

# THE IMPACT OF ENTREPRENEURIAL OPTIMISM ON EMPLOYEES

**Roger Brown, Northwestern Oklahoma State University**

## ABSTRACT

*Optimistic employees often show positive outcomes, such as happiness, job satisfaction and commitment. While entrepreneurs generally are considered to be optimists, the concept of whether entrepreneurs can transfer their optimism to their employees in order to improve the state optimism of their employee has not been studied. The concept of state optimism, entrepreneur expressivity and relationship quality are discussed in relation to this study. Hypotheses were developed based on the suggested impact aspects of entrepreneur expressivity and relationship quality would affect the transfer of optimism from the entrepreneur to their employees. Our research intends to fill such a research gap by studying employees at 328 SMEs. We find that entrepreneur's optimism is indeed contagious and does improve employee state optimism. We discuss the implications of our findings, and make suggestions for future research.*

*Key words: entrepreneur, employee, optimism, contagious, transfer*

## INTRODUCTION

People generally face a variety of situations or decisions with the possibility of negative or positive outcomes. For example, these situations may be in regards to their businesses succeeding, getting healthy while facing an illness, or whether or not to trust someone in their lives. With optimism, individuals are able to mentally cope with a difficult situation because they believe there will eventually be a favorable outcome (Scheier & Carver, 1985). Optimism can lead to perseverance in goal determination and positive attribution about current success and future success (Scheier & Carver, 1985; Luthans, Vogelsang & Lester, 2006).

Since Scheier and Carver (1985), scholars have been calling for research on the positive effects of optimism on organizational outcomes (Wright, 1997). The positive consequences of optimism have been linked to employees' happiness, perseverance and achievement (Peterson, 2000), satisfaction with one's performance (Werenfels, 2006), relationship satisfaction (Field, 2004), affective commitment (Kleumper et al, 2009), and job satisfaction (Al-Mashaan, 2003).

Previous research indicates that entrepreneurs are optimistic in skills, abilities, and prospects (Busenitz & Barney, 1997; Camerer & Lovallo, 1999). Entrepreneurs must try to overcome uncertainty and one way this is achieved is by having optimistic beliefs which in turn influences entrepreneurial activity (Fraser & Greene, 2006). However, most of the researchers have focused on the individuals being optimistic (Tiger, 1979), having psychological well being, and coping with health issues (Scheier & Carver, 1992; Salovey et al, 2000). We could not find research on the impact of the entrepreneur's optimistic behavior on his/her employees' optimism.

We intend to fill the research gap by answering the following questions: Can optimism be transferred from entrepreneurs to employees? If so, what entrepreneurial characteristics influence

such a transfer? Our research is significant because while researchers have shown that entrepreneurial optimism can have a negative impact on new venture (firm) performance (Hmieleski and Baron, 2009), the question of how optimistic entrepreneurs can transfer their optimism to their employees remains to be answered. We identify a few factors that may impact such transfer.

Optimism has been considered a positive emotion (McColl & Kennedy, 2002; Cardon 2008). McColl-Kennedy and Anderson (2002) stated that emotions varies from extremely positive such as joy and optimism to extremely negative such as anger and frustration. The focus of this study is on small and medium sized firms. In future research similar research can be done on large and established firms. The paper is structured as follows. In the next section, we review the relevant literature. Then, we develop our hypotheses and explain our methodology. Subsequently, we present our data analysis and a discussion of the results. Finally, we conclude with suggestions for future research.

## LITERATURE REVIEW

Companies could no longer could rely on being the incumbent organization, they needed to focus on continuous innovation, implementation and assessments in order to be competitive (Hamel, 2000). The competitive advantage has become a necessity for many businesses and is likely to emerge from the human aspect of the company (Hitt & Ireland, 2002; Pfeffer, 1998). In a new business, it is the entrepreneur that establishes the vision and the guidelines for navigating the terrain in which the company finds itself. One element that can be controlled is the people hired and how they are managed. Baum et al. (1998) confirmed the importance of an entrepreneur's ability to impart a clear vision to his/her employees. In sharing that vision he/she will have to expose them to his/her optimism, which employees will absorb as they work for him/her and as the business eventually establishes itself (Brown, 2014). Leadership can be categorized intrinsically as an emotional process, where the leaders make emotional displays in an effort to exact emotions from its members (Dasborough & Ashkanasy, 2002). Through these displays to the employees, they develop their own emotions through social interaction.

Cardon (2008) describes two types of contagion in which the passion (including the optimism mindset) are passed on from the entrepreneur to the employees. Passion as utilized by Cardon (2008) is an emotion or overmastering feeling. Optimism is considered a state or trait that has an effect on emotions, and not an emotion in itself. These two avenues of contagion are emotional mimicry and social comparison. Through emotional mimicry, the employees may become very positive when mimicking the positive vibes and behavior of the entrepreneur. When the entrepreneur makes an emotional display it invokes the emotions of the employees so that they will at least mirror that display (Neumann & Strack, 2000). As these emotions are repeated, the employee mimicry of the emotions will become internalized and actual emotions may develop (Lazarus, 1991).

Social Cognitive Theory (SCT) states that the conduct/objective representation of the human being is formed by the exchanges amongst other behavior, cognition, and the atmosphere/environment (Bandura, 1986). Bandura (1986) intimated that an individual's behavioral activity can be affected by some aspect in the environment which would alter the

individual's cognition, or aptitude, to complete a specific task. An individual's behavior will be influenced by the exposure to particular stimuli (Bandura, 1989). What is being theorized about the optimism contagion is that as the optimism trait of the entrepreneur is being constantly displayed in presence of or towards the employees, they will internalize it when this event occurs repeatedly; thus, they themselves will become more optimistic towards the business and job outcomes.

The other contagion as discussed by Cardon (2008) is social comparison (e.g. Sullins, 1991). This occurs when an employee's emotional reactions to a particular stimuli are subjective to the entrepreneur's emotional reaction when the employee encounters a similar situation that the entrepreneur faced, or at least an encounter of a similar nature. This experience can also arise when the entrepreneur and the employee exert their efforts together to engage a common ordeal or threat, and thus, the employee begins to identify with the venture or the entrepreneur in a momentous manner (Cardon, 2008). The employees evaluate their emotions with significant others (the entrepreneur and other employees) and utilize the social information they have gathered to determine how they themselves should feel towards a specific task or issue (Barsade, 2002). The employee would try to determine why the entrepreneur feels a sense of optimism and determine if they too should feel optimistic towards the specific task or business. One limitation is that the employee must share an identity connection with the entrepreneur in order to absorb some level of state optimism from him or her. This issue should be resolved with good recruitment and selection of employees.

It is important to recognize that for the success of a business entrepreneurs don't act alone; thriving recruitment and supervision of employees are vital factors impacting the successes of the emerging venture itself (Baron and Hannan, 2002; Deshpande & Golhar, 1994; Hornsby and Kuratko, 1990). There exists only anecdotal evidence in relation to the role that emotions and feelings of employees play in impacting an entrepreneurial organization's success or survival (Cardon, 2008) which is outside the scope of this paper. However we focus entrepreneurial optimism and the transfer of state optimism to the employee and the moderating factors that impact this transfer.

