BASED ON FUND MANAGERS' EMOTIONAL LABOR TO DISCUSS THE EFFECT OF SOCIAL NETWORK ON WORK PERFORMANCE

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Abstract

Interpersonal relationship is an important element for business activity in Chinese societies. Venture capital companies have invested in various industries in past years and the funds of most venture capital companies are not large that venture industry would form an investment network to construct the information flow channel with the network activity among managers through the social network. It does not simply enhance the contact with other potential partners, but is also the information source and resource acquisition method. The difference in fund managers' investment decision-making lies in individual characteristics as well as the position in the social network to further influence the investment performance. Aiming at fund managers in Beijing, the research results show 1.negative relations between social network and emotional labor, 2.negative relations between emotional labor and work performance, and 3.positive relations between social network and work performance. According to the results to propose suggestions, it is expected to assist in selecting good fund managers, help fund managers make correct decisions, and benefit enterprises creating competitive advantage.

Keywords: social network, fund manager, emotional labor, work performance, adolescence, relationship.

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Introduction

Along with the fast development of domestic economy, venture capital enterprises rapidly develop with high-tech industry. Venture capital companies have invested in various industries and the funds of most venture capital companies are not large that venture industry would form an investment network to mutually introduce cooperative investment. Interpersonal relationship, as a primary element of business activity in Chinese societies, partially replaces the role of contracts to form certain restriction, i.e. an alternative management mechanism. Through the social network, the network activity among managers constructs the information flow channels to enhance the contact with other potential partners as well as be the information source and resource acquisition method. With broader scope of networking activity, network members could acquire more and important information and business opportunities to assist network members in making correct decisions as well as help enterprises create competitive advantage. Due to the broad scope of invested industries, venture capital management company managers in each industry present distinct professional knowledge. It therefore becomes critical to acquire professional knowledge in various fields. Fund managers, as the soul in the fund operation process, are the direct operators of funds to determine the investment portfolio decision of funds that they present primary influence on fund performance. A fund manager's investment styles and decision-making are affected by individual characteristics. Different fund managers, with distinct individual characteristics of gender, age, and education background, would influence the selection of investment portfolio to directly affect the fund operation performance. Social network theory considered the effect of embedded social network on individual preference and decision-making that fund managers' investment decision-making did not simply rely on individual characteristics, but also depended on the position in the social network, to further affect the investment performance. The application of the social network in venture industry to acquire knowledge through knowledge sharing and enhance work performance becomes an important issue for fund managers. Based on a fund manager's emotional labor, this study intends to discuss the relations between social network and work performance, expecting to assist in selecting good fund managers, help fund managers make correct decisions, and help enterprises create competitive advantage.

Literature review

Social network

Chen, Chang, & Chang (2015) indicated that social network was the assembly of many objects, the link among such objects, and the relationship system among various individuals or roles. The role could be a person, a group, or an organization. Domahidi *et al.* (2018) mentioned that social network was the specific contact among specific crowds; such contact, as a whole, could explain people's social behaviors; the relationship structure among actors and the positioning of individual actors in the network would critically affect the behavior, awareness, and attitude of each individual and the entire system (Nam, Redeker, & Whittemore, 2015). Akerman (2015) regarded social network as the contact among people; such contact allowed individuals acquiring social identity as well as spiritual and material support and service to acquire and establish more social contact and information. Van Ryzin, DeLay, & Dishion (2016) pointed out social network as the bonding relationship among individuals or organizations in the social organization. Kwahk & Park (2016) also regarded social network as the relationship and contact among individuals.

Referring to Ren *et al.* (2016), social network could be measured through propensity to network, scope of networking activity, strength of ties, and network prestige: (1) Propensity to network: It reflects individual intention to contact with the society created and maintained by others. The degree of a person attempting to create contact reveals the tendency to engage in network activity as well as the motivation to establish relationship, maintain contact, and accept support; (2) Scope of networking activity: It refers to the contact with numerous people and the diverse background of the contact objects, i.e. the larger scope of networking activity; (3) Strength of ties: It refers to the degree of a manager closely bonding to other members or organizations in the network; (4) Network prestige: It refers to people's evaluation of managers and the enterprises. The higher prestige reveals people's more positive evaluation of managers and the enterprises.

