Why Does Service With a Smile Make Employees Happy?
A Social Interaction Model

Eugene Kim
Georgia Institute of Technology

David J. Yoon
University of Minnesota

Drawing on the social interaction model, we examine the mediating role that the customer’s display of positive emotions plays on the relationship between the employee’s display of positive emotions and the employee’s positive mood. We also examine the moderating role that the customer’s personality traits—agreeableness, extraversion, and emotional stability—play on the relationship between the employee’s display of positive emotions and the customer’s display of positive emotions. The results show that the customer’s display of positive emotions mediates the relationship between the employee’s display of positive emotions and the employee’s positive mood. In addition, the customer’s personality traits moderate the relationship between the employee’s display of positive emotions and the customer’s display of positive emotions. The customer’s display of positive emotions depends less on the employee’s display of positive emotions when the customer has high levels of agreeableness and emotional stability than when the customer has low levels of agreeableness and emotional stability.

Keywords: positive displays, emotions, personality, customer service, interpersonal interactions

Given the rise of the service industry and the increasing importance of high-quality customer service in improving the bottom-line of the organization, a growing body of literature has examined the influence of the service employee’s display of positive emotions or emotional labor on customer mood, attitudes, and behaviors (e.g., Barger & Grandey, 2006; Grandey, Fisk, Mattila, Jansen, & Sideman, 2005; Groth, Hennig-Thurau, & Walsh, 2009; Hennig-Thurau, Groth, Paul, & Gremler, 2006; Pugh, 2001; Tsai & Huang, 2002). Although this research has enhanced our understanding of the interpersonal dynamics involving emotions that exist between service employees and customers, we examined the emotional dynamics from a unidirectional standpoint: Service employee’s display of emotions or emotional labor influences the customer’s emotional outcomes. However, a service interaction is composed of a double interact (Bowen & Johns, 1986; Ryan & Ployhart, 2003; Weick, 1979); the service employee’s display of emotions evokes the customer’s emotional response, which is followed by the emotional response of the service employee (see Hareli & Rafaeli, 2008; Rafaeli & Sutton, 1989). Rafaeli and Sutton (1989) proposed that the “give and take between sender and receiver of expressed emotions is composed of a series of double interact” (p. 24), and Hareli and Rafaeli (2008) posited that such double interacts affect behaviors of both interaction parties in an ongoing emotion cycle. Integrating the dispersed theory and research on double interact, display of emotions or emotional regulation, and emotional contagion, Côté (2005) presented the social interaction model which implied that the customer’s emotional response mediates the relationship between the service employee’s display of emotions and his or her emotional state.

However, we still have a dearth of empirical evidence that tests whether or not the customer’s emotional reaction serves as a feedback to the service employees. Drawing on the social interaction model, the first purpose of this study was to provide a more complete understanding of the emotional dynamics of a service employee–customer interaction by testing the mediating role that the customer’s display of positive emotions plays on the relationship between the employee’s display of positive emotions and the employee’s positive mood. The second purpose of this study was to extend the social interaction model by examining the moderating role that the customer’s personality traits—agreeableness, extraversion, and emotional stability—play on the relationship between the employee’s display of positive emotions and the customer’s display of positive emotions. Although previous studies suggested that these three traits may affect emotional reactions (Côté & Moskowitz, 1998), the social interaction model remains silent on how the customer’s personality serves as a boundary
condition for the model. By integrating the personality literature into the social interaction model, we advance the theoretical framework of the social interaction model. The model is represented in Figure 1.

**Theory and Hypotheses**

**Mediating Mechanisms of the Customer’s Display of Emotions**

In the social interaction model, Côté (2005) explained how the service employee’s display of emotions affects how the customer responds in his or her display of emotions and, ultimately, how this response affects the service employee’s emotional state. The basic tenet of the social interaction model is consistent with the norm of reciprocity (Gouldner, 1960), which posited that individuals feel obligated to respond positively (negatively) when they receive positive (negative) treatment from others.