## **HYPOTHESIS DEVELOPMENT**

In this transfer of state optimism, the employees are intentionally or inadvertently being trained by the entrepreneur to be optimistic through the use of the entrepreneur's behaviors towards impending issues at the organization. This ability to be trained to be optimistic has been empirically verified by Seligman (1998, 2006) and Schulman (1999). As stated earlier, optimism has a trait and a state component (Luthans & Youssef, 2007). Given that the trait optimism represents the general level of optimism an individual has based on disposition, this may not be as easily transferable as state optimism (which relates to optimism based on situational or contextual factors). Trait optimism specifically relates to general topics, such as long term health; whilst state optimism relates to context specific topics such as job related outcomes in the workplace (Kluemper et al, 2009). Given that we are specifically focusing on an entrepreneurial optimism contagion, we are concentrating on the work place for the employees, and therefore, the transfer of state optimism is more relevant. Trait optimism, which relates to a general disposition, may not

be transferable or may require many years of social comparison and emotional mimicry before the optimism contagion takes effect. This is because it may require years of successful completion of tasks by the individual for his/her general disposition to change. Below, we will hypothesize this optimism contagion from entrepreneur to employee.

*Hypothesis 1: Employees absorb significant levels of state optimism from the entrepreneur.*

## **Entrepreneur's Expressivity**

Entrepreneurial leadership is an interactive process that depends on the leader and the followers (Graen & Scandura, 1987). Roomi and Harrison (2011) also provide insight into the concept of entrepreneurial leadership. They define entrepreneurial leadership as "having and communicating the vision to engage teams to identify, develop and take advantage of opportunity in order to gain a competitive advantage" (Roomi & Harrison, 2011, pg 2). A good entrepreneurial leader is able to rally others around his/her vision and convert it into reality (Kao, 1989). Entrepreneurs need to prolong and nurture commitment over time so that the business continues to exist (Jensen & Luthans, 2006). Brundin et al (2008) noted that it has been empirically shown that the entrepreneur's display of positive vibes, such as being satisfied with overcoming a challenge enhances an employee's willingness to act entrepreneurially (Cardon, 2008). Entrepreneur's displayed behaviors to their employees are based on their emotional expressivity. We theorize that the level of the optimism contagion is affected by the emotional expressivity.

Emotional expressivity is defined as the behavioral expressions (e.g. postural, facial, vocal) that are connected with the occurrence of an emotion (Gross & John, 1995). According to Gross and John (1995), emotional expressivity involves three facets: impulse strength, positive expressivity and negative expressivity. These facets of the particular entrepreneur will impact the optimism contagion.

Impulse strength refers the extent of the emotional physical and behavioral reactions that a person demonstrates. Guerrero, Anderson and Trost (1998) argue that sometimes emotions are experienced but sometimes not expressed; however, by nature, emotions are usually interpersonally expressed. Gross and John (1995) stipulated that individuals who grow up in the same culture with similar cultural rules may express their emotions in a different manner. These differences in behavior are based on the impulse strength of the individual. Entrepreneurs with high impulse strength for their optimism are likely to be more expressive of this emotion. Conversely entrepreneurs with low impulse strength demonstrate more restraint of their optimism and thus are less expressive. The higher the impulse strength then the more expressive the entrepreneur is, and, in turn, the greater the optimism contagion to the employee.

The second facet of emotional expressivity is positive expressivity. Positive expressivity is defined as the extent to which upbeat emotional reaction predisposition are behaviorally expressed (Gross & John, 1997; King and Emmons, 1990). Entrepreneurs will vary in their level of expressing positive vibes dependent on social rules that they observe or individual temperament. Optimism in itself is a positive trait and thus the extent to which the entrepreneur expresses his positive trait impacts the overall optimism contagion to the employees. The greater the tendency

of the entrepreneur to express positive behavior the greater the level of the optimism contagion to the employees.

The third and final facet is negative expressivity. Negative expressivity can be defined as the extent to which downbeat emotional reaction predisposition are behaviorally expressed. These behaviors include expressions of fear, anger, upset or nervousness as well as pessimism. Social rules or individual temperament may dictate the expression of these emotions. In the case of the optimism contagion the extent of negative expressivity can adversely affect the optimism contagion. Negative events evoke stronger signals which can result in stronger and lasting emotional reactions (Cacioppo & Berntson, 1994). Employees will tend to put more credence on negative vibes than on positive vibes (Barsade, 2002). The more the entrepreneur expresses negative vibes to his/her employees the lesser extent is the transfer of optimism to the employees.

*Hypothesis 2a: The absorption of optimism from entrepreneur to employee is moderated by impulse strength of the emotional expressivity such that the contagion is stronger when the entrepreneur's impulse strength is high compared to when the entrepreneur's impulse strength is low.*

*Hypothesis 2b: The absorption of optimism from entrepreneur to employee is moderated by positive expressivity such that the contagion is stronger when the entrepreneur's positive expressivity is high compared to when the entrepreneur's positive expressivity is low.*

*Hypothesis 2c: The absorption of optimism from entrepreneur to employee is moderated by negative expressivity such that the contagion is weaker when the entrepreneur's negative expressivity is high compared to when the entrepreneur's negative expressivity is low.*

## **Relationship Quality**

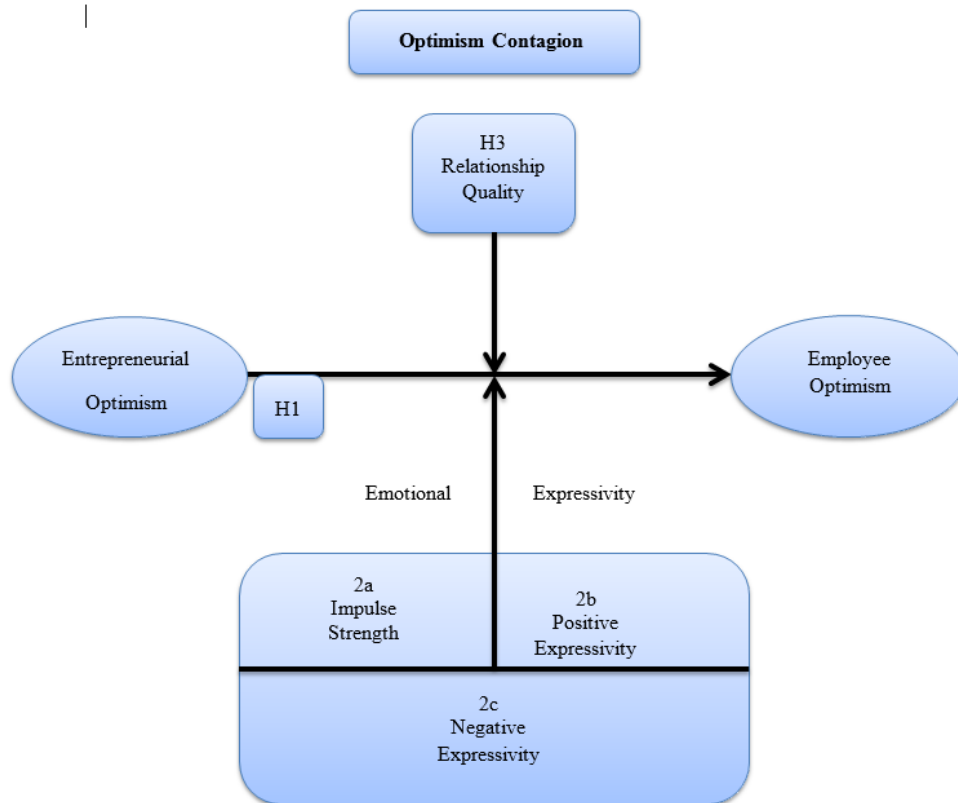
Leader Membership Exchange (LMX) theory discusses the quality of the social interactions between supervisor and employee. Therefore we theorize that through these social interactions some level of optimism may be acquired or passed on to the employees as discussed above. This is achieved through emotional mimicry or social comparison, as well as moderating the employee optimism relationship with his/her perception of the business due to an identity connection between the business and the entrepreneur that the employee makes. The optimism transfer can be either a positive or negative impact because often, both negative and positive cues are displayed by the entrepreneur towards the employee. The negative cues for the purpose of this paper relate to the pessimism which would pertain to the entrepreneur who behaves in a negative or discouraging way towards his/her employees. Individuals tend to put a heavier weight on negative cues than they do with positive ones (Barsade, 2002), so it is important that entrepreneurs display a higher level of optimism towards various challenges than pessimism. The level of pessimism or optimism displayed by the entrepreneur determines the overall effect of the transfer, which could prove to be positive if he displays more optimistic behavior and negative if he displays more discouraging (pessimistic) behavior. It must be made clear that the employee already has a certain level of optimism or pessimism, depending on his/her disposition. Burt (1987) introduced the concept of the Cohesion Model (CM) which suggests that the extent to which individuals interact is determined by whether they tend to share similar beliefs, attitudes, and/or behaviors. The importance of the CM is that it stresses the connections between characters that are in close

