Emotional Dynamics and Strategizing Processes: A Study of Strategic Conversations in Top Team Meetings

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ABSTRACT An important but largely unexplored issue in the study of strategy-as-discourse is how emotion affects the discursive processes through which strategy is constructed. To address this question, this paper investigates displayed emotions in strategic conversations and explores how the emotional dynamics generated through these displays shape a top management team’s strategizing. Using microethnography, we analyse conversations about ten strategic issues raised across seven top management team meetings and identify five different kinds of emotional dynamic, each associated with a different type of strategizing process. The emotional dynamics vary in the sorts of emotions displayed, their sequencing and overall form. The strategizing processes vary in how issues are proposed, discussed, and evaluated, and whether decisions are taken or postponed. We identify team relationship dynamics as a key mechanism linking emotional dynamics and strategizing processes, and issue urgency as another important influence.

Keywords: discourse, emotional display, emotional dynamics, strategic conversations, strategizing process

INTRODUCTION

Consistent with the linguistic turn in the social sciences (Clifford and Marcus, 1986; Gergen, 1985; Giddens, 1976, 1984) there has been a trend towards the study of organizations through a discursive lens, a trend which includes the study of organizational strategy (e.g. Hardy et al., 2000; Kwon et al., 2009; Mantere and Vaara, 2008). This literature examines strategy formation, implementation, and strategic change as processes of social construction in which discourse is used to achieve strategic ends in organizations (Hardy et al., 2000; Hendry, 2000; Knights and Morgan, 1991; Laine
and Vaara, 2007; Phillips et al., 2008; Rouleau and Seguin, 1995). Research on strategy-as-discourse includes studies of rhetoric (e.g., Alvesson, 1993), narratives (e.g., Barry and Elmes, 1997), and conversation (e.g., Westley, 1990). Relatively rare, however, are explorations of the role of emotion (Jarzabkowski and Spee, 2009; Samra-Fredericks, 2003, 2004). This gap is important because discourse in general, and strategy-as-discourse in particular, is inherently emotional (Harré and Gillett, 1994; Mangham, 1998; Perinbanayagam, 1991). Emotions are ‘embodied and conveyed in discursive acts’ (Perinbanayagam, 1991, p. 152), which are interpreted through the emotions displayed in them. The interdependence of emotion and discourse is also evident in the important role language plays in the social construction of emotion, allowing people to make sense of internal cues and articulate their meaning to themselves and others (Averill, 1980). That emotion is an important part of strategy discourse is clear from research showing that conversations among executives can be highly emotional, and that the emotions displayed and discursively expressed during these conversations have a significant impact on the way strategy is developed and implemented (Brundin and Nordqvist, 2008; Huy, 2005; Kisfalvi and Pitcher, 2003; Samra-Fredericks, 2004).

Although existing research has demonstrated the importance of emotion in strategy, it has neglected some important dynamics. Much of the extant research focuses on the emotions displayed by just one team member (typically the leader), and pays less attention to the emotional reactions of others (e.g., Brundin and Melin, 2006; Kisfalvi and Pitcher, 2003; Samra-Fredericks, 2004). Yet from research on emotion in groups more generally, we know that the emotional displays of members can have powerful effects on group dynamics and on processes such as decision making (Barsade, 2002; Sy et al., 2005). Where strategy research has examined the emotions of multiple team members, the focus has typically been on small segments of conversation about a single issue (e.g., Mangham, 1998; Tracy, 2007). This is inconsistent with the realities of strategy discourse in organizations, where management teams engage in long running conversations that span multiple issues within a single meeting (Jarzabkowski and Seidl, 2008). An important area for research, therefore, concerns the emotional dynamics generated by multiple team members in longer episodes of strategizing about a variety of issues.

