EFFECTS OF MANAGERS' GRATITUDE EXPRESSION ON SERVICE EMPLOYEES

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ABSTRACT. *This study examines the effects of managers' gratitude expression on service employees' prosocial behavior and the variables mediating this relationship. It focuses on moral reinforcers and demonstrates the significance of gratitude expression in internal marketing. Data were collected from employees in department stores and analyzed using path analysis and bootstrapping. Results show that expressions of gratitude indirectly affect prosocial behavior through self-efficacy, self-esteem, and social value. The phrase "thank you" is a powerful motivator that managers can easily use. Managers should remember that expressing gratitude could satisfy the basic needs of employees who want to be appreciated for their work.*
Keywords: Gratitude expression, Self-efficacy, Self-esteem, Social value, Prosocial behavior

1. **Introduction.** Since expressing gratitude has been suggested as an effective practice in marketing, studies have examined its effect. For example, Raggio and Folse [1] reported that sending a "thank you" message through mass media – even prior to purchase – increases customers' purchase intention. This suggests that, regardless of actual purchase, gratitude expression from the corporation has a significant effect on customers' prosocial behavior. However, previous research has focused on the relationship between gratitude expression and purchasing or customer response [2,3], albeit from a limited perspective.

Gratitude can be applied to relationships between managers and employees since it arises from social feelings. Managers work through and with other people. The manager's role in the service field, where there is a considerable amount of stress and emotional labor, should be to create a positive atmosphere in the store. If managers applied an emotional strategy appropriately, they could motivate employees to work harder, which in turn would lead to better organizational performance [4]. When employees are experiencing stress because of responding to demanding customers, an encouraging message from a manager can help them recover quickly from these negative experiences and emotions [5]. Although it is the employees' responsibility to clean up product displays, keep the store clean, and provide appropriate service to customers, a manager's expressions of gratitude can leave an impression on employees and lead to positive motivation. Hyodo et al. [2] proposed gratitude as employees' strongest motivating factor.

Little theoretical or practical research has explored the importance of gratitude expression and its effects on employees' emotions and behavior from the angle of organizational perspectives.

Also, prior investigations (e.g., [6]) that have indicated an influence of gratitude expression on prosocial behavior are limited in that they only examine behavioral consequences and do not consider psychological responses. Some studies (e.g., [7]) that have looked at personal relationships show that gratitude expression can directly affect the self-esteem of the person offering help in addition to psychological responses (such as by strengthening community bonds). However, even psychological research on gratitude expression only provides an exploratory explanation, and there are few comprehensive descriptions of the psychological mechanisms that explain the relationship between gratitude expression and prosocial behavior. This study examines the effects of managers' gratitude expression on service employees' prosocial behavior and aims to identify the mediated variables between them. The results provide an opportunity to increase the attention paid to gratitude expression in organizations.

2. Background and Hypotheses.

2.1. **Gratitude expression and prosocial behavior.** Gratitude has characteristics of moral motivation that make people engage in prosocial behavior, prevent destructive interpersonal behavior, and foster empathetic emotions that cause people to identify with others [8]. Further, gratitude expression changes perceptions of relationships and strengthens positive interactions among people [9]. By expressing gratitude, people develop strong bonds with others and experience social support. Those who experience gratitude have an increased likelihood of engaging in helping behaviors in the future [10]. To the employee of the service encounter, the others are customers or co-workers. Employees who receive expressions of appreciation for their work from their supervisors will be motivated to be more sympathetic to their customers and will support other colleagues.

Borman et al. [11] explained that positive emotional states favorably influence behaviors such as care and cooperation among the members of an organization. Since people in positive emotional states are more altruistic [12], they are willing to help their coworkers when they are in trouble. Expression of managers' gratitude means managers' recognition of employees' behaviors. Therefore, employees who are appreciated are motivated to act more favorably toward customers and more cooperatively with their colleagues. Prosocial behavior in this research considers customer-oriented behavior toward customers and organizational citizenship behavior toward colleagues.

Hypothesis 1a: Managers' gratitude expression positively influences employees' customer-oriented behavior.