In the first part of the emotional feedback cycle, the service employee’s display of positive emotions would be positively related to the customer’s display of positive emotions. According to the research on emotional contagion, people have a “tendency to automatically mimic and synchronize facial expressions, vocalizations, postures, and movements with those of another person” (Hatfield, Cacioppo, & Rapson, 1994, p. 5). On one hand, Barger and Grandey (2006) tested and found support for such a subconscious mimicry process—a positive relationship between employee smiling and customer smiling during the service encounter—by observing both employee and customer smiling in food service stores. On the other hand, a receiver may react to the sender’s emotional signal in a more conscious manner (see Barsade, 2002; Schoenewolf, 1990). For example, in order to follow the social norm of politeness, a customer would shape appropriate emotional reactions according to the service employee’s display of positive emotions (e.g., response to greeting and thanking). In this study, we extend Barger and Grandey’s (2006) finding by capturing not only smiling but also other displays of positive emotions (i.e., greeting, eye contact, pleasantness, and thanking) occurring either subconsciously or consciously during the interaction to test a more comprehensive mimicry process that may take place between service employees and customers.

In the second part of the emotional feedback cycle, the customer’s display of positive emotions would be positively related to the service employee’s positive mood. Emotional contagion literature provides preliminary evidence that the customer’s reactive display of positive emotions would increase the service employee’s positive mood. Much of the research has found that emotional contagion (i.e., the service employee’s display of positive emotions leading to the customer’s positive mood) occurred when the service employees were senders of emotions and the customers were receivers (Pugh, 2001; Tsai & Huang, 2002). We posit that it should also occur in a reversed manner as well when customers are senders of emotions and employees are receivers.

Furthermore, performance feedback literature generally supports the notion that positive feedback promotes positive mood (Kluger & DeNisi, 1996). Performance feedback refers to “the degree to which carrying out the work activities required by the job results in the individual obtaining direct and clear information about the effectiveness of his or her performance” (Hackman & Oldham, 1976, p. 258). In the customer service context, the customer’s positive emotional reactions can be categorized as a type of positive performance feedback because people and their reactions are also considered to be a source of performance feedback (see Humphrey, Nahrgang, & Morgeson, 2007). Specifically, emotional reactions from the customers provide immediate information to the service employees that their displays of positive emotions aptly met the expectations of the customers. In addition, Rafaeli (1989) found that customers have more opportunities to provide both verbal (e.g., thanking or complaining) and nonverbal (e.g., smiling or frowning) performance feedback toward service employees than coworkers and supervisors because of the physical proximity between the employee and the customer in addition to the extended amount of time they spend together during their interaction. She further argued that the effects of customer feedback are, therefore, more influential and immediate than the feedback from coworkers and supervisors (Rafaeli, 1989). Several researchers also found that receiving positive feedback results in a positive mood (e.g., Isen & Baron, 1991; Martocchio & Dulebohn, 1994), consistent with the affective events theory (see Weiss & Cropanzano, 1996). Thus, service employees may experience more positive mood because customers reciprocate their displays of positive emotions with similar displays of positive emotions.

**Hypothesis 1:** The customer’s display of emotions mediates the relationship between the service employee’s display of emotions and the service employee’s mood.

---

**Figure 1.** Hypothesized model.
The Moderating Role of Customer’s Personality Traits

Thus far, we have suggested that the employee’s display of emotions is positively associated with the customer’s display of emotions. It may also be the case that certain customers are more predisposed than others to display emotions in a certain manner given other’s display of emotions targeted toward them. Because individual behaviors are rooted in personality traits (see Fleeson, 2001; Hogan & Holland, 2003), we suggest that the customer’s personality traits may shape the relationship between the employee’s display of positive emotion and the customer’s responsive display of positive emotions. Broadly, this approach is consistent with the argument that the interaction of personality and situation explains individual behaviors (see Barrick & Mount, 2005; Mischel, 1977). Integrating personality literature into the social interaction model is important because the social interaction model suggested that the customer’s responsive behavior (i.e., favorable and unfavorable response) is what determines whether the feedback loop takes a salutary or a detrimental turn for the service employee’s emotional well-being (Côté, 2005); the customer’s personality traits may determine whether he or she reacts favorably or unfavorably to the service employee’s display of positive emotions.

