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The Impact of Mood on Managerial Perceptions

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Abstract

It has been widely acknowledged that mood has the potential to affect selective attention to information, perceptions and to action readiness capacity. The effects of affect on managerial perceptions were measured among 149 managers from a variety of industries and companies. It was found current managerial mood state influenced the way managers perceived the amount of information they gathered when making business decisions relative to colleague managers, the amount of time they spent gathering information relative to comparable managers, and their own willingness to undertake risky business propositions relative to similar managers. These results are discussed.

INTRODUCTION

Emotions shape both how individuals respond to the world and how they see themselves (Mellers, Schwartz & Ritov 1999), and emotion has increasingly become a topic of interest for organisational researchers (Isen & Baron 1991, Dunegan, Duchon & Barton 1992, George, 1992, Williams & Wong 1999a, Brief & Weiss 2002). Positive affect (i.e., good mood), which has been defined as pleasant feelings induced by commonplace events or circumstances (Isen & Baron 1991), has been found to influence several aspects of employee behaviour. For example, workers in more positive moods have been found to be more companionable, obliging, and supportive of others in accomplishing organisational goals (Isen, Clark & Schwartz 1976, Williams, Pitre & Zainuba 2000). Additionally, positive affect has been found to influence performance appraisals (Tsui & Barry 1986), the interview process (Baron 1987), decision making (Isen & Geva 1987), and the intensity and duration of conflict (Baron 1983, 1984). Findings indicate that beneficial social behaviours brought about by good moods contribute to efficient business functioning, create a more pleasant work atmosphere, and generate increasing the likelihood of helpful behaviours toward the organisation and others (Isen & Baron 1991, Williams et al. 2000).

The flip side is that mood can also have dysfunctional influences. For instance, those experiencing a negative affective state (i.e., a bad mood) use less information during decision making (Conway & Giannopoulos 1993), have greater difficulty solving complicated problems (Dobson & Dobson 1981), organise information in a less detailed format (Watts & Cooper 1989), use less effort when attributing behaviour to others (Sullivan & Conway 1989), and exhibit constrained information processing (Conway & Hassebrauck 1997). Furthermore, sad people are more likely to recall negative information (Bower 1981), and are more likely to overestimate the likelihood that unpleasant events will occur (Johnson & Tversky 1983). Within a business context, unhappy managers have reported perceiving their current situations more negatively, believed they were less likely to influence risky outcomes, selected less risky courses of action (Williams & Wong 1999a), and were less likely to exhibit organisationally beneficial behavioural intentions (Williams & Wong 1999b). It has been found managers experiencing bad moods were also found to be more likely to perceive risk-related gains more negatively, resulting in increased risk avoidance (Williams, Zainuba & Jackson 2003).

Mood appears to influence judgments and decisions, and findings indicate that the more thinking required for a given assessment, the more the likely present mood state will influence thoughts, memories, and ultimate reactions (Forgas 2001). Current theorising suggests that mood works as a priming mechanism influencing our thoughts and responses (Bower 1983, Forgas 1995). Mood appears to play a key role in how our memory representations about the world are organised and activated, and it is this link that drives affect infusion into thinking and behaviour. When in a positive mood, we are significantly more likely to access and recall positive information and information that was first encountered in a previous happy mood state. In contrast, negative mood selectively facilitates the recall of negative information (Forgas 2001).

This line of theorising, known as 'affect infusion' (Forgas 1995), suggests that current mood facilitates the recall of similar (negative or positive) affective material. The phenomena serves as a retrieval cue for affectively skewed information in the decision-maker's memory, and provides a wider range of similar affective information for

consideration. Affect infusion (Forgas 1995) suggests that managerial mood should influence perceptions which underpins the following postulation.

The present study was undertaken to measure the extent to which current affective state influenced managerial perceptions. Specifically, this study measures the impact of managerial mood on perceptions of personal information gathering, personal decisional time deliberation, personal risk willingness, and organisational risk willingness.

Hypothesis 1. Managerial affective state (mood) will be positively correlated with managerial perceptions of personal information gathering, personal decisional time deliberation, personal risk willingness, and organisational risk willingness.

