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## **Positive Emotion in Organizations: A Multi-level Framework**

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The fundamental tenet of “Positive Organization Scholarship” (Cameron, Dutton, & Quinn, 2003) is that organizational management and decision settings need to be reframed in a positive light. It follows therefore that managers need to shift their focus to the positive aspects of organizational functioning and achievement, rather than dwell on the defensive measures needed to deal with real and imagined negative contingencies. A corollary of this view, first advanced by Staw, Sutton, and Pelled (1994) and more recently confirmed by Lyubomirsky, King, & Deiner (2005), is that such organizations need also be characterized by positive, rather than negative emotion. More recently, Ashkanasy and Daus (2002) have described these organizations in terms of a ‘healthy emotional climate’. Consistent with this proposition and based on a multi-level model of emotions in organizations (Ashkanasy, 2003a; Ashkanasy & Ashton-James, 2005), we outline in this chapter how organizations can engender positive emotion, and conclude that positive emotion is a necessary precondition of positive organizational behavior.

Although Isen and Baron (1991) identified the importance of mild positive affect in organizational behavior 15 years ago; since then, much of the literature that has dealt with emotions in the workplace has focused on negative emotions. For example, Fitness (2000) studied “anger in the workplace,” Ashkanasy & Nicholson (2003) studied the “climate of fear”, while Frost (2003) focused on “toxic emotions”, including their antecedents and consequences, and prescriptions for dealing with toxic emotions. In this chapter, we return to the spirit of Isen and Baron’s seminal article and emphasize the link between positive emotion and exceptional performance in organizational contexts. Also, and consistent with Isen (2003), we argue that

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positive emotions are associated with individual and group creativity. More recently, Lyubomirsky et al. (2005) found, in an extensive meta-analysis, that positive affect leads to more successful outcomes than negative affect across a range of contextual domains, including in the workplace. The theory of positive affect in organizations that we set out here thus provides a basis upon which to understand how and when organizations can foster positive emotion, and why positive emotions should be associated with positive behavior. The multi-level perspective we present in this chapter to address these issues is based on the 5-level model of emotion in organizations described by Ashkanasy (2003a), *viz.*:

- Level 1.* Neuropsychological and cognitive correlates of positive emotion at the within-person level of analysis;
- Level 2.* Individual differences in positive emotion at the between-persons level of analysis;
- Level 3.* Communication of positive emotion at the dyadic (relationships) level of analysis;
- Level 4.* Promulgation of positive emotion at the group level of analysis; and
- Level 5.* Creation of a positive emotional climate at the organizational level of analysis.

### **Antecedents of Positive Emotions in Organizations**

The majority of research on the antecedents of positive emotions focuses on the cognitive appraisal process that initiates emotional reactions to positive events (e.g., Lazarus, 1991). The nature of the specific events that trigger positive emotions in the organizational environment has only recently been considered, however (see Fredrickson & Brannigan, 2001). To address this in the specific context of the workplace, we base our discussion on Weiss and Cropanzano's (1996)

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Affective Events Theory (AET), and use this as a basic framework to describe the situational determinants of positive emotion in workplace settings.

Weiss and Cropanzano (1996) argue that events and conditions in the workplace that facilitate the attainment of workplace goals constitute positive “affective events,” and it is these events that ultimately determine the occurrence of moods and emotions. Such emotions and moods can lead to the formation of more long-term attitudes, reflected in job satisfaction and affective commitment, or even organizational loyalty (see Wright, Bonnett, & Sweeney, 1993; Wright & Cropanzano, 1998). The seminal contribution of AET is that it represents an attempt to understand why employees’ moment to moment moods fluctuate in the workplace environment. A further outcome of AET is the importance of *accumulation* of hassles and uplifts. Thus, rather than the *intensity* of major events being the source of attitudes and behavior at work, according to AET, emotions are determined more by the *frequency* with which hassles or uplifts occur (see Fisher 2000; Fisher & Noble, 2004, Weiss & Beal, 2005). This conclusion implies in respect of negative emotions that people are more capable of handling once-off incidents than they are of dealing with ongoing hassles. A further corollary of this is that the accumulation of negative events can be offset by positive support from colleagues, friends, and family (see Grzywacz & Marks, 2000). Finally, this idea is consistent with Isen and Baron’s (1991) contention that “positive affect states induced by seemingly minor, everyday events can have significant effects on social behavior and cognitive processes that can be important for the functioning of organizations. (p. 2)”

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It is clear from AET that contextual factors play a pivotal role as determinants of employees' fluctuating moods and emotions in the workplace. It is also important, however, first to understand the internal neurological and cognitive mechanisms that determine the impact of positive affective events on organizational behavior.