relational proximity (Burkhardt, 1994). Individuals will often form dense cliques in which there are strong ties that lead to information sharing and provide intense pressure towards uniformity (Erikson, 1988).

In LMX, there are two groups within the organization, the in-group and the out-group. These relationships are formulated by the social exchanges between the boss and the employee (Spar & Sonnentag, 2008). Those employees that claimed they had high quality exchanges with the leader were classified as being in the in-group and those that had low quality exchanges with the leader were classified as being in the out-group (Graen & Uhl-Bein, 1995). The in-group members tend to have a lot of mutual respect and are attuned to their obligations towards their leader. The out-group members focused on doing the minimal requirement of their job (Zalesny & Graen, 1987). Hollander (1978) found that the in/out group phenomenon exists in many organizations (Yu & Liang, 2004). Given that the in-group is expected to have high quality exchanges with the leader, it is expected that the subordinates would engage in behaviors that would benefit the leader/manager directly (Gouldner, 1960). The leader, in return, is compelled to provide remuneration or privileges to his/her employees. Through this exchange, it is theorized that optimism contagion is moderated. The in-group subordinates are likely to have more positive exchanges with the entrepreneur, and thus, a higher level of optimism is most likely to be transferred than with individuals that have lower levels of social exchanges (out-group). When a leader energizes his/her subordinates by being excited and enthusiastic he/she is affecting how his/her followers feel (George & Brief, 1992) and conversely if a leader is under distress he/she is likely to transmit negative emotions to his/her subordinates (George, 2000; Rajah, Song & Arvey, 2011). The subordinates with whom the entrepreneur has stronger emotional ties (the in-group) are more likely to feed off the optimism of the entrepreneur. The optimism contagion will be less effective amongst employees that the entrepreneur has less high quality interactions with (out-group). In combining the CM and LMX theory, we posit that the in-group will be more likely to become more optimistic based on exchanges with the entrepreneur and wanting to please the entrepreneur, as opposed to out-group members who will do the minimum and will not be as strongly influenced by the entrepreneur. Leaders who provide support for their employees tend to illicit feelings of optimism whilst those employees without leadership support tend to become pessimistic (Gross & John, 1995). Based on this theory, this study proposes that the in/out-group classification of the employee is a moderating factor in the optimism contagion between the entrepreneur and the employees, hence the following hypothesis:

*Hypothesis 3: The in/out group classification (relationship quality) of the employee has a moderating effect on the optimism contagion between the entrepreneur and the employee such that the stronger the employee's relationship with the entrepreneur the stronger the contagion.*

Figure 1 depicts our theoretical model.

**Figure 1: Theoretical model**

## METHODOLOGY

### Data Collection

In this study, data on small and medium sized businesses in the United States was obtained from Hoovers, a Dunn and Bradstreet subsidiary company. Hoovers is a recognized research company that has been in existence since 1990 and has data on 66 million companies. Hoovers provides detailed company data to marketing, sales and business development professionals who constitute a majority of their subscribers. Less detailed company data is available to non-subscribers. We utilized Survey Gizmo, who in turn hired a private research company, Cint Company that has access to a wide array of employees from companies listed in the Dunn and Bradstreet database in the USA and Canada. Four hundred and eleven random employees were solicited via email to fill out the web-based survey prepared for this research. The employees were first asked to verify whether or not they are from a small or medium sized company based on specific criteria (annual sales below \$500 million). Small sized companies are companies with annual sales below \$25 million and medium sized companies are companies with annual sales ranging from \$25 million to \$500 million (Roth, 1992). If they belonged to a small or medium sized company they were allowed to continue to fill out the survey, if not they were not allowed to respond to the rest of survey.

Through the employment of the services of Survey Gizmo who reached out to random employees from the Dunn and Bradstreet listing there were 411 respondents with 328 fully completed surveys. This provides a response rate of 80%. Non response bias is not considered a problem if there is a response rate over 70% (Singleton & Straits, 2005; Babbie, 2007). The high response rate was due to Survey Gizmo using a company (Cint) that had access to the email of a population of employees in small and medium sized firms. The research response rate of web based surveys has varied over the years from 75% (Kiesler & Sproull, 1986) to 6% (Tse et al, 1995).

Armstrong and Overton (1977) stated that the most common way to deal with non-response bias is the reduction of the non-response itself. In terms of deciding what to do with the data and the missing values it is recommended by Hair, Black, Babin, Anderson & Tatham (2006) that a diagnostic tests to determine the level of randomness be executed and the appropriate measures to resolve this be taken. Little (1998) has provided a test in order to determine whether the data are missing completely at random or not. Little's test is a chi-squared test and if the resulting value is significant then it indicates that the data are not missing completely at random.

Through SPSS the Little's MCAR test was carried out on the data and results were as follows: a Chi-squared of 3160.174, DF 3269 and Sig. = .912. Based on this result given that degrees of freedom are 3269 and the significance is .912 the data are missing completely at random because the results are not significant. Hair et al (2006) recommends the complete approach or an imputation method using replacement values. Given that 90 cases had incomplete data, we felt this to be a large group of cases to delete if one was to only use the completed cases, so therefore imputation was selected as method of choice. One of the methods recommended for calculating the replacement values is the regression imputation method (Hair et al, 2006). The premise of this method is to predict the missing value of a variable based on that variables relationship with other variables in the data set.