Method

Participants

To increase the generalisability of the findings data were obtained from a variety of industries. For instance, the respondent managers were employed in manufacturing (3%), marketing (5%), finance (5%), information technology (9%), petroleum (2%), banking (3%) and other business professionals, from a large Southern cosmopolitan city in the United States, were asked to participate. Of nearly two hundred contacts, 149 usable questionnaires were returned. Most respondents were single, the average age was 32 years, most managers were at the junior-to-senior level within their companies, 64 of the 149 respondents were male, on average the completed education level was some college, the average organisational size was greater than 200 employees, many of the respondents had been within their industries for more than six years, and most had been with their current employer for more than five years.

Measures

Data were captured with a survey instrument of three sections. In the first section, four dependent variables were measured. Each construct was assessed with a single item five-point scale anchored with 'less' and 'more'. Higher scores indicated more positive managerial perceptions. The managerial perception of Information Seeking was measured by asking, 'When making business decisions, would you say that you gather less or more information than other managers comparable to you?' The managerial perception of Decisional Time was measured by asking, 'When making business decisions, do you believe in taking less or more time deliberating over the issue than other managers comparable to you?' The managerial perception of Own Risk Willingness was measured by asking, 'How would you rate your own willingness to undertake risky business propositions as compared to other managers at your level in your firm?' The managerial perception of Organisational Risk Willingness was measured by asking, 'How would you rate your firm's willingness to take risks as compared to other firms in the industry?' In the second section the independent variable of affect was measured by asking respondents 'Before you proceed to the next section, how do you feel right now?' This item (mood) was scored by a five point scale with 'negative' and 'positive' anchors at the extremities. The last section of the survey instrument captured demographic properties.

RESULTS

Correlations between the independent and dependent variables are presented in Table 1. Mood was significantly correlated with 'Information Seeking' 'Decisional Time' 'Own Risk Willingness', and 'Organisational Risk Willingness'. These relationships suggest managers reporting more positive affective states were significantly more likely to believe they gathered more information, spent more time deliberating over the issue, were more willing to take risks, and believed that their own organisations were more willing to take risks than those experiencing negative moods. Nevertheless, as only single items were used, factor analyses and reliabilities estimates could not be undertaken. There is also the distinct possibility the relationships express high degrees of multicollinearity.

Table 1
Correlations (N=149)

	1	2	3	4
1. Information Seeking				
2. Decisional Time	.469 **			
3. Own Risk Willingness	.300 **	.120		
4. Organisational Risk Willingness	.166	.301 **	.287 **	
5. Mood	.301 **	.211 **	.352 **	.268 **

Note: ** $p < .01$.

DISCUSSION

This study found that current managerial mood state influenced the way in which managers perceived the amount of information they gathered when making business decisions relative to similar managers, the amount of time they spent gathering information relative to similar managers, their own willingness to undertake risky business propositions relative to similar managers, and their own firm's risk willingness relative to other firms in the industry, with participants reporting significantly more positive perceptions of each item as their own affective state became more positive. As indicated by Sedikides (1995), it seems that affect can have a greater influence on self-perceptions when people are judging less familiar and peripheral aspects of the self such as managerial decisional styles. Managers in more positive moods reported significantly more positive self-perceptions of information seeking, decisional time, own risk willingness, and organisational risk willingness than those experiencing more negative affective states. Some research suggests that informational effects like these occur because affect informs the content of memories, thoughts, and subsequent judgments (Forgas 2001).

While the investigated hypothesis was supported, possible limitations should be noted. All perceptual variables were gathered from the same source at the same time, a condition that may lead to common method variance or social desirability effects (Ganster, Hennessey & Luthans 1983). However, a strength of this study is that actual junior- and senior-level managers from a variety of companies and industries were measured, aiding external validity.

CONCLUSION

The results of this study suggest that mood appears to influence judgements and decision-making. The findings reported here are helpful in drawing attention to how managerial affective state may colour the ways in which managers see and react to the world. People in general and managers in particular may like to believe that their evaluations and judgments are objective, rational, and without bias. However, it appears from the results of this study that managers are unlikely to be able to override their emotions, and their emotions have potential to leak across judgments, perceptions, and decision-making. Awareness of the likely pervasive influence of emotion on managerial perceptions is the first step in controlling the emotional impact of feelings on managerial decision-making. Investigation in the area of moods and emotions in the workplace appears to be a fruitful avenue for continuing research. Further research should be encouraged to advance understanding of the power of mood in altering thought processes, judgements and decision making which can influence business and personal encounters in the workplace.

AUTHOR

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