Hypothesis 1b: Managers' gratitude expression positively impacts employees' organizational citizenship behavior.

2.2. Mediated variables between gratitude expression and prosocial behavior.

2.2.1. *Agentic dimension.* People with high self-efficacy have higher job satisfaction and less sensitivity to stress, leading to more customer-oriented behavior [13]. Lee et al. [14] confirmed that the higher the self-efficacy of the crew is, the more willing the crew is to provide quality service. Bandura [15] stated that the level of efficacy affects not only an individual's work performance but also an individual's behaviors, including organizational citizenship behavior, which is not related to the official compensation system. Many studies also show the positive relationship between self-efficacy and organizational citizenship behavior [16]. Self-efficacy is a core component of social cognitive theory, referring to self-evaluation regarding the competencies necessary to complete works. Self-efficacy leads to improvements in self-sacrificing behavior and voluntary organizational behavior [17]. Therefore, we hypothesize that

Hypothesis 2a: Self-efficacy mediates the relationship between managers' gratitude expression and employees' customer-oriented behavior.

Hypothesis 2b: Self-efficacy mediates the relationship between managers' gratitude expression and employees' organizational citizenship behavior.

A 2012 survey by the American Psychological Association showed that more than half of 1,700 employees developed intentions of changing jobs because they did not feel appreciated and worthwhile [18]. Self-esteem is a personal self-judgment of how others in a group view a person [19]. Expressions of gratitude from others increase self-efficacy and self-esteem, thus generating positive self-images. When employees feel valued, they become more satisfied with their jobs, tend to work for longer periods, collaborate with coworkers and supervisors, and are driven to achieve organizational goals such as customer satisfaction or prosocial behaviors [18].

Hypothesis 3a: Self-esteem mediates the relationship between managers' gratitude expression and employees' customer-oriented behavior.

Hypothesis 3b: Self-esteem mediates the relationship between managers' gratitude expression and employees' organizational citizenship behavior.

2.2.2. *Communal dimension.* The pursuit of social value, the feeling and attitude of being considered worthy by others, is a fundamental motivational factor. When individuals experience social value, they feel needed and valued by others, which indicates a mutual bond or positive relationship [20].

Grant and Berg [20] proposed a structure in which workers must encounter the beneficiaries of their work, thereby including motivation as part of the job structure. This job structure has significant psychological effects on workers, one of which is the effect on perceived social value [21]. Social values are basic human motivational factors and refer to one's feelings and attitudes when deemed worthy by others [22]. When individuals experience social values, they feel they are needed and valued by others, forming a mutual bond or a positive relationship [20]. Grant and Parker [23] confirmed that employees feel motivated to perform their jobs better when they perceive that their job positively affects the lives of others. Grant and Berg [20] found that social value influences employees' commitment and behavior to customers among customer service employees. These social values have a strong correlation with helpful behavior and affect the individual's social motivation and behavioral tendency to help others [21].

Hypothesis 4a: Social value mediates the relationship between managers' gratitude expression and employees' customer-oriented behavior.

Hypothesis 4b: Social value mediates the relationship between managers' gratitude expression and employees' organizational citizenship behavior.

Interpersonal warmth is associated with conflict avoidance and views a relationship with one's partner as cooperation rather than competition [24]. Hence, people express warmth when they want to form a relationship with a new partner.

Gratitude expression indicates that the person who displays gratitude is warm-hearted, thus facilitating the development of potential social bonds [25]. Algoe et al. [26] showed that participants who received gratitude were more thankful and more aware of interpersonal warmth than those in a control group. Even gratitude expressed by a stranger encouraged bonding because the recipient perceived interpersonal warmth. Therefore, a manager's gratitude expression will cause employees to experience warm feelings toward the manager, which could positively motivate employees' prosocial behaviors.

Hypothesis 5a: Perceived interpersonal warmth mediates the relationship between managers' gratitude expression and employees' customer-oriented behavior.