### **Level 1: Positive Emotion at the Within-Person Level of Analysis**

#### **Neuropsychological correlates of positive emotion**

At the most basic level of understanding, neurobiological processes underlie the experience of emotion, including perception, and understanding and display of positive emotional expression. Mirroring the emphasis on negative emotions in organizational research, however, much of the literature in emotions research in general has been oriented towards the negative emotions. Le Doux, for example, based his pioneering work on a study of fear (see Le Doux, 1998). More recently, it has become clear that positive emotion is perceived, integrated and expressed by discrete neurobiological mechanisms that are quite distinct from the mechanisms associated with negative emotion (see LeDoux, 2000). In particular, recent research has revealed that positive environmental stimuli are recognized by the *basal ganglia* region of the brain, while negative or aversive environmental stimuli are processed primarily by the *amygdala*.

The basal ganglia are programmed to encode sequences of behavior that, over time, have been repeated and rewarded – or at least not punished (Lieberman, 2000). The affective representations that are encoded by the basal ganglia support not only the execution of habitual

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behaviors but the prediction of what comes next in a sequence of thoughts or actions (LeDoux, Romanski, & Xagoraris, 1989). These implicit skills are essential because they allow us to make automatic the sequences of thought and action that leads to adaptive success.

Further, basal ganglia activation has been found to be associated with the experience of positive emotions in response to positive environmental stimuli (McPherson & Cummings, 1996). As such, and as Breiter and Rosen (1999) have shown, degeneration of the basal ganglia is associated with depression and a lack of motivation to adaptive environmental demands. The ability to perceive and integrate positive emotional stimuli thus has important implications for adaptive social functioning, and is mediated by the basal ganglia.

Isen (2003) argues further that positive affect is a key facilitator of creativity. Consistent with the neuropsychological view noted earlier in this chapter, Isen and her colleagues (Ashby, Isen, & Turken, 1999) posit that this process is mediated by the neurotransmitter dopamine. In their theory, dopamine levels in the blood are increased as a result of positive emotions, and the presence of this neurotransmitter in the anterior cingulate cortex is responsible for more creative and flexible cognitions.

In effect, there is strong evidence that positive and negative affect are driven by distinct neural circuits. Moreover, in support of Ashkanasy's (2003a) multi-level model, Isen (2003) argues that the impact of positive affect on creativity at the group and organizational level derives from fundamental differences in mechanisms underlying the production of positive and negative affect, and differences in the impact of positive and negative affect on cognitive

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functioning. In the following, we describe theoretical frameworks for understanding the differential impact of positive and negative mood on cognitive processing.

### **Cognitive correlates of positive emotion**

Several cognitive mechanisms have been proposed to underlie the differential impact of positive and negative affect on cognitive functioning. Affect influences both the content of cognition, and the strategies that people use to process information. As such, positive and negative mood have different effects on the content and processes of cognition.

### **Content effects**

The content effects of mood have received considerable attention in affect and cognition research (Forgas & Bower, 1987). The primary finding here relates to the notion of “mood congruence,” which holds that individuals in a positive mood are likely to evaluate situational cues as correspondingly optimistic or positive, so that their associated judgments and decisions are also more likely to be positive. For example, people in a positive mood tend to form more positive impressions of others (Forgas, Bower & Krantz, 1984), and to make more optimistic risk assessments (Lerner & Keltner, 2000). People in a negative mood, on the other hand, are more likely to make more pessimistic risk assessments (Mittal & Ross, 1998), and to evaluate other people and situations more negatively (Forgas & Bower). A number of cognitive theories of affect congruence have been proposed. For example Bower’s (1981) “Affect Priming Theory” and Schwarz and Clore’s (1983) “Affect-as-Information Model,”



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*Affect priming* is based on an associative network model of mental representation (Bower, 1981; Isen, Shaker, Clark, & Karp, 1978). Fundamental to this model is the assumption that affective and cognitive representations are linked in an associative semantic network. Affect can infuse judgments by facilitating or priming access to related cognitive categories (Bower, 1981). As such, judgment and decision processes that rely on recall processes may be affected by positive affect. Consequently, when in a positive mood, managers are likely to be more optimistic, entrepreneurial, and to take more risks in a positive mood as their perception and assessment of situations is positively biased.