Previous studies have found that the personality traits that may affect the emotional reactions the most are agreeableness, extraversion, and emotional stability (Côté & Moskowitz, 1998). Among these three personality traits, Tobin, Graziano, Vanman, and Tassinary’s (2000) focused on agreeableness but studied extraversion and emotional stability in an exploratory fashion to see how these traits affect an individual’s emotional reaction to positive or negative events. They focused on agreeableness because agreeable individuals are concerned with maintaining positive interpersonal relationships. Specifically, although extraversion and emotional stability are important predictors of behavioral outcomes across the board (e.g., dominant and quarrelsome behaviors; Côté & Moskowitz, 1998), agreeableness is considered a stronger predictor of behavioral outcomes when that outcome is specific to maintaining social harmony such as being courteous (Tobin et al., 2000). Unlike agreeableness, extraversion is composed of sociability and dominance facets that would and would not be related to social harmony, respectively (see DeYoung, Quilty, & Peterson, 2007). Furthermore, agreeableness is different from extraversion and emotional stability in how it relates to emotional reactions. Tobin and colleagues (2000) posited that agreeableness is more likely to be related to certain interpersonal behavioral reactions (e.g., cooperative behavior); however, extraversion and emotional stability are more likely to be related to intrapersonal emotional reactions (e.g., mood). Hence, studies found positive and negative relationships between extraversion and positive mood, and emotional stability and negative mood, respectively (e.g., David, Green, Martin, & Suls, 1997; Larsen & Ketelaar, 1989, 1991; Suls, Martin, & David, 1998), but in settings where the participants were isolated from interactions (Tobin et al., 2000). Also, the studies in which the relationship between events and their effects on moods was examined with extraversion and emotional stability as moderators (e.g., David et al., 1997; Larsen & Ketelaar, 1989, 1991; Suls et al., 1998) did not go as far as looking at subsequent behavioral outcomes. In sum, agreeableness is the most relevant trait to consider when examining behavioral reactions that maintain positive interpersonal relationships.

Building on this body of research, we choose customer’s agreeableness as a critical boundary condition of the link between the service employee’s display of positive emotion and the customer’s display of positive emotions. We also investigate the role that extraversion and emotional stability plays in the emotional contagion process in an exploratory manner.

Agreeableness

Agreeable people are generally described as kind, warm, and courteous (Barrick & Mount, 1991). They try to develop and maintain harmonious interpersonal relationships (McCrae & Costa, 1991) and manage their emotional expression during interactions (Tobin et al., 2000). Specifically, Tobin and colleagues (2000) posited that “if emotional control is connected to motives for maintaining positive relations, then Agreeableness is probably an important part of the story” (p. 666). Thus, we propose that the customer’s agreeableness moderates the relationship between the employee’s initial display of positive emotions and the customer’s display of positive emotions that follows. For the less agreeable customer, the employee’s display of positive emotions may be more likely to increase the subsequent display of positive emotions; for the more agreeable customer, this positive relationship would be weaker. The reason is that the customer who has high agreeableness is less reactive to the positive service context such as the service employee’s display of positive emotions. In other words, the agreeable customer’s display of positive emotions is more dependent on their internal traits rather than on the contextual factors such as the service employee’s display of positive emotions. Several studies have supported this argument. For instance, Tobin and colleagues (2000) found that individuals who are high in agreeableness are more likely to control both positive and negative displays of emotions and are less reactive to positive stimulation. Ilies, Scott, and Judge (2006) also found that individuals who are high in agreeableness are less reactive to situation-driven positive mood when they engage in organizational citizenship behavior. Therefore, we hypothesize:

Hypothesis 2: The relationship between the service employee’s display of emotions and the customer’s display of emotions will be moderated by the customer’s agreeableness, such that the customer’s display of emotions will depend less on the employee’s display of emotions when the customer has high levels of agreeableness rather than when the customer has low levels of agreeableness.