Hypothesis 5b: Perceived interpersonal warmth mediates the relationship between managers' gratitude expression and employees' organizational citizenship behavior.
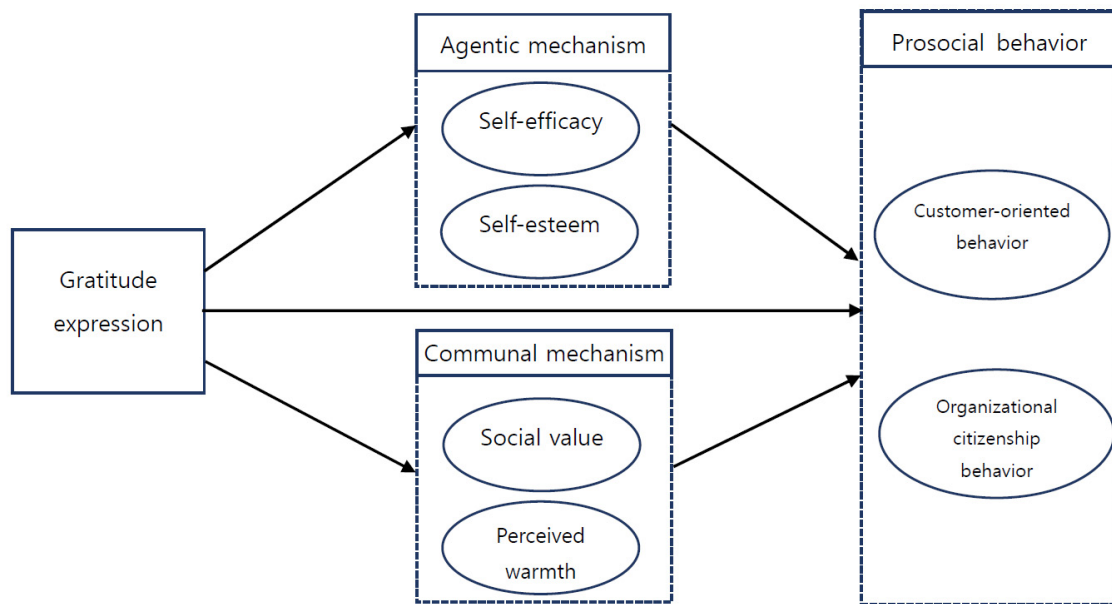
Figure 1 shows the conceptual model.

FIGURE 1. Conceptual model

3. **Data Collection and Analysis.** The data for this study were collected in December 2019 using convenience sampling from employees working in department stores in Busan, South Korea. The participants were involved in sales and service activities in service encounters. A total of 287 questionnaires were distributed and retrieved. The respondents' characteristics were as follows: 18.6% were in their 20s, 19.5% were in their 30s, 36.9% were in their 40s, and 25% were over 50 years old; 29.8% were men and 70.2% were women; 52.3% were high school graduates, 43.1% were college graduates, and 4.6% had an educational level beyond college; 33.7% had 1~3 years of experience, 27.4% had 3~5 years, 14.7% had 5~7 years, and 24.2% had more than 8 years; 64.9% had under 40 million Korean won in annual salary, 19.6% had more than 40 million and less than 50 million Korean won in annual salary, and 15.5% had over 50 million Korean won in annual salary. All items were rated on a 7-point Likert-type response scale, with 1 representing "strongly disagree" and 7 indicating "strongly agree".

The analysis was conducted in two stages. The first stage consisted of the measurement assessment. Items that went through exploratory factor analysis and confirmatory factor analysis were verified of its convergent validity and discriminant validity. Next, path analysis and bootstrapping were performed for hypotheses testing.

4. **Results.**

4.1. **Measurement results.** For reliability, internal consistency was checked using Cronbach's α for each factor. The values of all factors exceeded 0.7, which is considered satisfactory [27]. The eigenvalues of all factors were greater than 1, and the factor loadings were greater than 0.5. These seven factors in this study explained 85.45% of the total variance. Confirmatory factor analysis was used to verify the convergent and discriminant validity (goodness of fit test, $\chi^2 = 494.93$, df = 168, $\chi^2/\text{df} = 2.946$, root mean square error of approximation (RMSEA) = 0.071, normed fit index (NFI) = 0.91, confirmatory fit index (CFI) = 0.94, incremental fit index (IFI) = 0.94, goodness of fit index (GFI) = 0.87, and adjusted GFI (AGFI) = 0.82). Construct reliability values of all constructs were greater than 0.7, and the average variance extracted (AVE) values were greater than 0.5. Furthermore, t-values for the questionnaire items were greater than 2; therefore, convergent validity was confirmed. Discriminant validity was verified, too. Table 1 shows the

results of confirmatory factor and reliability analysis. Table 2 illustrates the results of the correlation analysis and the AVE.