The affect-priming account suggests an indirect influence of affect on judgments, via the priming of affect-congruent semantic categories. The *affect-as-information* model suggests on the other hand that mood may also have direct informational effects, serving as a heuristic cue from which to infer judgments. When presented with a judgmental target, instead of deriving a response from a constructive, elaborate information search, people may simply ask themselves, “How do I feel about it?” and base their judgments on this affective response (Schwarz, 1990).

### **Moderators of affect-congruence**

While there is much empirical support for both content and processing effects of moods, there are many instances where affect infusion may not occur, and neither the affect priming nor the affect-as-information accounts can explain all such instances. Furthermore, there are cases in which the mood congruence literature and the mood and information processing literature make opposite predictions for the outcome of mood on cognition and behavior (Forgas, 1995). In response to this discrepancy, Forgas (1995) proposed the *Affect Infusion Model* (AIM) to explain

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the individual, situational and task differences that moderate the impact of moods and emotions on cognition and behavior, via their impact on processing strategy (see also Forgas, 2002, for a comprehensive review).

The primary assumption of the AIM is *process mediation*: the nature and extent of mood effects depends on the information processing strategy used for a particular task. The second assumption of the AIM is *effort minimization*: People should adopt the least effortful processing strategy capable of producing a response; all other things being equal (see Figure 1). Mood congruence effects are most likely when some degree of open, constructive processing is used (heuristic and substantive strategies), and less likely when closed strategies are used (direct access and motivated processing).

Figure 1. The Affective Infusion Model (Forgas, 1985)

		Effort involved in deriving a response	
		High	Low
Constructiveness of the information search	Closed	Motivated processing	Direct access processing
	Open	Substantive processing	Heuristic processing

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## **Level 2: Positive Emotion at the Between-Person (individual difference) Level of Analysis**

Level 2 of the Ashkanasy (2003a) model encompasses the between-person effects. In this section, we look at individual difference factors that moderate the frequency, intensity, and duration of the experience of positive affect. We address in particular trait affect and emotional intelligence.

### **Trait affect**

Trait affect represents a personal disposition to be in a long-term positive or negative affective state. Fox and Spector (2000) and Staw and Barsade (1993) examined the effect of trait affect, and found that it plays a small but significant role as a determinant of personal outcomes in organizational settings. Of course, when negative trait affect becomes chronic, the result is burnout, with more severe consequences for the individual concerned. More recently, Judge and Larsen (2001) proposed a theory of job satisfaction based on trait affect, where they found that positive affect is an important precursor of job satisfaction.

### **Emotional Intelligence**

A second dimension of individual difference that we discuss is the relatively recent concept of emotional intelligence. This variable relates to individual differences in an individual's ability to perceive, to use (assimilate), to understand, and to manage or regulate their own and others' moods and emotions (Mayer & Salovey, 1997). Differences in emotional intelligence account for between-person variation in individual's affective responses to affective

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events in the workplace, and the way that positive and negative emotions affect their cognitions and behaviors in the workplace.

Fisher and Ashkanasy (2000) note that much had been expected of the emotional intelligence concept in terms of its relationship with positive organizational outcomes, but the impact of emotional intelligence on positive organizational outcomes continues to be unclear. While emotional intelligence is consistently correlated with trait positive affect and well being, scholars continue to determine its relationship with work attitudes and outcomes (e.g. see Ashkanasy & Daus, 2005; Jordan, Ashkanasy, & Härtel, 2002).

Ashkanasy, Härtel, and Daus (2002) present a list of some key findings that appear to be providing a clearer picture of emotional intelligence, however. These are that emotional intelligence:

- appears to be distinct from, but positively related to, other intelligences;
- is an individual difference, where some people are more endowed, and others are less so;
- develops over a person's life span and can be enhanced through training;
- involves, at least in part, a person's abilities to identify and to perceive emotion (in self and others); and
- includes skills to understand and to manage emotions successfully.