Extraversion and Emotional Stability

We pose research questions rather than formal moderation hypotheses because the literature provided somewhat inconsistent theoretical and empirical evidence for extraversion and emotional stability.

Research Question 1. Does the customer’s extraversion moderate the relationship between the service employee’s display of emotions and the customer’s display of emotions?
Research Question 2. Does the customer’s emotional stability moderate the relationship between the service employee’s display of emotions and the customer’s display of emotions?

Method

Participants

Participants in this study were service employees and customers in clothing and accessory stores (e.g., glasses, jewelry, and watches) located in a large shopping mall in Seoul, Korea. The service employees provide high-quality service to customers to help their purchasing decision (e.g., saying “this new dress fits you very well” or “this color would be better for you” after customers try on new clothes). First, with the permission from the corporate top management team, a total of 187 service employees in 187 stores enrolled in our study. Of the 187 employees who enrolled, 149 employees in 149 stores completed the paper-and-pencil background survey (e.g., personality, job design, and demographics). Next, in the 149 stores that agreed to participate in the study, two observers recorded the employee’s and customer’s display of emotions during service interactions and administered the brief postinteraction survey to the store employees and the customers. The postinteraction survey for the store employee contained items regarding the customer’s display of emotions and the employee’s own mood after the service interaction; the postinteraction survey for the customers contained items regarding the employee’s display of emotions and the customer’s own personality traits.

A total of 297 customers who had entered the 149 stores were asked to participate in the study, and 117 customers agreed to participate in the study (overall response rate: 117/297 = 39%; at first attempt, 50 accepted; at second attempt, 50 accepted; at third attempt, 17 accepted). Thus, the final sample consisted of 117 store employee–customer interactions. Sixty-four percent of the service employees were women, and 48% of the service employees were also store owners. The average store tenure was 3 years ($SD = 3.40$), and the average age was 31 years ($SD = 9.15$). Sixty-six percent of the customers were women, and the average age was 25 years ($SD = 6.88$). On average, the interactions lasted about 13 min ($SD = 9.60$). Sixty-four percent of the customers purchased at least one item, and the average purchase amount was about 50,000 Korean Won ($SD = 80,000$), which is equivalent to $50$ U.S. ($SD = 80$). The employees and customers were offered 10,000 Korean Won (about $10$ U.S.) in cash and a 5,000 (about $5$ U.S.) shopping mall gift card, respectively, for their participation.

Observation and Postinteraction Data Collection Procedure

In order to improve the accuracy of the observations, the authors conducted a training and pilot observation session for the research assistants (e.g., Barger & Grandey, 2006; Tsai & Huang, 2002). Two research team members conducted the observations and postinteraction surveys when the store was not busy (i.e., one customer per employee in a store). Both the corporate management team and the store employees requested for the study to be conducted during nonbusier hours to minimize the interruption to business. We complied with their request because focusing on one employee–customer interaction is consistent with previous studies’ observation method, which controls for store busyness. Owing to the disruptive nature of store busyness on the employee’s display of positive emotions (see Rafaeli & Sutton, 1990; Sutton & Rafaeli, 1988), previous research in which the role that display of positive emotions plays in the service setting was examined attempted to control for store busyness in one of two ways. The first approach was to statistically control for store busyness, which is typically operationalized as the number of customers in line or in the store (e.g., Tan, Foo, & Kwek, 2004). The second approach was to control for store busyness by design, similar to our study (e.g., Tsai & Huang, 2002). The second approach also has two notable advantages in examining displays of emotions specific to the field setting. First, we could maintain the accuracy of observations because each member of the observer pair was responsible to pay full attention to one party of the interaction instead of two customers simultaneously such as when friends enter the store together (see Barger & Grandey, 2006, for a similar approach). Second, this approach minimizes the confounding effects of social influence stemming from co-customers (see Ramanathan & McGill, 2007).