Emotional labor

Lin (2015) stated that emotional labor was not used in early point of view; instead, emotional work was used. Emotional work was defined as individual actions attempting to change the degree or quality of emotion or feelings. Baker *et al.* (2016) defined emotional labor as individual emotional management at work in order to create the facial expression or body movement in front of the public and create the work climate requested by the organization to achieve the work objective. Lazega *et al.* (2016) indicated that workers with emotional labor load were mostly the frontline staff in an organization, who had to cover or control personal emotion at work and present emotional behaviors requested

by the organization in order to result in better customer satisfaction. Gasser *et al.* (2017) regarded emotional labor as individual perceived organizational emotional expression norms and work-focused emotional labor of individual emotional complexity presented in public occasions, under organizational norms and compensation systems as well as employee-focused emotional labor of individual surface emotional acting for adapting to work requirements and the required internalization of deep emotional. Nieto & Gonzalez-Alvarez (2016) revealed emotional labor as the control of personal emotion and the expression of specific emotion requested by the organization in order to achieve organizational benefits and objectives. Illescas-Zarate *et al.* (2015) generally explained that emotional labor was the effort to complete organizational tasks and adjust emotions in the interpersonal relationship and emotional interaction process at work

Referring to Hsieh & Lee (2016), emotional labor contains two dimensions of deep acting and surface acting.

(1) Deep acting: Deep acting is regarded as the consistency with an employee's real perception and allows an employee truly "performing himself/herself". Meanwhile, internal emotion is adjusted to conform to external emotional performance. When involving in real internal negative emotion, employees with deep acting would attempt to make revision and present real emotion.

(2) Surface acting: Employees with surface acting involve in the emotion simulation with unreal perception. Without changing internal emotional performance, they would try to adjust the external behaviors or inhibit the negative emotion, expecting to show consistent norms with the organization. The external verbal expression or non-verbal information would be presented through facial expression, posture, and tone.

I Work performance

Lee *et al.* (2015) considered work performance was employees' behavior at work and such behaviors had to contribute to organizational objectives. Work performance was divided into efficiency, productivity, and effectiveness. Efficiency was used for evaluating employees' work performance. Productivity was generally used for calculating the cost for achieving certain efficiency; the smaller cost revealed the higher productivity. Effectiveness showed the value of efficiency and productivity. Bibiloni *et al.* (2016) pointed out work performance as the degree or value of employee contribution to the work content and the quality or quantity presented at work. It referred to the degree of a worker achieving the work content and objectives at the work position. Patacchini¸ Rainone, & Zenou (2017) explained it as all behaviors related to organization objectives which could be measured according to individual contribution to organizational objectives. Giese *et al.* (2015) referred work performance as the effect of employees making efforts to the workplace with the ability and role cognition. Shih *et al.* (2015) indicated that an individual, when completing the expected and regulated role needs of

the enterprise, achieved the work requirement with the ability and behavior and conformed to organizational environment conditions. Kara *et al.* (2016) considered that task outcome, working behavior, and employee character could be regarded as performance, and employees' work characteristics could be used for evaluating the performance. Vartanian *et al.* (2015) proposed that employees' behaviors and attitudes would directly affect the efforts and emphasis on work performance to appear direct and significant effects on the work performance.

Referring to Guo, Su, & Ahlstrom (2016), work performance contains the following dimensions: (1) *Task performance*: Workers' contribution to the technology core of the organization and the familiarity with the work activity; (2) *Contextual performance*: Workers' familiarity with other activity contributing to organizational efficacy, in addition to task activity.