### **Common Method Variance**

Common method variance is the spurious variance that stems from the method of conducting the measurement and not the constructs that are being measured (Podsakoff, Mackenzie, Lee & Podsakoff, 2003). Before testing the hypothesis it is important to test for common method variance. According to Krishnavena and Deepa (2013), Harman's single factor test is one of the most popular used methods to diagnose common method variance. In accordance with this test, common method variance is present if (a) one single factor materializes from the factor analysis or (b) one single factor represents the majority of the covariance amongst the variables (Aulakh & Gencturk, 2000; Schreisheim, 1979; Andersson & Bateman, 1997). Using SPSS, the Harman's single factor test was done via performing an exploratory principle component analysis with a varimax rotation to ensure that one single factor did not explain a majority of the variance. From the factor analysis ten factors materialized that had eigenvalues greater than one and these ten factors explained 63.9% of the cumulative variance. The first factor accounted for 30.6% of the variance. Since more than one factor emerged from the test and no single factor accounted for a majority of the variance this author concluded that there is no significant common method variance present in this study.



Fifty-five percent of the respondents were female, 44% were male and 1% did not give a response. 19% of the respondents just had a high school diploma, 36% had some college or an associate's degree, 33% had a bachelor's degree, and 12% had post graduate degrees. Also, 6.5% of the respondents were between the ages of 18-25 years, 22% between the ages of 26-35 years, 20% between the ages of 36-45 years, 26.5% between the ages of 46-55 years, and 25% were over the age of 55 years.

## Dependent Variable

### *Optimism transfer*

One early measure used to differentiate between the two subscales of optimism and pessimism is the Life Orientation Test (LOT). Developed by Scheier and Carver in 1985, the LOT has 8 coded items, plus some stuffing items. The LOT respondent deals with a 50/50 split of optimistic and pessimistic framed statements in which they must indicate if they agree or disagree, based on a multi-point scale (Carver, 2010). One of the problems with the LOT is that it is believed to form two factors for optimism and pessimism that is not always robustly correlated (Marshall and Lang, 1990). Due to this issue and other minor issues, the LOT was later replaced by the Life Orientation Test- Revised (LOT-R) developed by Scheier et al in 1994. We chose LOT-R as our optimism instrument. For T1, respondents are being asked to indicate their general agreement with statements such as “*When I started the job I was very optimistic of my future*” using a five point scale from 1 (strongly disagree) to 5 (strongly agree). For T2, respondents are being asked to reflect their general agreements with statements such as “*After working with my boss I am more optimistic about my future*” also using a five point scale ranging from to (I Disagree a lot) to 5 (I agree a lot). The Cronbach Alpha (measure of internal consistency) for the LOT-R state optimism at T2 was measured and the average was .71, which reflects the measure's stability (Kluemper et al, 2009)

## Independent Variables

### *Entrepreneur's optimism (entrepre)*

The employees also rated a few statements about the entrepreneurs. Questions include “No matter how nervous or upset my boss is, he/she keeps a calm exterior”, and “When my boss is happy, his/her feelings show” where strongly disagree as 1 and strongly agree as 5.

### *Emotional Expressivity*

Respondents were requested to complete questions rating their entrepreneur's emotional expressivity using the 16 item Berkeley Expressivity Questionnaire (BEQ) developed by Gross and John (1997). The BEQ covers questions that give insights into the rater's view on the three facets of emotional expressivity; impulse strength (impulse), positive expressivity (pos\_expre), and negative expressivity (neg\_expre). An example of an item that respondents would rate is “*whenever X (the entrepreneur) is happy, his/her feelings show*”. Respondents were told that their responses would be kept confidential and the information gathered would be concealed from the targeted individual. From the sample data collected the measure of reliability (the coefficient alpha) for the BEQ was as follows: .74 for Impulse Strength, .72 for Positive expressivity, .7 for

Negative Expressivit. Respondents rated their views based on a five point scale ranging from 1 (strongly disagree) to 3(neutral), continuing to 5 (strongly agree).

#### *Relationship Quality (relation)*

Respondents were being asked to rate their LMX quality using a 7 item LMX-7 scale developed by Graen and Uhl-Bein (1995). An example of items that respondents would rate is “*My supervisor recognizes my potential*”. Respondents rated their view based on a 5 point Likert-scale ranging from 1 (strongly disagree) to 5 (strongly agree). According to Hooper and Martin (2008), the level of internal consistency ranged from .89 to .91. From the sample collected the level of internal consistency was measured at .92. An additional item was added to further assess relationship quality. In this item, respondents were asked to indicate if their relationship quality with their leader could be categorized as 1 (very poor), 2 (poor), 3 (satisfactory), 4 (good), and 5 (very good). This item was obtained from the research of Hooper and Martin (2008). LMX is aligned with the quality of a relationship exchange between the leader and the employee (Schriesheim et al, 1999).

### **Control Variables**

Age, gender, education, job position, and tenure may all influence optimism (Field, 2004). Job position consists of four categories, entry level, supervisory, middle and senior management. Male is coded as 1 while female 0. Education has four layers, high school, bachelor, master, and Phd/DBA. Tenure measures how long the employees have been working for the current company.

## **DATA ANALYSIS AND RESULTS**

For testing the hypotheses, hierarchical regression was employed because it allows the researcher to calculate the value of the dependent variable based on given values of multiple independent variables (Hair, 2006; Field, 2009). Hierarchical regression was selected because one of the advantages to using it is that independent variables can be entered in blocks rather than forcibly entered one at a time. The results reflect the variance accounted for on the dependent variable due to each independent variable. In this study, we wanted to control for variables such as age, position, gender, education and job tenure and test our hypothesis, therefore hierarchical regression analysis was appropriate.

The sample of 328 completed responses was used to conduct the hierarchical regression. One of issues that researchers should be concerned about is multicollinearity. The independent variables should not be highly correlated amongst themselves or else multicollinearity exists and will distort the results (Hair, 2006, Field, 2009). To test for multicollinearity, tolerance and variance inflation factors (VIF) were calculated when performing the regression. All VIF scores are lower than 5 indicating no multicollinearity problem.

The results are shown in Table 1. Model 1 contains all the control variables. Model 2 consists of all main effects in addition to the control variables. In hypothesis 1, we predict that entrepreneurial optimism can be transferred. Entrepreneurial optimism is positively related to how much the employees gain through their interaction with the entrepreneurs ( $p < 0.05$ ). Hypothesis 1

receives strong support. Hypotheses 2a to 2c propose that impulse strength and positive expressivity positively moderate the relationship between entrepreneurial optimism and optimism transfer while negative expressivity negatively influences that association. Results for Model 2 shows that none of the hypotheses are significant even though they are all in the predicted direction. Hypothesis 3 is supported ( $p < 0.05$ ). Relationship quality strengthens the transfer of optimism from entrepreneurs to employees. In other words whether an employee is in the in group or the out group can impact the level of the optimism transfer from the entrepreneur to the employee.

