Humphrey et al., 2008), as these are only effective when they are displayed in an authentic manner. The results of our reduced model, with the comparison between deep and surface acting, give further insights into the role of these well-known emotion regulation strategies and confirm the general preference of deep acting over surface acting (Grandey & Melloy, 2017).

Second, we shed light on the mediating mechanisms underlying employees' reactions in terms of positive and negative affect by utilizing the EASI model. Whereas previous research proposed direct effects on employees' attitudes and behaviors (Batchelor et al., 2018; Fisk & Friesen, 2012; Moin, 2018), this study shows that employees' affect plays an important explanatory role to understand how employees' affective commitment and job engagement are influenced. Our results reveal that a leader's emotional displays did not directly influence

employees' anticipated behaviors and attitudes, but that this relationship was facilitated by the leader's influence on employees' affect. Especially employees' negative affect, but not positive affect, seems to play a vital role as a mediating mechanism. Nonetheless, our mediation model also shows that employees' positive affect was positively related with employees' anticipated job engagement and affective commitment, whereas the opposite was partially the case for negative affect (i.e., fear and hostility). This partially confirms the assumptions of the broaden-and-build theory, which assigns individuals' positive affect more favorable outcomes on thoughts and actions than individuals' negative affect (Fredrickson, 2001). Our results implicate that leaders who are successful in inducing positive affect in employees by their emotional displays may achieve beneficial outcomes regarding employees' attitudes and behaviors. Remarkably, we found a positive effect of employees' fear on their anticipated affective commitment, further underscoring that experiencing fear during crisis is not always harmful. Because we found no significant effects on employees' positive affect by neither deep nor surface acting, our results also indicate that in a (hypothetical) crisis situation—an inherently negative event—it may be more difficult to influence employees' positive affect than negative affect. This, in turn, underlines the importance of further research to disentangle the traditional postulation of leaders' displays of positive emotions as being imperative in a crisis (Humphrey et al., 2008).

Our findings correspond to the EASI model's idea that displayed emotions are processed through an affective and inferential path (van Kleef, 2009). In our experiment, the leader's emotional displays did not lead to an *automatic* adoption of emotions by employees, a finding which indicates that employees indeed inferentially judged the emotional displays and that this subsequently influenced their anticipated job engagement and affective commitment (van Kleef, 2009). In sum, these results provide a deeper understanding of the mechanisms underlying employees' reactions, and they open the door for the investigation of other variables that are dependent on employees' affect.

Third, our study provides further knowledge on the emotional component of leader behavior during crisis, which connects with two different important research streams in the leadership domain, namely leader emotional intelligence and leader (emotional) authenticity. Scholars emphasize that emotional intelligence plays a crucial role in selecting appropriate emotional displays and achieving positive employee outcomes (Dasborough et al., 2021), but research lacks evidence on which strategy might be the most emotionally intelligent in specific situations. With regard to desirable employee outcomes, our study highlights that a leader's emotionally intelligent behavior in a crisis can include the display of either positive or negative emotions—if they are perceived as

authentic. Although emotions are only one component of leader authenticity as a leader's congruency between values and actions (Luthans & Avolio, 2003), our results still correspond to the established assumption that effective leaders should strive for the display of authentic behavior (Ilies et al., 2013)—in our case embodied by a leader's deep acting and display of fear, which had more positive outcomes on employee reactions than a leader's inauthentic surface acting.

However, determining the most advisable emotional display strategy for leaders during crisis is not only a question of employees' perceptions, but it must also consider leaders' personal consequences of engaging in emotion regulation. Building on the conservation of resources (COR) theory (Hobfoll, 1989), studies found that the effort of engaging in emotion regulation leads to resource depletion with more harmful effects associated with surface acting than with deep acting (Grandey & Melloy, 2017). In contrast, scholars describe the expression of genuine emotions as a resource-preserving way of displaying emotions (Arnold et al., 2015). Although intense negative emotions can similarly cause emotional exhaustion (Glomb & Tews, 2004), past research suggested that the additional regulatory effort demands resources from individuals (Hülshager & Schewe, 2011). This line of argumentation, although untested in our study, could support our argument that the display of genuine emotions (i.e., fear) is superior to emotion regulation during crisis—because showing genuine emotions has only partly different effects than deep acting on employees' reactions, while it preserves leaders' resources at the same time.

## Practical implications

A young firm that is already in distress is highly dependent on appropriate leader behavior. Our experiment shows that when leaders feel fear in a crisis situation, they should only choose to engage in emotion regulation if they manage to make it appear authentic. Specifically, our findings indicate that leaders should consider showing their fear during crisis instead of engaging in emotion regulation by all means. This reasoning is aggravated by the individual differences between the ability to convincingly engage in emotion regulation as an embodiment of emotional intelligence (Humphrey, 2012). Leaders who are less able to regulate their emotions in a way that seems authentic to employees (i.e., by deep acting) and are at risk of (even unintentionally) displaying inauthentic emotions should consider expressing genuine emotions to positively influence employees' reactions and to avoid a negative emotional spiral under critical circumstances (Barsade, 2002).

Although leaders, especially in young firms, face a broad spectrum of possible emotional displays, as they commonly have few formal rules on how to display

emotions (Burch et al., 2013), our findings show that not all emotional display strategies are equally advisable. Moreover, our results disagree with the idea that to be effective, leaders should always display positivity by engaging in emotion regulation (Humphrey et al., 2008). In sum, we demonstrate that displaying positive emotions is not feasible at any price, but that leaders should only display them in an authentic manner to avoid negative employee reactions.