We address this gap through a study of emotion in strategic conversations that draws on data gathered in seven weekly top management meetings in a high-tech company. We use microethnography (Streeck and Mehus, 2005) to observe individuals’ emotional displays during their complete conversations of ten strategic issues. In keeping with the extant literature on emotion and strategizing, our interest is in individuals’ displayed emotions, rather than their intra-psychic states. We thus regard emotion as what team members do rather than what they have, part of the relational performance of strategic conversations (Averill, 1980; Gergen, 1991; Sarbin, 1986). For clarity, in this paper, we will refer to the emotions studied as ‘displayed emotions’ or ‘emotional displays’. Our aim in this study is to examine the relationship between the unfolding emotional display patterns of top management team members and the way that they propose, discuss, and evaluate strategic issues, and take or postpone decisions about them.
DISPLAYED EMOTION AND STRATEGY DISCOURSE

Displays of emotion are situated contributions to discourse that significantly determine its meaning (Mangham, 1998; Perinbanayagam, 1991). The emotional tone or facial expression that accompanies a set of words, for example, can lead to vastly different interpretations: ‘these numbers are not what I was expecting’, creates distinctly different meanings when it is said with either frustration or delight in a person’s voice and body. Emotion is also expressed in written texts, whether the optimistic tone typical of an annual report, or the sympathy and regret often conveyed in a press release following a corporate disaster (Greer and Moreland, 2003). Indeed, it is argued that narratives and other texts achieve plausibility through the coherence between their discursive content and emotional tone (Hatch et al., 2005). Even the apparent absence of emotion is used to interpret discourse, such that ‘emotion free’ talk or text is often seen as more authoritative (Brown, 2004). We argue, therefore, that the emotional quality of discourse greatly affects our interpretations of it and reactions to it. To study the discursive process of strategizing without taking into account its emotional content is therefore quite limiting.

While there is relatively little research on emotion and strategy-as-discourse, the work that has been done suggests that displayed emotions play a critical role in top team members’ strategic discussions (Brundin and Nordqvist, 2008; Edmondson and Smith, 2006; Kisfalvi and Pitcher, 2003; Mangham, 1998; Samra-Fredericks, 2004). A consistent theme in this research is the influence of a powerful individual’s emotional displays on team members and on the strategizing process (Brundin and Melin, 2006; Brundin and Nordqvist, 2008; Kisfalvi and Pitcher, 2003; Samra-Fredericks, 2004). For example, Brundin and Melin (2006) reveal how the discrepancy between a CEO’s displayed and experienced emotions hinders the strategic change process by confusing top team members, and Kisfalvi and Pitcher (2003) find that strong negative emotions displayed by a CEO contribute to the failure to implement change in a family business by diminishing top team participation. Such studies reveal the potential impact of emotion on strategizing by showing how CEOs’ displayed and experienced emotions hinder the strategic change process by confusing top team members, and Kisfalvi and Pitcher (2003) find that strong negative emotions displayed by a CEO contribute to the failure to implement change in a family business by diminishing top team participation. Such studies reveal the potential impact of emotion on strategizing by showing how CEOs’ displayed emotions can affect strategic conversations by enabling or suppressing others’ contributions. However, because emotions in this research tend to be treated as states that emanate from one person to others, we learn less about the potential effects of dynamic emotional processes created through the cumulative and interactive display of emotions on the parts of multiple team members.

A few scholars have investigated emotion in top teams from this more relational and dynamic perspective, focusing mainly on the display of negative emotions (Edmondson and Smith, 2006; Mangham, 1998; Tracy, 2007). For instance, Edmondson and Smith (2006) explore the vicious emotional cycles that develop as executives blame one another for problems in their division’s performance, engendering feelings of helplessness and frustration which prevent valuable discussion about the division’s future direction. Mangham’s (1998) analysis of a senior team strategy meeting reveals how irritation expressed by one team member to another triggers a rapid escalation of emotions through anger to extreme rage. Brundin and Nordqvist (2008), in contrast, find that irritation and anger expressed by two board members diminish the CEO’s emotional energy and eventually lead to his exclusion from the discussion. Together, such studies show how negative emotional dynamics among members of a top team can prevent
discussion of the most important and urgent strategic issues, and thereby impede stra-
tegic change. More generally, they highlight the interdependent nature of emotional
displays and the impact of emotion on strategizing as it is reciprocally displayed between
different members of a team. However, because these more relational analyses typically
examine only a small number of conversational turns in a discussion of a single issue, our
understanding of the impact of emotional dynamics on top team strategizing is limited to
negative emotions displayed in short segments of conversation. Further, studies that
explore the dynamics of single issue discussions cannot address how strategizing is
affected by the different emotions that past research has shown are evoked by different
kinds of issues (Edmondson and Smith, 2006; Kisfalvi and Pitcher, 2003; Maitlis and
Ozcelik, 2004; Pratt and Dutton, 2000). We therefore argue that the strategy-as-
discourse literature could be significantly deepened by an analysis of the emotional
dynamics of strategizing as they play out over extended episodes and across a variety of
issues. This leads to the research question that guides this study: How do emotional
dynamics displayed by members of a top management team during their meetings shape
the strategizing process?