**Table 1: Hierarchical regression of entrepreneurial optimism on optimism transfer to employees**

	Model 1	Model 2	Model 3
Age	0.04	0.06**	0.05
Gender	-0.00	-0.01	-0.06
Education	-0.12*	-0.08	-0.01
Tenure	-0.02	-0.01	-0.02
Position	0.22***	0.14***	0.25
Entrepre		0.39***	0.40***
Impulse		-0.11***	-0.12***
Pos_expre		0.06	0.07+
Neg_expre		-0.11+	-0.10+
Relation		0.19***	0.19***
Entrepre*impulse			-0.04
Entrepre*pos_expre			0.05
Entrepre*neg_expre			-0.08
Entrepre*relation			0.08*

## DISCUSSION

Optimism has been reflected in the literature as a trait, an individual trait that is impacted by environmental factors making it predominantly a learned trait (Vaughan, 2000). One of the key challenges of this study is linking optimism with contagion research in an organizational setting. This research addresses this issue of bridging the gap in terms of examining whether an optimism contagion exists in an entrepreneurial setting. Our study also highlighted factors that may moderate this contagion from the entrepreneur to the employees.

Specifically the results of the research support the view that an optimism contagion does exist between the entrepreneur and the employees. These results are consistent with Cardon's (2008) discussion of an entrepreneurial passion that is passed on to employees. Our research extends the boundaries of this research by testing if an optimism contagion exists between the entrepreneur and the employees as well as looking at moderating factors such as expressivity and

LMX. Though Cardon (2008) discussed the existence of an entrepreneurial passion that can be passed on to employees no research to date has done to effectively test this theory. Though this research is based on optimism and not passion it does show that the environmental factor of “the boss” can have an impact on an individual state optimism. Our study makes an important contribution to optimism and organizational behavioral research demonstrating how an entrepreneur can positively impact an employee’s mental disposition towards his/her work. It is important for entrepreneurs and employers alike to recognize that their mental disposition does have an impact on the employee’s disposition and therefore on outcomes such as performance. Past research has been done to provide empirical evidence that positive disposition has an impact on organizational behavior and outcomes (Stajkovic & Luthans, 1998; Yousef and Luthans, 2007). Therefore it is paramount for entrepreneurs to understand that their optimism disposition has an impact on the state optimism of the employee and ultimately the employee’s performance and job satisfaction.

In addition to the finding of an existing optimism contagion, our research provided empirical support for various moderating factors. The type of relationship that the entrepreneur has with the particular employees moderates the optimism contagion. Utilizing LMX theory, we were able to determine that the strength of the relationship between the entrepreneur and the employee impacts the overall strength of the contagion such that “in-group” employees reflected stronger contagion effects than “out-group” employees. The nature of the Leader Member Exchange relationship impacts the decision influence, performance, access to resources, subordinates responsibility (Forsyth, 2009), and, now shown empirically, the state optimism of the employee towards their job. It is important for entrepreneurs in small businesses and medium-sized firms to make a concerted effort to keep all their employees in the “in-group” so that it will lead to a stronger contagion and ultimately a greater positive state optimism which would in turn improved employees performance and work settings (Seligman, 1998; Luthans et al, 2005).

## **CONCLUSION**

While employees’ optimism leads to positive organizational outcomes, no studies have examined how entrepreneurs can transfer their optimism to the employees. Our research takes a small step in this direction. This is a research topic worthy investigation. We hope entrepreneurship scholars will help expand such research stream.

## **LIMITATIONS, FUTURE DIRECTIONS AND PRACTICAL IMPLICATIONS**

Our research is limited in several ways. First, we used online survey; therefore, data may be collected with social desirability influence. However, prior management researchers have used these types of agencies for data collection and found they are reliable (Ayyagari, Grover & Purvis, 2011; Thau, Bennett, Mitchell & Marrs, 2009). Second, we did not measure entrepreneurs’ optimism directly. Rather, we asked employees how they view the entrepreneurs’ optimism. Future researchers may want to collect data from both the employees and the entrepreneurs, which may give a more accurate picture of entrepreneurs’ optimism.

Our findings may be useful for entrepreneurs. When entrepreneurs want to pass their optimism to their employees, they should focus more on the quality of relationship with their employees. In future studies it is hoped it is determined if the entrepreneurs' organizational characteristics may or may not be more important than his/her expressivity.

## REFERENCES

- Allen, DR., Hitt, M., Greer, C.R. (1982). Occupational Stress and perceived organizational effectiveness in formal groups: an examination of stress levels and stress type. *Personality Psychology*, 35, pg. 359-71.
- Allen, N.J., & Meyer, J. P. (1996). Affective, continuance, and normative commitment to the organization: An examination of construct validity. *Journal of Vocational Behavior*, 49, pg. 252-276.
- Al-Mashaan, O. (2003). Associations among job satisfaction, optimism, pessimism, and psychosomatic symptoms for employees in the government sector in Kuwait. *Psychological Reports*, 93, pg. 17-25.
- Arabsheibani, G., de Meza, D., Maloney, R., Pearson, B., (2000). "And a vision appeared unto them of a great profit: evidence of self-deception among the self-employed." *Economic Letters* Vol. 67, pg. 35-41.
- Arakawa, D., & Greenberg, M. (2007). "Optimistic managers and their influence on productivity and employee engagement in a technology organization: Implications for coaching psychologists" *International Coaching Psychology Review*, Vol. 2, 1, pg. 77-109
- Babakus, E., Cravens, D., Johnston, M., & Moncrief, W. (1999). The role of emotional exhaustion in sales forces attitude and behavior relationships. *Journal of the Academy of Marketing Science*, 27, pg. 58-70.
- Babin, B., Boles, J. (1998). Employee behavior in a science environment: a model and test of potential differences between men and women. *Journal of Marketing*, 62, pg. 77-91.
- Bandura, A. (1986). *Social foundations of thought and action: A social cognitive theory*. Englewood Cliffs, NJ: Prentice-Hall.
- Bandura, A. (1989). Human agency in social cognitive theory. *American Psychologist*, 44, pg. 1175-1184.
- Baron, J.N. & Hannon, M.T. (2002). "Organizational blueprints for success in high-tech startups: Lessons from the Stanford project on emerging companies." *California Management Review*, Vol. 44, pg. 8-36.
- Barsade, S.G. (2002). The ripple effect. Emotional contagion and its influence on group behavior. *Administrative Science Quarterly*, Vol. 47, pg. 644-675.
- Bass, B. M. (1985). "*Leadership and performance beyond expectations*." New York: Free Press.
- Bass, B. M. (1990). *The Bass and Stogdill Handbook of Leadership*, Free Press, New York.
- Bass, B. M. (1998). *Transformational leadership: Industry, military, and education impact*. Mahwah, NJ: Lawrence Erlbaum.
- Bass, B. M., & Avolio, B. J. (1994). *Improving organizational effectiveness through transformational leadership*. Thousand Oaks, CA: Sage.
- Bazerman, M. H. (2002). *Judgment in managerial decision making* (5th ed.). New York: Wiley.
- Bennis, W. G. & Nanus, B. 1999. Five Competencies of New Leaders. *Executive Influence*, 16: pg. 4-5.
- Benkoff, B. (1997). Disentangling organizational commitment: The dangers of the OCQ for research policy. *Personal Review*, 26, pg. 114-136.
- Brown, R.S. (2014). *Does optimism pass on to the employees? The impact of supervisor optimism on employees in small and medium sized businesses* (Doctoral dissertation). Available from ProQuest dissertations and thesis database. (UMI No. 3626185).
- Buchanan, G. M., & Seligman, M.E.P. (1995). *Explanatory style*. Hillsdale, NJ, England: Lawrence Erlbaum Associates, Inc.
- Burt, R. S. 1987. "Social contagion and innovation: Cohesion versus structural equivalence." *American Journal of Sociology*, 92, pg. 1287-1335.
- Cacioppo, J. T., & Berntson, G. G. (1994). "Relationship between attitudes and evaluative space: A critical review, with emphasis on the separability of positive and negative substrates." *Psychological Bulletin*, 115, 401-423.
- Cardon, Melissa S. (2008). "Is passion contagious? The transference of entrepreneurial passion to employees. *Human Resource Management Review*, Vol. 18, pg. 77-86.