## Limitations and future research

While our experimental approach allowed us to investigate causal links between a leader's emotional displays and participants' reactions, our approach is not without limitations, which offer avenues for future research.

First, as our participants had to visualize a fictional leader, we did not consider social-relational factors (e.g., leader–employee relationships and previous behavior) of the EASI model (van Kleef, 2009). Future research could search for ways to incorporate these aspects in real-life contexts while circumventing the disadvantages of cross-sectional studies (Aguinis & Bradley, 2014). Thereby, research could investigate additional behavioral (e.g., employee resilience) and relational (e.g., leaders' perceived effort or effectiveness, leader liking, and trust in leader) outcomes. To explore relationships between different leader emotional display strategies and long-term outcomes (e.g., employee turnover, leader survival, and, ultimately, firm survival), scholars could employ longitudinal approaches.

Second, we focused on specific emotional display strategies and a leader's fear as one potential discrete emotion. At the same time, in a crisis situation, leader's emotional display could also imply anger or sadness (Madera & Smith, 2009). Leaders' displays of anger have been linked to less leader effectiveness in a crisis, probably making emotion regulation the more favorable strategy; whereas sadness, on the other hand, could be interpreted as a sign of a leader's concern for the employees and the firm (Madera & Smith, 2009). Furthermore, individuals regularly combine different emotional displays (Gabriel et al., 2015), hence, future research could use longitudinal methods (e.g., experience sampling studies) to investigate employees' reactions to leaders' combinations of different strategies throughout the course of a crisis.

Furthermore, future research could explore the message content of a leader's communication behavior, for instance regarding social accounts (e.g., explanations for changes in the organization) and subsequent employees' reactions, which may also be influenced by the degree of perceived authenticity and sincerity (Sitkin & Bies, 1993).

Third, we chose the economic consequences of the COVID-19 crisis and the case of a young firm as a specific context for our scenario. While we expect that our

findings are applicable to other external threats (e.g., economic crisis), future research could explore how the context of an internal threat changes employees' reactions, for instance, with regard to the appropriateness of a leader's display of fear in comparison to emotion regulation. Additionally, although we chose the context of a young firm, our findings are to some extent transferable to small teams in established organizations in which similar direct leader–employee relationships exist and in which employees may feel that their jobs are at risk during crisis.

Finally, we did not examine a leader's own experience of engaging in emotional display strategies. Future research could collect dyadic data to investigate both employees' and leaders' perspectives to further explore a leader's most advisable emotional display strategy during crisis.

## CONCLUSION

Leaders' emotional displays and subsequent employee reactions play an important role during crisis, as each employees' engagement and commitment are crucial for firm performance and survival (Madera & Smith, 2009). The results of our experimental vignette study extend the limited knowledge on the emotional component of leader behavior during crisis (Wu et al., 2021) and indicate that leaders should not shy away from showing their fear as an embodiment of genuine emotions, as the engagement in deep and surface acting does not have exclusively positive effects on employees' reactions.

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## CONFLICT OF INTEREST

None.

## AUTHOR CONTRIBUTIONS

**Lynn Schmodde:** conceptualization, data curation, formal analysis, investigation, methodology, project administration, resources, validation, writing—original draft preparation, writing—review and editing, and supervision. **Marius Claus Wehner:** conceptualization, formal analysis, methodology, resources, validation, writing—review and editing, and supervision.



## DATA AVAILABILITY STATEMENT

The data that support the findings of this study are available from the corresponding author upon reasonable request.

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## APPENDIX

### Hypothetical scenario

You have been working in the sales team of a young firm since its foundation 4 years ago, in which almost 40 employees are now employed. Your company has been badly affected by the coronavirus crisis and you are already noticing that it is getting more difficult to sell your products. You and your team have already thought about possible measures to increase the sales figures again and how you could expand your offerings—for instance, online. In the weekly meeting with all employees, your CEO has bad news to announce: the negative developments of the last weeks have led to a liquidity strain. The existence of the company and the jobs can only be secured if new ideas and distribution channels can be established. Your CEO emphasizes that more than ever you need motivation and commitment in sales in order to get the decreasing number of customers under control.

Vignette genuine emotions (i.e., display of fear)	Vignette deep acting	Vignette surface acting
After your CEO has announced the bad news, he is turning to you and your colleagues personally and is explaining the next steps. While he is speaking, you notice that he is scared, which is also reflected in his facial expression. You notice that he shows his spontaneous emotions in this situation. Then he says: “I am worried that we won’t get out of this difficult situation.” It seems to you that the negative emotions that he shows at this moment are in line with his real emotions.	After your CEO has announced the bad news, he is turning to you and your colleagues personally and is explaining the next steps. While he is speaking, he has a positive facial expression. You notice that he tries to be positive despite this crisis situation and to really feel the positive emotions that he is showing. Then he says: “We can do it—I am confident that we can get out of this difficult situation.” It seems to you that your CEO is making an effort to really experience the positive emotions that he is showing at this moment.	After your CEO has announced the bad news, he is turning to you and your colleagues personally and is explaining the next steps. While he is speaking, he has a positive facial expression, but you notice that he is suppressing his real emotions in this crisis situation. Then he says: “We can do it—I am confident that we can get out of this difficult situation.” It seems to you that your CEO is pretending to feel positive emotions that he is not really experiencing at this moment.