Two research team members visited each store to observe the interactions and to distribute the postinteraction surveys. To increase the accuracy of observations, the pair of observers conducted at least five practice interaction observations with the same target (i.e., service employees) in a coffee shop and checked their coding match before their real observation in the shopping mall where one observer coded the customer’s display of emotions while the other observer in the pair coded the service employee’s display of emotions. Furthermore, to check the reliability of observations, the observer’s ratings were compared with the customer’s and the employee’s ratings of his or her partner’s display of emotions.

When the customer entered, the observers gave previously agreed-upon nonverbal cues to one another to start the observation (for similar coding procedures, see Barger & Grandey, 2006). After the end of the interaction and the departure of the customer from the store premises, the observer who was recording the expressions of the customer approached the customer to invite him or her to participate in the study and to complete the survey should they consent to participate in the study. Furthermore, in order to ensure that the customer’s emotional state was not altered while completing the front page of the survey (which contained the customer’s observation of the employee’s display of emotions), the information on compensation was not provided until they proceeded to the next page where there were trait-based items such as personality that are more robust to mood changes (see Tsai & Huang, 2002, for a similar approach). While one of the observers

\footnote{The research team was allowed to observe up to a maximum of three interactions per employee in case customers declined to participate in the study or the service employee expressed concerns about the interruption of business. For example, if the first customer agreed to participate in the study, we did not collect any more interactions from the same employee because we already had a complete matched set of data from the interaction (i.e., one completed interaction). However, if all three customers declined to participate in this study (hence, reaching the predetermined maximum interaction observation attempts), we also stopped our study for the focal employee.}
was administering the postinteraction survey to the customer, the
observer who was recording the behaviors of the employee ap-
proached the employee to administer the brief postinteraction
survey.

**Measures**

According to Brislin’s (1980) translation-back-translation pro-
cedure, the scales used were translated from English to Korean.

**Employee’s and customer’s display of emotions.** Following
previous studies (e.g., Pugh, 2001; Rafaeli & Sutton, 1990; Tan et
al., 2004; Tsai & Huang, 2002), employee’s and customer’s dis-
play of emotions have been measured using five observation items
including greeting, thanking, smiling, eye contact, and pleasant-
ness. These items were coded on a 2-point scale where observers
gave a 0 if there was no such verbiage or behavior, 1 if there was
such verbiage and behavior. As done in previous studies, the
interrater reliability was calculated using interclass correlation
(ICC). The ICC yielded .91 for the employee’s display of emotions
and .94 for the customer’s display of emotions, which were ac-
tceptable. Thus, (a) the average of the observer’s rating and the
employee’s rating of the customer’s display of emotions and (b)
the average of the observer’s rating and the customer’s ratings of
the employee’s display of emotions were used.

**Employee’s mood.** Happy, excited, contented, and relaxed
were used to capture the full-range of positive mood (see Bono,
Glomb, Shen, Kim, & Koch, 2010; Feldman Barrett & Russell,
1998). Survey participants were asked to respond to questions
using right after the interaction as the time frame to capture their
mood state after the service interaction. All four items were rated
on a 5-point Likert scale ranging from 1 (strongly disagree) to 5
(strongly agree).

**Customer’s personality.** Customer’s personality (i.e., agree-
ableness, extraversion, and emotional stability) was measured using
30 items (10 items for each) from the International Personality Item
Pool (IPIP; Goldberg, 1992). All items were rated on a 5-point Likert
scale ranging from 1 (very inaccurate) to 5 (very accurate).

**Control variables.** The employee’s extraversion was con-
trolled for to partial out the variance due to individual trait affec-
tivity. The employee’s extraversion was selected because it was
interchangeable with positive affectivity, at best, or was a critical
facet of positive affectivity, at least (r = .48–.64; Watson & Clark,
1992, 1997) and was positively related to positive affectivity. The
employee’s extraversion was positively associated with the employee’s
mood (β = .29, p < .05). Moreover, the employee’s display of emotions was not
significantly associated with the employee’s mood (β = .07, ns) when
the customer’s display of emotions is accounted for in the
model. Thus, the customer’s display of emotions fully mediated
the relationship between the employee’s display of emotions and
the employee’s mood. It was confirmed with the Sobel test (z =
1.99, p < .05; Sobel, 1982).