- Carver, C.S., Pozo, C., Harris, S.D., Noriega, V., Scheier, M.F., Robinson, D.S., et al. (1993). How coping mediates the effect of optimism on distress: A study of women with early stage of breast cancer. *Journal of Personality and Social Psychology*, 65, pg. 375-390.
- Carver, C., & Scheier M. (1981). *Attention and self-regulation: a control theory approach to human behavior*. New York: Springer-Verlag.
- Carver, C. S., & Scheier, M. F. (1998). *“On the self-regulation of behavior “*. New York: Cambridge University Press
- Coelho, Marta P. (2010). “Unrealistic optimism: still a neglected trait?”. *Journal of Business Psychology*, Vol. 25, pg. 397-408.
- Cooper, A.C., Woo, C.Y., & Dunkelberg, W.C. (1988). “Entrepreneurs' perceived chances for success.” *Journal of Business Venturing*, Vol. 3, 1, pg. 97–108
- Costa, P. X, Jr., & McCrae, R. R. (1987). “Neuroticism, somatic complaints, and disease: Is the bark worse than the bite?” *Journal of Personality*, Vol. 55, pg. 299-316.
- Daniels, Peter T. (1979). “Optimism” *Library Journal*, Vol. 104, 17
- De Bondt, W.F.M., & Thaler, R.H. (1995). “Financial Decision-Making in Markets and Firms: A Behavioral Perspective.” In *Handbooks in Operations Research and Management Science: Finance*. Edited by R.A. Jarrow, V. Maksimovic, and W.T. Ziemba. Amsterdam: Elsevier: pg. 385-410
- De Meza, David., & Southey, Clive (1996). “The borrowers curse: Optimism, Finance and Entrepreneurship. *The Economic Journal*, Vol. 106, pg. 375-386.
- Deshpande, S. and Golkar, D. (1994), “HRM practices in large and small manufacturing firms, a comparative study”, *Journal of Small Business Management*, Vol. 32, 2, pg. 49-56.
- Dushnitsky, Gary. (2010). “Entrepreneurial optimism and venture capital valuations” <http://www2.druid.dk/conferences/viewpaper.php?id=501316&cf=43>
- Eysenck H. J. and Eysenck S. B. G. (1975) *Manual of the Eysenck Personality Questionnaire*. Hodder & Stoughton, London.
- Fabre, Bruno & Francois-Heude, Alain (2009). “Optimism and overconfidence investors' biases: methodological note.” *Revue de l'association francaise de finance*, Vol. 30, 1, pg. 79-119
- Field, B. (2004). Optimism, coping, social support and romantic relationship satisfaction: A medical analysis. *Dissertation Abstracts International*, 64(7-B), 3581.
- Forbes, D. P. (2005). “Managerial determinants of decision speed in new ventures.” *Strategic Management Journal*, Vol. 26, pg. 355–366.
- Fournier, Marijda, de Ridder, Denise & Bensing, Josien (1999). “Optimism and adaptation to multiple sclerosis: What does optimism mean? *Journal of Behavioral Medicine*, Vol. 22, No. 4, pg. 303-326.
- Fredrickson, B. L. (1998). What good are positive emotions? *Review of General Psychology*, Vol. 2, pg. 300-319.
- Graen, G.B., & Scandura, T.A. (1987). Toward a psychology of dyadic organization. *Research in Organizational Behavior*, 9, pg. 175-208.
- Greenberg, Margaret H., & Arakawa, Dana. (2007). “Optimistic managers & their influence on productivity and employee engagement in a technology organization”. [http://repository.upenn.edu/cgi/viewcontent.cgi?article=1003&context=mapp\\_capstone&sei-redir=1&referer=http%3A%2F%2Fwww.google.com%2Furl%3Fsa%3Dt%26rct%3Dj%26q%3DOptimistic%2520managers%26source%3Dweb%26cd%3D1%26sqi%3D2%26ved%3D0CB4QFjAA%26url%3Dhttp%253A%252F%252Frepository.upenn.edu%252Fcgi%252Fviewcontent.cgi%253Farticle%253D1003%2526context%253Dmapp\\_capstone%26ei%3D28sdT8P1Gajq2AXrz6XVDA%26usg%3DAFQjCNH1USfmPDgyMHn9pBE1XTkjZCSEhA#search=%22optimistic%20managers%22](http://repository.upenn.edu/cgi/viewcontent.cgi?article=1003&context=mapp_capstone&sei-redir=1&referer=http%3A%2F%2Fwww.google.com%2Furl%3Fsa%3Dt%26rct%3Dj%26q%3DOptimistic%2520managers%26source%3Dweb%26cd%3D1%26sqi%3D2%26ved%3D0CB4QFjAA%26url%3Dhttp%253A%252F%252Frepository.upenn.edu%252Fcgi%252Fviewcontent.cgi%253Farticle%253D1003%2526context%253Dmapp_capstone%26ei%3D28sdT8P1Gajq2AXrz6XVDA%26usg%3DAFQjCNH1USfmPDgyMHn9pBE1XTkjZCSEhA#search=%22optimistic%20managers%22)
- Gross, J. J., & John, O. P. (1997). “Revealing feelings: Facets of emotional expressivity in self-reports peer ratings, and behavior.” *Journal of Personality and Social Psychology*, 72, pg. 435-448.
- Gross, J.J., & John, O.E (1995). “Facets of emotional expressivity: Three self-report factors and their correlates.” *Personality and Individual Differences*, 19, pg. 555-568.
- Guerrero, L.K., Andersen, P.A., Trost, M.R., (1998). *Communication and emotion: basic concepts and approaches*. In: Andersen, P.A., Guerrero, L.K. (Eds.), *Handbook of Communication and Emotion: Research, Theory, Applications and Contexts*. Academic Press, San Diego, pp. 3–27.