Research hypothesis

Chen Chang, & Chang (2015) mentioned that it was necessary to make adjustment by understanding the needs of service objects in order to achieve the preset work effectiveness. Bolt-Evensen *et al.* (2018) indicated that applying social network to understand interpersonal interaction and key factors could help specifically and clearly distinguish the communication in the work process and understand the factors in the work to effectively reduce emotional labor. Singh *et al.* (2015) stated that it was impossible for people not interacting or avoiding communication with others in the social network, and no-one could stably and efficiently work and learn without emotional labor under bad communication and bad relationship in the social network (Ren *et al.*, 2016). From above literatures, the following hypothesis is inferred.

H1: Social network presents negative relations with emotional labor.

Lin (2015) pointed out the remarkably negative correlations between emotional labor and work performance, organizational citizenship behavior, care quality. The higher emotional labor would result in worse work performance, organizational citizenship behavior, and care quality. Cruwys *et al.* (2015) mentioned that employees' emotional labor appeared positive effects on job satisfaction, working pressure, and work performance when the supervisor handed down works through 3C mobile devices and community Apps; job satisfaction showed positive effects on work performance; working pressure revealed negative effects on work performance and job satisfaction; and, job satisfaction appeared mediating effects between working pressure and work performance. Smirnov & Stefan (2017) pointed out the medium positive effects of emotional labor on work performance and notable effects of emotional labor on work performance. In the research on the relationship between emotional labor and work performance, Hsieh & Lee (2016) concluded that emotional labor would partially reduce workers' work performance. Accordingly, the following hypothesis is inferred.

H2: Emotional labor shows negative relations with work performance.

Lee *et al.* (2015) mentioned that social network would affect interpersonal relationship and further influence the promotion of work. Dellyana *et al.* (2016) indicated that bad social network would hinder work as well as frustrate body and mind to result in doubt about self-capability and low work confidence and lower work performance. Taylor, Bogdan, & DeVault (2015) stated that social network relationship depended on individual thoughts and behaviors; external environment did not present large effects and good social network relationship would benefit individual work performance. Guo, Su, & Ahlstrom (2016) proposed the correlation between social network relationship and teaching efficiency of elementary school teachers, and social network relationship could predict teaching efficiency. From above literatures, the following hypothesis is inferred.

H3: Social network reveals positive relations with work performance.

Sample and measuring indicator

Research sample and object

Aiming at fund managers in Beijing, total 280 copies of questionnaire are distributed in this study, and 187 valid copies are retrieved, with the retrieval rate 67%.

Reliability and validity test

Validity refers to a measuring tool being able to really measure what a researcher intends to measure. Validity is generally divided into content validity, criterion-related validity, and construct validity. The questionnaire items in this study are revised from domestic and international research that the questionnaire presents certain content validity. The dimensions of social network, emotional labor, and work performance are tested the overall structure causal relationship with linear structural relation model. The data entry is based on the correlation coefficient matrix of above observation variables. The linear structural relation model analysis reveals the overall model fit achieving the rational range that it shows good convergent validity and predictive validity. Item-to-total correlation coefficient is utilized in this study for testing the construct validity of the questionnaire content, i.e. reliability analysis. The calculated item-to-total correlation coefficients are used for judging the questionnaire content. The item-to-total correlation coefficients of the dimensions in this study are higher than 0.7, revealing certain degree of construct validity. The reliability and validity are further analyzed to understand the reliability and validity of the questionnaire. The higher Cronbach's α reveals the better reliability. The formal questionnaire in this study is developed according

to the standard, and the measured Cronbach's α appears in 0.75~0.90, apparently conforming to the reliability range.

Empirical result analysis

LISREL evaluation indicator

LISREL (linear structural relation) model combines factor analysis and path analysis in traditional statistics and adds simultaneous equations in econometrics to simultaneously calculate multiple factors and multiple paths. The model fit could be evaluated from preliminary fit criteria, overall model fit, and fit of internal structure of model. The research data are organized in *Table 1*. The preliminary fit criteria, internal fit, and overall fit of the model are explained as below.