We also found support for Hypothesis 2: The positive relation-
ship between the employee’s display of emotions and the custom-
er’s display of emotions was moderated by the customer’s agree-
ableness (β = −.12, p < .05); for customers who had high agreeableness, their own display of emotions was less dependent on the service employee’s display of emotions.

We did not find support for Research Question 1: The positive relationship between the employee’s display of emotions and the customer’s display of emotions was not moderated by the custom-
er’s extraversion (β = −.01, ns). We found support for Research
Question 2: The positive relationship between the employee’s display of emotions and the customer’s display of emotions was
modified by the customer’s emotional stability (β = −.18, p <
.05); for customers who had high emotional stability, their own
display of emotions was less dependent on the service employee’s
display of emotions. Simple slopes, which were derived by 1,000
bootstrap estimates, were positive and differed significantly from
zero (p < .05). We standardized the employee’s display of emo-
tions and the three customer personality moderators before com-
puting interaction terms to reduce multicollinearity (Cohen, Co-
hen, West, & Aiken, 2003). We plotted the interactions using
Cohen et al. (2003)’s method. Figures 2 and 3 illustrate these
findings.

**Discussion**

On the basis of the social interaction model (Côté, 2005), we
found that the customer’s display of emotions fully mediated the

### Table 1

**Means, Standard Deviations, and Correlations**

<table>
<thead>
<tr>
<th>Variable</th>
<th>M</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Employee’s extraversion</td>
<td>3.27</td>
<td>0.62</td>
<td>83</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Employee’s display of emotions</td>
<td>3.87</td>
<td>1.47</td>
<td>.02</td>
<td>.84</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Customer’s agreeableness</td>
<td>3.58</td>
<td>0.54</td>
<td>−.09</td>
<td>.11</td>
<td>.76</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Customer’s extraversion</td>
<td>3.54</td>
<td>0.68</td>
<td>−.04</td>
<td>−.02</td>
<td>.44</td>
<td>.87</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Customer’s emotional stability</td>
<td>2.25</td>
<td>0.81</td>
<td>−.07</td>
<td>.23</td>
<td>.18</td>
<td>.25</td>
<td>.91</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Customer’s display of emotions</td>
<td>4.08</td>
<td>1.38</td>
<td>.04</td>
<td>.69</td>
<td>.25</td>
<td>.08</td>
<td>.45</td>
<td>.86</td>
<td></td>
</tr>
<tr>
<td>7. Employee’s mood</td>
<td>3.49</td>
<td>0.73</td>
<td>.24</td>
<td>.28</td>
<td>.08</td>
<td>−.06</td>
<td>.22</td>
<td>.32</td>
<td>.91</td>
</tr>
</tbody>
</table>

*Note. N = 117. Coefficient alpha reliabilities are reported in boldface along the diagonal. p < .05.*
relationship between the employee’s display of emotions and the employee’s mood. Integrating personality literature with the social interaction model, we also found that the customer’s agreeableness and emotional stability, but not extraversion, moderated the relationship between the employee’s display of emotions and the customer’s display of emotions.

Theoretical Implications

The most important contribution of the present study is that it provided initial empirical support for the social interaction model in a customer service setting. Côté (2005) suggested that the evidence for full mediation indicated the appropriateness of the social interaction model over the facial feedback model (see Tomkins, 1962), particularly in the service context.