- Halaby, C. N. (2003). "Where job values come from: Family and schooling background, cognitive ability, and gender." *American Sociological Review*, Vol. 63, pg. 251-278.
- Hamel, G. (2000) *Leading the Revolution*, Harvard Business School Press, Boston, Massachusetts
- Hater, J.J., & Bass, B.M. (1988). "Superiors' evaluations and subordinates' perceptions of transformational and transactional leadership." *Journal of Applied Psychology*, 73(1), pg. 695-702.
- Herman-Stahl M., Petersen, A. (1996). The protective role of coping and social resources for depressive symptoms among young adolescents. *Journal of Youth and Adolescence*, 25, pg. 733-745.
- Hitt, M. A., & Ireland, R. D. (2002). "The essence of strategic leadership: Managing human and social capital." *Journal of Leadership and Organizational Studies*, Vol. 9, 1, pg. 3-14.
- Hmieleski, K.M., & Baron, R.A. (2009). "Entrepreneurs' optimism and new venture performance: a social cognitive perspective." *Academy of Management Journal*, Vol. 52, pg. 473-488.
- Hoekman, K., McCormick, J., & Barnett, K. (2005). The important role of optimism in a motivational investigation of the education of gifted adolescents. *Gifted Child Quarterly*, 49, pg. 99-110.
- Hollander, C. E. (1978). *The Process for Psychodrama Training: The Hollander Psychodrama Curve*. Monograph. Snow Lion Press, Denver, Colorado.
- Hornsby, J.S., and D.F. Kuratko (1990). "Human Resource Management in Small Business: Critical Issues for the 1990's." *Journal of Small Business Management*, Vol. 28, 3, pg. 9-18.
- Howell, J. M., & Avolio, B. J. (1993). "Transformational leadership, transactional leadership, locus of control, and support for innovation: Key predictors of consolidated business unit performance." *Journal of Applied Psychology*, 7, pg. 891-902.
- Hvide H. K. (2002). "Tournament Rewards and Risk Taking." *Journal of Labor Economics*, Vol. 20, pg. 877-898.
- Iyengar, Raghuram, Christophe Van den Bulte, and Thomas W. Valente (2011), "Opinion Leadership and Social Contagion in New Product Diffusion," *Marketing Science*, Vol. 30 Issue 2, pg. 195-212
- Jensen, S.M., & Luthans F. (2006). "Relationship between entrepreneurs' psychological capital and their authentic leadership." *Journal of Managerial Issues*, Vol. 18, pg. 254-273.
- Jensen, Susan M., & Luthans, Fred (2006). Entrepreneurs as authentic leaders: impact on employees' attitudes. *Leadership & Organizational Development Journal*, Vol. 27, 8, pg. 646-666
- Judge, T. A., Thoresen, C. J., Pucik, V., & Welbourne, T. M. (1999). "Managerial coping with organizational change: A dispositional perspective." *Journal of Applied Psychology*, Vol. 84, pg. 107-122.
- Kamen-Siegel, L., Rodin, J., Seligman, M., & Dwyer, J., (1981). Explanatory style and cell-mediated immunity in elderly men and women. *Health Psychology*, 10, pg. 229-235.
- Kanter. R. M. (1968). "Commitment and social organization: A study of commitment mechanisms in utopian communities." *American Sociological Review*. Vol. 33, pg. 499-517.
- Kao, R.W.Y. (1989), "*Entrepreneurship and Enterprise Development*", Holt, Rinehart & Winston of Canada, Toronto
- Kao, J.J. (Ed.) (1989), *Entrepreneurship, Creativity and Organization*, Prentice-Hall, Englewood Cliffs, NJ.
- King, L. A., & Emmons, R. A. (1990). "Conflict over emotional expression: Psychological and physical correlates." *Journal of Personality and Social Psychology*, 58, pg. 864-877.
- Kluemper**, Donald H.; Little, Laura M.; DeGroot, Timothy. "[State or trait: effects of state optimism on job-related outcomes](#)" *Journal of Organizational Behavior*, Feb2009, Vol. 30 Issue 2, pg. 209-231
- Lancastle**, Deborah., **Boivin**, Jacky (2005) "[Dispositional Optimism, Trait Anxiety, and Coping: Unique or Shared Effects on Biological Response to Fertility Treatment?](#)" *Health Psychology*, vol. 24, no. 2, pg. 171-178
- Landier, A. & Thesmar, D. 2003. "Financial Contracting with Optimistic Entrepreneurs: Theory and Evidence." Unpublished Paper, University of Chicago. <http://www.chicagogsb.edu/capideas/may04/optimism.html>.
- Landier, Augustin., & Thesmar, David. (2009). "[Financial Contracting with Optimistic Entrepreneurs](#)" Review of Financial Studies, Vol. 22 Issue 1, pg. 117-150
- Liang, Chyi-lyi (Kathleen), & Dunn, Paul (2008). "Are entrepreneurs optimistic, realistic, both or fuzzy? Relationship between entrepreneurial trait and entrepreneurial learning. *Academy of Entrepreneurship Journal*, Vol. 14, 1, pg. 51-72.
- Leung, B., Moneta, G., & McBride-Chang, C. (2005). Think positively: optimism and life satisfaction in late life. *International Journal of Aging & Human development*, 16, 335-365.

- Locke, E. A. (1976). The nature and causes of job satisfaction. In M. D. Dunnette (Ed.), *Handbook of industrial and organizational psychology* (pp. 1293-1349). Chicago: Rand McNally.
- Lucas, Robert E., Jr., (1978). "Asset Prices in an Ex-change Economy," *Econometrica*, Vol. 46, pg. 1429-45.
- Luthans, F., & Avolio, B. (2003), "*Authentic leadership: a positive development approach*", in Cameron, K.S., Dutton, J.E. and Quinn, R.E. (Eds), *Positive Organizational Scholarship*, Berrett-Koehler, San Francisco, CA, pg. 241-58.
- Luthans, F., Vogelsang, G. R., & Lester, P.B. (2006). Developing the psychological capital of resiliency. *Human Resource Development Review*, Vol 5, 1, pg. 25-44.
- Luthans, F., & Youssef, C. (2007). Emerging positive organizational behavior. *Journal of Management*, 33, pg. 321-349.
- Mäkikangas, A., Kinnunen, U., & Feldt, T. (2004). "Self-esteem, dispositional optimism, and health: Evidence from cross-lagged data on employees." *Journal of Research in Personality*, 38, pg. 556-575.
- Malmendier, U., & Tate, G. (2005). "CEO Overconfidence and Corporate Investment", *Journal of Finance*, Vol. 60, 6, pg. 2661-2700
- Marsden, P. (1998). "Memetics and Social Contagion: Two Sides of the Same Coin?" *Journal of Memetics - Evolutionary Models of Information Transmission*, 2, ([http://www.cpm.mmu.ac.uk/jomemit/1998/vol2/marsden\\_p.html](http://www.cpm.mmu.ac.uk/jomemit/1998/vol2/marsden_p.html))
- McCull-Kennedy, J. R., & Anderson, R. D. (2002). "Impact of leadership style and emotions on subordinate performance." *The Leadership Quarterly*, 13, pg. 545-559.
- Meyer, J. P., Bobocel, D. R., & Allen, N. J. (1991). "Development of organizational commitment during the first year of employment: A longitudinal study of pre- and post-entry influences. *Journal of Management*, Vol.17, pg. 717-733.
- Mowday, R.T., Porter, L.W., & Steers, R.M. (1982). *Employee organization linkages: The psychology of commitment, absenteeism, and turnover*. New York: Academic Press.
- O'Leary, M., Franzoni, J. Brack, G., & Zirps, F., (1996). Divorcing parents: factors related to coping and adjustment. *Journal of Divorce & Remarriage*, 25, pg. 85-104.
- Peterson, C. (2000). "The future of optimism", *American Psychologist*, Vol. 55, 1, pg. 44-55
- Peterson, Suzanne J.; Walumbwa, Fred O.; Byron, Kristin; Myrowitz, Jason (2009). "[CEO Positive Psychological Traits, Transformational Leadership, and Firm Performance in High-Technology Start-up and Established Firms.](#)" *Journal of Management*. Vol. 35 Issue 2, pg. 348-368
- Pfeffer, J. 1998. *The human equation*. Boston: Harvard Business School Press.
- Popper, M., Amit, K., Gal, R., Sinai, M. & Lissak, A. (2004), "The capacity to lead: major psychological differences between 'leaders' and 'non leaders'", *Military Psychology*, Vol. 16, 4, pg. 245-63.
- Puri, M., & Robinson, D. (2007). "Optimism and Economic Choice" *Journal of Financial Economics*, Vol. 86, pg. 71-99.
- Roomi MA & Harrison P (2011). Entrepreneurial leadership: What is it and how should it be taught? *International Review of Entrepreneurship*, 9(3), pg. 1-43
- Russo, E., & Shoemaker, P. (1992). "Managing Overconfidence" *Sloan Management Review* pg. 7-17.
- Salovey, P., Rothman, A., Detweiler, J., & Steward, W. (2000). Emotional states and physical health. *American Psychologist*, 55, pg. 110-121.
- Scheier, M.F., & Carver, C.S. (1985). "Optimism, coping, and health: Assessment and implications of generalized outcome expectancies". *Health Psychology*, Vol 4, pg. 219-247
- Scheier, M.F., & Carver, C.S. (1987). Dispositional optimism and physical well-being: The influence of generalized outcome expectancies on health. *Journal of Personality*, 55, pg. 169-210.
- Scheier, M.F., & Carver, C.S. (1992). Effects of optimism on psychological and physical well-being: Theoretical overview and empirical update. *Cognitive Therapy and Research*, 16, pg. 201-228.
- Scheier, M.F., Carver, C.S., & Bridges, M.W. (1994). Distinguishing optimism from neuroticism (and trait anxiety, self mastery, and self esteem): A reevaluation of the Life Orientation Test. *Journal of Personality and Social Psychology*, 6, pg. 1063-1078.
- Scheier, M.F., Carver, C.S., & Bridges, M.W. (2001). *Optimism, pessimism: Implications for theory, research, and practice* (pp189-216). Washington, DC: American Psychological Association.