TABLE 1. Confirmatory factor analysis and reliability analysis

Factor	Item	Factor loading	Standardized factor loading	t-value	CR
Gratitude expression	My manager expresses gratitude to me.	0.883	0.94	20.95	0.937
	My supervisor is often grateful to me.	0.860	0.96	21.73	
	My manager expresses gratitude by saying "thank you".	0.830	0.83	17.34	
Self-efficacy	I have knowledge of my work.	0.871	0.86	17.58	0.873
	I have more skills and abilities than my peers.	0.718	0.89	18.61	
	I am now equipped with the skills necessary for my work.	0.716	0.75	14.44	
Self-esteem	I am an important person at work.	0.876	0.85	17.75	0.910
	I am in an important position at work.	0.850	0.97	21.98	
	I have confidence at work.	0.694	0.81	16.32	
Perceived warmth	My manager is friendly.	0.847	0.93	20.57	0.949
	My manager is thoughtful.	0.835	0.95	21.56	
	My manager is polite.	0.801	0.91	20.08	
Social value	People around me thank me.	0.794	0.87	18.25	0.898
	I have a positive impact on someone else's life.	0.722	0.85	17.57	
	I am a worthy person to others.	0.670	0.87	18.24	
COB	I respond to customer requests quickly.	0.866	0.62	11.20	0.863
	I pay attention to the customer and make an effort to help him/her.	0.833	0.92	19.42	
	I understand the needs and desires of our customers.	0.688	0.91	19.11	
OCB	I help colleagues who have a lot of work.	0.866	0.81	16.14	0.893
	I help my colleagues who are not in charge of my work but have difficulty in doing things.	0.827	0.86	17.60	
	I help my new colleagues adapt to their work.	0.800	0.91	19.29	
Model fit	$\chi^2 = 494.93$, df = 168, χ^2/df = 2.946, RMSEA = 0.071, NFI = 0.91, CFI = 0.94, IFI = 0.94, GFI = 0.87, AGFI = 0.82				

Notes: CR = construct reliability, COB = customer-oriented behavior,
OCB = organizational citizenship behavior

TABLE 2. Correlation analysis, means, and AVE

	1	2	3	4	5	6	7	Mean	SD
1. Gratitude expression	0.833							4.5470	1.60371
2. Self-efficacy	0.394	0.697						5.0993	1.10568
3. Self-esteem	0.316	0.208	0.773					4.8066	1.38796
4. Perceived warmth	0.268	0.193	0.200	0.864				4.7375	1.46356
5. Social value	0.282	0.200	0.210	0.220	0.746			5.1304	1.08907
6. Customer-oriented behavior	0.116	0.420	0.380	0.340	0.400	0.684		5.6590	0.91558
7. Organizational citizenship behavior	0.150	0.420	0.380	0.370	0.400	0.420	0.735	5.5082	0.96713

Notes: The diagonal line signifies AVE.

4.2. **Hypotheses testing.** To analyze the hypotheses, path analysis was used. The analysis included demographic variables as controls. The model provides an acceptable fit to the data (χ^2 = 57.62, df = 27, p = 0.00054, NFI = 0.93, CFI = 0.97, IFI = 0.97, RMR = 0.067, GFI = 0.97, AGFI = 0.91). Gratitude expression did not have a positive effect on customer-oriented behavior (β = 0.10, t = 1.71) and organizational citizenship behavior (β = 0.08, t = 1.44). Therefore, Hypothesis 1 was not supported.