Next, we found that the customer’s display of positive emotions depended less on the employee’s display of positive emotions when the customer had high agreeableness. This finding extends the previous understanding of the role that the customer’s agreeableness plays in the service interaction. Not only is the customer’s agreeableness positively associated with the service employee’s display of positive emotions and the customer’s satisfaction with the service employee (Tan et al., 2004), but it is also an important factor in gauging the degree to which the employee’s display of positive emotions positively affects the customer’s display of positive emotions. This is consistent with Tan and colleagues’ (2004) assertion that agreeable customers were less affected by lower levels of service quality. In addition, we found that the

Table 2
Results of Moderated Mediation Regression Analysis

<table>
<thead>
<tr>
<th>Variable</th>
<th>( \beta )</th>
<th>( R^2 )</th>
<th>( \Delta R^2 )</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mediator: Customer’s emotion display</td>
<td>Employee’s extraversion</td>
<td>0.03</td>
<td>0.00</td>
</tr>
<tr>
<td>Hypothesis 1</td>
<td>Employee’s emotion display</td>
<td>0.56*</td>
<td>0.48*</td>
</tr>
<tr>
<td></td>
<td>Customer’s agreeableness</td>
<td>0.14*</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Customer’s extraversion</td>
<td>0.12*</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Customer’s emotional stability</td>
<td>0.25*</td>
<td>0.60*</td>
</tr>
<tr>
<td>Hypothesis 2</td>
<td>Employee’s Emotion Display ( \times ) Customer’s Agreeableness</td>
<td>0.12*</td>
<td>0.62*</td>
</tr>
<tr>
<td>Research Question 1</td>
<td>Employee’s Emotion Display ( \times ) Customer’s Extraversion</td>
<td>0.01</td>
<td></td>
</tr>
<tr>
<td>Research Question 2</td>
<td>Employee’s Emotion Display ( \times ) Customer’s Emotional Stability</td>
<td>-0.18*</td>
<td>0.65*</td>
</tr>
<tr>
<td>Dependent variable: Employee’s mood</td>
<td>Employee’s extraversion</td>
<td>0.22*</td>
<td>0.06*</td>
</tr>
<tr>
<td>Hypothesis 1</td>
<td>Customer’s emotion display</td>
<td>0.29*</td>
<td>0.16*</td>
</tr>
<tr>
<td>Hypothesis 1</td>
<td>Employee’s emotion display</td>
<td>0.07</td>
<td>0.16*</td>
</tr>
</tbody>
</table>

Note. \( N = 117 \). The results are robust when we used several sets of control variables (e.g., employee’s extraversion, job autonomy, store ownership, etc.) and observer ratings of employee’s and customers’ display of emotions. Additional results are available upon request.

* \( p < .05 \).

Figure 2. Moderating role of the customer’s agreeableness on the relationship between the display of emotions by employees and the display of emotions by customers.

Figure 3. Moderating role of the customer’s emotional stability on the relationship between the display of emotions by employees and the display of emotions by customers.
customer’s display of positive emotions depended less on the employee’s display of positive emotions when the customer had high emotional stability. Emotional stability received less attention as an interpersonal trait (McCrae & Costa, 1989), but it was correlated with coldheartedness (disagreeableness) on the interpersonal circumplex model (Trapnell & Wiggins, 1990); this may explain the similar patterns of moderation of emotional stability and agreeableness. We encourage researchers to develop theoretical explanations as to why emotional stability affects interpersonal behavioral reaction. Finally, we did not find support for the moderating role of the customer’s extraversion in the service interaction. One important question raised by this result concerns the complex role of extraversion in service settings. Unfortunately, the knowledge regarding the customer’s extraversion lags far behind the advances in knowledge regarding the service employee’s extraversion. Even within the realm of the service employee’s extraversion, the research evidence linking the service employee’s extraversion and some performance is equivocal. Some studies have shown significant relationships \( r = .26-.28 \) (Vinchur, Schippmann, Switzer, & Roth, 1998), whereas others have shown weak or nonsignificant relationships \( r = -.10-.21 \) (Mount, Barrick, & Stewart, 1998). Thus, future research is necessary in a few areas. First, researchers need to clarify the conceptualization of extraversion (e.g., dominance vs. sociability) and service performance (e.g., sales vs. interpersonal behaviors). Second, future research must investigate the personality fit between service employees and customers (e.g., complementary fit model for extraversion) and the role of contextual factors (e.g., culture).