- Scheier, M.F., Matthewwe, K., Owens, J., Magovern, G., Lefebvre, R., Abbott, R., et al. (1989). Dispositional optimism and recovery from coronary artery bypass surgery: The beneficial effects on physical and psychological well-being. *Journal of Personality and Social Psychology*, 57, pg. 1024-1040.
- Schulman, Peter. (1999). "Applying Learned Optimism to increase sales productivity" *Journal of Personal Selling and Sales Management*, Vol. 19, 1, pg. 31-37.
- Schwenk, C. (1986) "Information, Cognitive Biases, and Commitment to a Course of Action" *The Academy of Management Review*, Vol. 11, 2, pg. 298-310
- Seligman, M. E. P. & Schulman, P. (1986). "Explanatory style as a predictor of productivity and quitting among life insurance sales agents." *Journal of Personality and Social Psychology*, Vol. 50, pg. 832-838.
- Seligman, M. E. P. (1991). "*Learned optimism*". Knopf: New York.
- Simon, M., Houghton, S., & Aquino, K. (1999). "Cognitive biases, risk perception and venture formation: How individuals decide to start companies". *Journal of Business Venturing*, Vol. 15, pg. 113-134.
- Somers, M. J. (1995). Organizational commitment, turnover, and absenteeism: An examination of direct and interaction effects. *Journal of Organizational Behavior*, Vol. 16, pg. 49-58.
- Sparr, Jennifer L., Sonnentag, Sabine (2008). *European Journal of Work & Organizational Psychology*, Vol. 17 Issue 2, pg. 198-225
- Spector, P. E. (1997). *Job satisfaction: Application, assessment, causes, and consequences*. Thousand Oaks, CA: Sage.
- Stanton, A. L., & Snider, P. (1993). "Coping with a breast cancer diagnosis: A prospective study." *Health Psychology*, Vol. 12, pg. 16-23.
- Smith, Adam (1776). "*An Inquiry into the Nature and Causes of the Wealth of Nations*" Oxford: The Clarendon Press 1976.
- Taylor, S. E. & Brown, J. D. (1988). "Illusion and well-being: A social psychological perspective on mental health." *Psychological Bulletin*, Vol. 103, pg. 193-210.
- Taylor, S. E. (1989). *Positive illusions: Creative self-deception and the healthy mind*. New York: Basic Books.
- Tiger, L. (1979). *Optimism: The biology of hope*. New York: Simon & Schuster.
- Tuten, Tracy L., & Neidermeyer, Presha E. (2004). "Performance, satisfaction and turnover in call centers, the effects of stress and optimism." *Journal of Business Research*, Vol. 57, pg. 26-34.
- Watson, D., & Clark, L. A. (1984). "Negative Affectivity: The disposition to experience aversive emotional states." *Psychological Bulletin*, Vol. 96, pg. 465-490.
- Weinstein, N. 1980. "Unrealistic Optimism About Future Life Events", *Journal of Personality and Social Psychology* 39, pg. 806-20.
- Weinstein, N.D., and Klein, W. M. (1996). "Unrealistic optimism: Present and future." *Journal Social Clinical Psychology* Vol. 15, pg. 1-8.
- Weiss, H. M. (2002). "Deconstructing job satisfaction: Separating evaluations, beliefs and affective experiences." *Human Resource Management Review*, Vol. 12, pg. 173-194.
- Werenfels, P., (2006). Effects of optimism on goal setting-performance. *Dissertation Abstracts International*, 66(7-B), pg. 3988.
- Williams, E., Konrad, T., Scheckler, W., Pathman, D. (2001). "Understanding physicians' intentions to withdraw from practice: the role of job satisfaction, job stress, mental and physical health." *Health Care Manage Review*, Vol. 26, pg. 7- 19.
- Wright, T.A. (1997). Time revisited in organizational behavior. *Journal of Organizational Behavior*, 18, 201-204.
- Van den Bulte, C. and G. Lilien (2001). "Medical Innovation revisited: Social contagion versus marketing effort." *American Journal of Sociology* 106 (5), pg. 1409-35.
- Van den Steen, Eric J. (2004). "Rational Overoptimism (and Other Biases)" *American Economic Review* Vol. 94, pg. 1141-51.
- Vroom, V. H. "*Work and motivation*." New York: Wiley, 1964.
- Yu, Da., & Liang, Junping (2004). "A new model for examining the leader-member exchange (LMX) theory" *Human Resource Development International*, Vol. 7, 2, pg. 251-264.
- Zalesny, M.D., & Graen, G.B. (1987). Exchange theory in leadership research. In: A. Kieser, G. Reber, & R. Wanderer (Eds.), *Handbook of Leadership* (pp. 714-727). Stuttgart, Germany: C.E. Paeschel, Verlag.