Regarding the mediating effect for Hypotheses 2~5, the significance of mediation effects was estimated using bootstrapping (N = 5,000), a statistical resampling method that estimates the parameters of a model and their standard errors strictly from the sample at the 95% confidence level. Gender, age, education, years of experience, and salary were controlled. The total indirect effect on customer-oriented behaviors was β = 0.4178 (0.2291, 0.4912) and was statistically significant at the 95% confidence level. Gratitude expression had a positive, significant indirect effect on customer-oriented behavior through self-efficacy (β = 0.1436, [0.0549, 0.2427], p < 0.05), self-esteem (β = 0.1039, [0.0449, 0.1990]), and social value (β = 0.1144, [0.0337, 0.1969]). Hypotheses 2a, 3a, and 4a supported but not perceived interpersonal warmth (β = 0.0384, [−0.0509, 0.1236]). Thus, hypothesis 5a is not supported. The total indirect effect on organizational citizenship was β = 0.5424 (0.3502, 0.6341) and was statistically significant at the 95% confidence level. Gratitude expression had a positive, significant indirect effect on organizational citizenship behavior through self-efficacy (β = 0.1786, [0.0943, 0.2748]), self-esteem (β = 0.1061, [0.0722, 0.1190]), and social value (β = 0.2248, [0.1398, 0.3188]), hence supporting Hypotheses 2b, 3b, and 4b whereas no indirect effect exists through perceived interpersonal warmth (β = 0.0279, [−0.0384, 0.0903]). These findings do not support Hypothesis 5b. Table 3 shows the results of the mediation test.

TABLE 3. Mediation test with conceptual model

Relationship	Direct effect	Indirect effect	Confidence interval (95%)		p-value
			Lower	Upper	
GE → COB	0.10(1.71)				0.0000
GE → SE → COB		0.1436	0.0549	0.2427	0.0001
GE → SM → COB		0.1039	0.0449	0.1990	0.0143
GE → SV → COB		0.1144	0.0337	0.1969	0.0032
GE → PW → COB		0.0384	−0.0509	0.1236	0.1193
GE → OCB	0.08(1.44)				0.0000
GE → SE → OCB		0.1786	0.0943	0.2748	0.0000
GE → SM → OCB		0.1061	0.0722	0.1190	0.0127
GE → SV → OCB		0.2248	0.1398	0.3188	0.0000
GE → PW → OCB		0.0279	−0.0384	0.0903	0.3210

Notes: GE = gratitude expression, SE = self-efficacy, SM = self-esteem, SV = social value,
PW = perceived interpersonal warmth, COB = customer-oriented behavior,
OCB = organizational citizenship behavior

5. **Conclusion.** This study examines the effects of managers' gratitude expression on service employees' prosocial behavior toward customers and colleagues. The results show that expressions of gratitude affected prosocial behavior through self-efficacy, self-esteem, and social value without directly influencing prosocial behavior. Perceived interpersonal warmth did not mediate between gratitude expression and prosocial behavior. Although previous studies have identified the mediating effects of perceived warmth in interpersonal relationships, this study is based on the relationships between managers and employees in a firm. In other words, because managers not only develop interpersonal relationships with employees but must also manage public relations, they are in a position to evaluate employees' performance and offer (sometimes critical) feedback; hence, the extent to

which employees can perceive feelings of warmth from managers at the individual level is limited. This research presents the power of 'thank you'. The phrase "thank you" is a powerful motivator; managers working in stores can easily implement it. Managers should remember that although expressing gratitude is a simple action, it could satisfy the basic needs of employees who want to be appreciated for their work.

This study has limitations and future research. First, interactions can be divided into verbal and nonverbal communication. In future research, it is necessary to discover various expressions of appreciation through qualitative research and to typify them. Second, the sample of this study comprised service employees in department stores in South Korea, which limits generalization. Hence, future studies should test the hypotheses with samples from different occupations across cultures. In addition, this study only included employees who served customers face-to-face. However, since face-to-face contact with customers does not occur at call centers, the prosocial behaviors might differ from those experienced by employees who have face-to-face contact with customers. In future research, a wide range of service sectors with varying degrees of face-to-face contact should be included.

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