Emotional intelligence thus addresses an individual's ability to perceive emotion accurately, and to deal with it appropriately. Thus, while emotional intelligence does not ostensibly address positive emotion, Boyatzis and McKee (2005) make the case that emotional intelligence is a form of adaptive resilience, where high emotional intelligence employees are

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able to deal effectively with employment challenges such as job insecurity through adopting a positive view, while low emotional intelligence employees resort to maladaptive coping mechanisms (see also Jordan et al. 2002). This parallels recent findings by Tugade and Fredrickson (2004) that positive emotional states contribute to emotional resilience.

### **Level 3: Positive Emotion at the Interpersonal (dyadic) Level of Analysis**

In discussing within-person differences in positive emotion (Level 1), we addressed the influence of positive emotions on the content of cognitive appraisals, and on information processing strategies. These effects of mood on cognition also have important consequences for interpersonal relationships. As proposed in AET and the AIM, positive affective events affect the content of situation appraisals and the way in which information is processed, which in turn influences people's behavior in the workplace. That is, positive mood has a significant impact upon the way in which people interpret one another's behavior, which has implications for subsequent interactions.

For example, Forgas, et al. (1984) demonstrated that happy people perceive significantly more positive and skilled behaviors and fewer negative, unskilled behaviors both in themselves and in their partners than did sad people. In terms of the AIM, these effects occur because affect priming influences the kinds of interpretations, constructs, and associations that become available as people evaluate intrinsically complex and indeterminate social behaviors in the course of substantive, inferential processing. In the workplace, therefore, the same performance

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review between a manager and employee that is judged to be positive and constructive by a happy person may be perceived to be negative and critical by someone in a bad mood.

A behavior that is of particular relevance to workplace functioning is requesting. There are several workplace situations in which the ability to formulate a request confidently, in a manner which maximizes the likelihood of compliance, is of strategic importance to the achievement of workplace or personal goals. For example, requesting help from colleagues may be critical to one's ability to complete a task, and the achievement of compliance in the request for a pay rise may significantly affect one's future job satisfaction and personal well-being. In terms of the AIM, happy people should adopt a more confident, direct processing style, as a result of the greater availability and use of positively valenced thoughts and associations in their minds as they assess the felicity conditions for their requests (Forgas, 1998a). Consequently, people in a positive mood are more likely to be granted their request, as their requests are less equivocal and demonstrate less hedging, leaving the person receiving the request little opportunity to avoid meeting the object of the request (Forgas, 1999). Moreover, Forgas (1998a) has also demonstrated that people respond to people's requests more positively when in a positive mood than when in a negative mood.

Negotiation is another interpersonal task that is critical to organizational outcomes. Particularly with regards to top management, the ability to negotiate or bargain for optimal organizational outcomes is of great importance. Again, Forgas (1998b) has shown that happy people are more confident during the negotiation process, are more assertive and persistent in reaching their desired goals, behave more cooperatively, and are more willing to use integrative

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strategies and make reciprocal deals than were those in a negative mood. As such, positive mood produces better outcomes for happy people than for sad individuals.

#### **Level 4: Positive Emotion at the Group Level of Analysis.**

Schermerhorn, Hunt, and Osborn (2001) define a group as “a collection of two or more people who work with one another regularly to achieve common goals” (p. 174). As such, group members interact on a dyadic and collective basis, and naturally encounter all of the perceptions and experiences that we have outlined earlier in reference to individuals and their interactions. Nonetheless, groups introduce additional dimensions of cohesiveness, collective values, and leadership that render an added level of complexity to the discussion of emotions in workplace settings. In this respect, De Dreu, West, Fischer, and MacCurtain (2001) see group settings as a sort of “emotional incubator”, where the emotional states of the group members combine to produce an overall group-level emotional tenor that, in turn, affects all group members.

Kelly and Barsade (2001) argue more specifically that teams possess an ‘affective composition’ or a group mood, which begins either with the emotional characteristics of team members, and then develops through a process of emotional contagion (see also Barsade, 2002; Hatfield, Cacioppo, & Rapson, 1992), or the emotional expression of the group leader, which evokes emotion in group members.