Finally, this study hints at the generalizability of the social interaction model across cultures because although this theoretical idea was developed in an individualistic culture, it was empirically supported in South Korea—a collectivistic country where the people share interdependent views of self (see Heine & Buchtel, 2009; Hofstede, 1991). In addition, these contextual characteristics may work as situational enhancers of the social interaction model because interpersonal harmony based on social norms and contracts is one of the critical values in this country. Taras, Kirkman, and Steel (2010), in their meta-analysis, found that on the country level, cultures rated high on collectivism were more likely to be agreeable \( (p = .42) \) and conforming to others \( (p = .42) \). In other words, harmony-oriented social cues in the interpersonal service setting are more likely to influence individuals in collectivist countries such as South Korea, and can further affect the display of positive emotions during service interactions.

**Practical Implications**

We found in the present study that the service employee’s display of positive emotions played a critical role in predicting the customer’s display of positive emotions and the ensuing employee’s positive mood. This is important because an individual’s positive mood facilitates the upward spirals toward better emotional well-being (see Fredrickson, 2001). Therefore, the key implication for managers is to consider customers to be coproducers of a positive service interaction (Schneider & Bowen, 1995) and to consider them as important components in cultivating employee well-being. Recruiting and hiring employees who are adept at displaying positive emotions using several selection tools may serve as the first step in generating a positive emotional cycle during service interactions. Managers may also promote a positive emotional cycle in service interactions by establishing training systems that involve multiple stakeholders (e.g., both employee and customers) of the service interaction (see Noe, 2009). Specifically, managers should be aware that customer training is necessary (e.g., remind customers to say thank you and show civil behaviors to service employees) beyond the typical employee training (see Bitner, Boom, & Mohr, 1994; Grandey & Brauburger, 2002).

**Limitations and Future Directions**

A key limitation is that our observation technique does not allow us to examine the role that the authenticity of positive emotional expressions plays in the interaction. Although there is some evidence that people may detect authenticity of expressed emotions (e.g., Grandey et al., 2005; Hennig-Thurau et al., 2006), multiple trained observers are necessary to detect the authenticity of expressed emotions accurately, and the presence of these multiple observers in the store may induce demand effects on both the employee and the customer. Beal, Trougakos, Weiss, and Green (2006) also suggested that from the eyes of an observer, both authentic and inauthentic strategies of the subject are equally effective during an affective delivery. However, future research is necessary to distinguish the effects of authentic and inauthentic display of positive emotions in the field setting using more rigorous observation techniques (e.g., random visual recording; Trougakos, Beal, Green, & Weiss, 2008). Next, although our theory suggests a certain causal flow, and the patterns of results are robust, we cannot completely rule out the possibility of alternative models (e.g., the employee’s preinteraction positive mood may result in the employee’s display of positive emotions and the customer’s display of positive emotions). However, we believe that our time-lagged design largely alleviates this concern. We observed the service employee’s initial display of positive emotions and the customer’s subsequent emotional response and conducted postinteraction surveys to assess mood state using “right after the service interaction” as the time frame. However, future research with longitudinal designs would be a major advancement toward understanding the emotional dynamics in the service setting. Despite these limitations, the present study makes a contribution to the investigation of the social interaction model of employee well-being in the customer service context and highlights the role that the customer’s personality traits plays in the model. Given these findings, future research with more rigorous methods (e.g., experience sampling method) is necessary to unfold the complex nature of the series of ongoing emotion cycles that take place in the work setting.

**References**


Barrick, M. R., & Mount, M. K. (2005). Yes, personality matters: Moving...
on to more important matters. *Human Performance, 18*, 359–372. doi:10.1207/s15327043hup1804_3
McCrae, R. R., & Costa, P. T., Jr. (1989). The structure of interpersonal


Received June 15, 2011
Revision received March 2, 2012
Accepted March 7, 2012