From *Table 1*, four dimensions of social network (propensity to network, scope of networking activity, strength of ties, and network prestige) could significantly explain social network (t>1.96, p<0.05); two dimensions of emotional labor (deep acting and surface acting) could remarkably explain emotional labor (t>1.96, p<0.05); and, two dimensions of work performance (task performance and contextual performance) could notably explain work performance (t>1.96, p<0.05). Apparently, the overall model presents favorable preliminary fit criteria.

Social network shows negative and remarkable correlations with emotional labor (-0.863, p <0.01), emotional labor reveals negative and notably correlations with work performance (-0.857, p <0.01), and social network appears positive and significant correlations with work performance (0.881, p <0.01), showing that H1, H2, and H3 are supported.

The overall mode fit standards χ2/Df=1.842, smaller than the standard 3, and RMR=0.006 reveal the appropriateness of χ2/DF and RMR. Furthermore, chi-square is sensitive to sample size that it is not suitable for directly judging the fit. Nevertheless, the overall model fit standards GFI=0.977 and AGFI=0.932 are above the standard 0.9 (the closer GFI and AGFI to 1 revealing the better model fit). This model therefore presents good fit indices.

Table 1: Overall linear structural model analysis result

evaluation item	parameter/evaluation standard		result	t
preliminary fit	social network	propensity to network	0.702	10.69**
		scope of networking activity	0.697	10.25**
		strength of ties	0.662	8.66**
		network prestige	0.673	9.43**
	emotional labor	deep acting	0.715	11.23**
		surface acting	0.723	11.84**
	work performance	task performance	0.747	12.51**
		contextual performance	0.752	13.27**
internal fit	social network→emotional labor		-0.863	-29.62**
	emotional labor→work performance		-0.857	-32.44**
	social network→work performance		0.881	37.15**
overall fit	X2/Df		1.842	
	GFI		0.977	
	AGFI		0.932	
	RMR		0.006	

*Note: * stands for p<0.05, ** for p<0.01, *** for p<0.001.*

Table 2: Hypothesis test

research hypothesis	correlation	empirical result	P	result
H1	-	-0.863	P<0.01	supported
H2	-	-0.857	P<0.01	supported
H3	+	0.881	P<0.01	supported

Conclusion

The research results reveal that the social network relationship and contact among fund managers are the key source of an enterprise acquiring competitive advantage. Fund managers could acquire the necessary resources through social network and have the opportunity to create value of the enterprise with such resources. A fund manager tending to creating or maintaining contact with others and presenting broader scope of networking activity would have better opportunities to acquire richer information and achieve the organizational objective with the acquired resources. It could effectively reduce fund managers' emotional labor and enhance the work performance. Moreover, the strong ties in social network among fund managers could provide important and more reliable information to help enterprises resolve crises when encountering uncertainties. It could reduce fund managers' emotional labor and enhance the effectiveness of network information of fund managers with prestige, and effectively promote fund managers' work performance. For this reason, the social network among fund managers is the source of competitive advantage; the work performance could be promoted through social network. Apparently, in addition to making efforts to internal organization, e.g. cultivating high-quality employees, enhancing product and service quality, and smoothening communication channels in the organization, a fund manager should especially emphasize, establish, and maintain the social network formed by external organization. The application of social network could create value for the enterprise.

Suggestions

From the important research results and findings, the following practical suggestions are proposed in this study.

(1) A fund manager should stress on and well manage social network relationship, as good social network could enhance work performance and promote the relationship among organizations to further affect the business performance. In this case, it is a primary issue for a fund manager well managing and applying social network.

(2) Strategic alliance could be utilized for enhancing social network relationship. The more alliance enterprises would enhance the mutual investment and the confidence in the opposite parties not damaging each other. Besides, based on common benefits, the partner parties would make efforts to the common objectives to promote the business performance.

(3) The social network relationship among fund managers could enhance the qualitative relationship (trust) among organizations. Trust is the basis of cooperation that high-level managers should devote to maintaining and developing good social network relationship. Based on trust, fund managers should follow preset control and audit mechanisms to avoid negative effects caused by excessive trust.

Acknowledgments

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