#### **Emotional contagion**

Emotion contagion is “a process in which a person or group influences the emotions or behavior of another person or group through the conscious or unconscious induction of emotion

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states and behavioral attitudes” (Schoenewolf, 1990, p. 50). Emotions are “caught” by group members when they are exposed to the emotional expressions of other group members. Hatfield, Cacioppo, and Rapson (1992, 1994) posited that the degree to which emotional contagion occurs is mediated by attentional processes, with greater emotional contagion occurring when more attention is allocated.

When the emotional expression is observed, an affective state of the same valence (positive or negative) is then experienced by the observer group members. The actual mechanisms by which emotions are transferred are subconscious, automatic and “primitive” (Hatfield, Cacioppo & Rapson, 1994). Psychological researchers have found that this process involves automatic non-conscious mimicry, in which people spontaneously imitate each others’ facial expressions and body language (Chartrand & Bargh, 1999), speech patterns (Ekman, Friesen & Scherer, 1976) and vocal tones (Neumann & Strack, 2000) The second step of this primitive contagion process comes from the affective feedback people receive from mimicking others’ nonverbal behaviors and expressions. This is also an automatic process. Several studies (e.g., Duclos, Laird, Scheider Sexter, Stern, & Van Lighten, 1989) have demonstrated that the mimicking of nonverbal expressions of emotion results in the experience of the emotion itself through physiological, visceral, and glandular feedback responses (see Hatfield, Caccioppo, and Rapson, 1994 for a review). While group members ultimately become aware of this feeling, the initial process of emotion contagion is subconscious and automatic.

Zurher (1982) argues that displays of positive emotion in group situations constitute an essential ingredient necessary for establishment of group cohesion. Furthermore, Lawler (1992)



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posits that emotion is the essential social process in group formation and maintenance. This is because positive emotions strengthen feelings of control. As such, positive emotion is a necessary precursor of group cohesiveness. In the context of organizational work groups, George (1990) has shown also that positive affect is a key ingredient for group effectiveness and satisfaction (see also George & Brief, 1992). Barsade (2002) found that positive emotion contagion amongst group members affects individual-level attitudes and group processes. Group members who experienced positive emotional contagion demonstrated improved cooperation, decreased conflict, and increased perceived task performance (Barsade, 2002).

### **Group leadership and emotion**

The role of leadership in communicating, expressing, and managing emotions in groups is axiomatic (see Graen & Uhl-Bien, 1995). According to Pfeffer (1981) leadership is seen as a process of symbolic management, and involves creating and maintaining shared meanings among followers. Ashforth and Humphrey (1995) argue that this process depends intrinsically on evocation of emotion. Based on Ortner's (1973) model, they note that symbols generate interacting cognitive and emotional responses, and they conclude, "symbolic management involves orchestrating summarizing and elaborating symbols to evoke emotion which can be generalized to organizational ends" (p. 111). Thus, leaders engage in communication of symbols designed to make followers feel better about themselves, and to strengthen followers' commitment to the organization (see also Fineman, 2001; Van Maanen & Kunda, 1989).

It follows therefore that leadership entails perception, recognition, and management of emotional cues by both the leader and the led, which we described earlier as emotional

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sensitivity. A leader's displayed emotion is a critical determinant of the quality of relationships with group members, and consequently of the leader's ability to communicate emotionally evocative symbols (Avolio, Howell, & Sosik, 1999). Thus, facilitated by processes of emotional contagion, positive group affect energized by emotionally aware leaders, can enhance organizational creativity performance by facilitating group cohesion and positive affect.

### **Level 5: Positive Emotion at the Organizational Level of Analysis**

Finally, at Level 5, the conditions necessary for positive emotion at the other levels of the model must be built and sustained across the whole organization through a healthy emotional climate (Ashkanasy & Daus, 2002). Level 5 of Ashkanasy's (2003a) multi-level model is qualitatively different from the other levels. At the lower levels, organizational policies and values are interpreted in the context of face-to-face interactions, where all the basic biological and neurophysiological and physiological mechanisms we have discussed up to this point are salient. Thus, at this level of organization, a manager can recognize cues of real or felt emotion, and identify the positive emotional indicators of employees who are genuinely motivated toward goal achievement and confident of achieving their goals. When dealing with the organization-wide or macro view, on the other hand, the situation is much less clear. Although some members of a large organization will have meetings with senior managers, these meetings are likely to be brief and infrequent (Mintzberg, 1973), and are also likely to be constrained by power differences (Gibson & Schroeder, 2002). Instead, it is necessary to deal with the more nebulous concept of *emotional climate*, defined by De Rivera (1992) as "an objective group phenomenon

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that can be palpably sensed – as when one enters a party or a city and feels an attitude of gaiety or depression, openness or fear” (p. 197).

In the context of work organizations, *organizational climate* has been studied for some time now (see Ashkanasy, Wilderom, & Peterson, 2000; Reichers & Schneider, 1990), and constitutes the collective mood of organizational members toward their jobs, the organization, and management. The concept is distinct from *organizational culture*, in that climate is essentially an emotional phenomenon, while culture is more stable, and rooted in beliefs, values, and embedded assumptions (Ashkanasy, Wilderom, & Peterson, 2000; Ott, 1989; Schein, 1985). Nonetheless, Schein makes it clear that assumptions underlying organizational culture are associated with deeply felt feelings. More recently, Beyer and Niño (2001) demonstrated how culture and organizational members’ emotional views and states are intimately and reciprocally related. As such, both organizational climate and organizational culture arguably have emotional underpinnings.

A number of writers in the organizational literature have noted the emotional basis of organizational culture (e.g. Beyer & Niño, 2001; Fineman, 2001; Hochschild, 1983, Van Maanen & Kunda, 1989, Rafaeli & Sutton, 1987, 1989), but primarily in the context of displayed emotional states, rather than felt emotion. This begs the question as to how to ascertain real emotional climate (or culture) in organizations. Although Härtel, Gough, and Härtel (in press) measured emotional climate and reported a correlation with job satisfaction, most advocates of an ethnographic approach (e.g. Schein, 1985, Trice & Bayer, 1993) argue that only through active day-to-day involvement in organizations is it possible to sense real as opposed to

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displayed emotion. De Rivera (1992) notes, however, that emotional climate is an objective phenomenon and is therefore amenable to objective perception and interpretation, provided the observer knows what to look for. In effect, his point is that observers need to be sensitive to markers of felt rather than displayed emotion. In this case, however, the markers are not so much in the individual expressions of organizational members, but in the social structures and patterns of behavior that are manifest in the organization. De Rivera argues further that people are sensitive to such cues, and shape their beliefs and behaviors accordingly. It follows that the arguments developed earlier in the present paper in respect of interpersonal relationships and small groups may be extendable to the organization as a whole, especially since organizational policies ultimately come down to the perceptions, understanding, and behavior of individuals, interacting dyads, and groups.

### **Conclusions**

In this chapter, we have outlined the 5-level model of emotions set out in Ashkanasy (2003a), with an emphasis on positive emotion. We argue, consistent with Isen and Baron (1991) and Lyubomirsky et al. (2005), that mild, positive affect, experienced as a result of everyday events, is a catalyst for creativity and effectiveness in organizational settings. The logical sequence was presented from the bottom-up, in that we began with the neurobiological bases of within-person emotion, and then moved progressively to the individual, dyadic, group, and organizational levels of analysis. We also argued, consistent with Ashkanasy (2003b) that the neurobiological processes represent the integrating medium across these levels of analysis. The

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important point here is that the view we present is internally consistent across all five levels of organizations. From a strategic perspective, this means that a manager who engenders a positive emotional climate can expect that this will lead to positive emotions at all of the other levels. Members in an organization characterized by a positive climate can therefore expect to work in cohesive groups where positive emotion is transferred from leaders to member, and between members, and where the resulting positive affect is likely to create the conditions that facilitate positive organizational behavior, and where genuine creativity can flourish.

Finally, we note that research in this field is still at an early stage of development. Although research on the role played by emotion in organizational settings has progressed enormously over the 15 years since Isen and baron (1991) published their seminal article on positive affect, there still remains considerable scope for research to understand in more detail the role of affect and emotions in organizational life in general, and positive emotions in particular. We hope the multi-level perspective outlined in this chapter will provide a framework to advance this research further into the future.

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