METHOD

Context

The data were collected in a medium-sized computer game company based in Western
Canada. The creative industries in general, and the gaming industry in particular, have
received increasing attention by organizational researchers in recent years (Cohendet
and Simon, 2007; Townley et al., 2009; Tschang, 2007). Writing in this area suggests
that while the production of creative outputs may bring certain managerial challenges
(Lampel et al., 2000), these are not unique to organizations in the creative sector. Rather,
it has been argued that this sector is like many others where intellectual capital is at a
premium (Townley et al., 2009) and production processes and markets very uncertain
(Caves, 2000; Lash and Urry, 1994). A game company such as the one studied here thus
represents an example of a knowledge-intensive organization operating in a highly
competitive and dynamic environment, with an employee base and culture typical of
such organizations (Alvesson, 1993; Starbuck, 1992).

The company was structured into five independent ‘game’ teams each led by a
Producer who was responsible for the budget, profit, headcount, and the quality of games
his or her team produced. Each game team had about 40 employees but this number
fluctuated from 20 to 80 at different stages of game production. The focus of our analysis
was the top management team, made up of the five Producers and the Executive
Producer to whom they reported (see Table I). The team also included two Directors
responsible for technology and art resources. The team met most weeks to discuss
strategic issues that included the organizational structure, the allocation of resources,
game development and competitor strategies, and headcount fluctuations. In these
meetings, members also exchanged information about the daily operations of their
teams. The top team, excluding John, the Executive Producer, had worked together for
two years, and had met regularly in this forum for over a year at the time of the study.
Data Collection

Our primary data collection method was non-participant observation (Gold, 1958). Over a period of three months, one author attended nine weekly meetings, which were all the meetings held in this period of time, as a non-participant observer. She audio and video recorded each meeting and had the audio files transcribed. Video recording is a relatively new method in strategy research, allowing the capture of the micro-behaviours and interactions that are the ‘stuff’ of strategic practice (Johnson et al., 2007), including fleeting, nuanced, and rich emotional expressions (Cohen, 2010). Moreover, this method enables a faithful record of the data long after the fieldwork is finished, allowing repeated scrutiny of important episodes during the data analysis stage (Armstrong and Curran, 2006; LeBaron, 2008).

In this paper we use data from seven meetings. We have excluded one in which the recording technology failed, and one attended by a consultant because it was not a ‘normal’ meeting. At the end of the observation period, one author also interviewed each of the team members, asking for their reflections on the team and the meetings she had attended. The same author had also attended meetings of other teams in the organization over several months and had interviewed many of their members, which deepened our understanding of the organization and game industry more generally. Our analysis focuses on the dynamics between team members in the meetings, but we drew on the interview data and this author’s broader knowledge of the organization in order to supplement and clarify our observational analyses.

Data Analysis

This study uses microethnography, which involves the microscopic analysis of recorded pieces of naturally occurring human activities and interactions (Streeck and Mehus, 2005). This approach allowed us to examine, in detail, the strategic conversations of senior team meetings, and members’ emotional displays in real time during these conversations. Using video-recorded data meant that we could capture and systematically code displayed emotion in an unusually fine grained, holistic, and consistent manner,
using non-verbal cues both as primary indicators of displayed emotion and as confirmatory indicators (e.g. the tightening and raising of one lip corner for contempt) alongside individuals’ verbal statements (e.g. hard, glaring eyes and raised voice alongside the statement ‘Don’t f*** this up. Don’t mess with our beautiful Gangster’). For the sake of space and readability, we do not describe individual physical indicators in the results section, but refer instead to the emotions that they indicate. We treat displayed emotion as an embodied dimension of discourse, drawing on literature that sees discourse as comprising ‘any kind of symbolic expression requiring a physical medium and permitting of permanent storage’ (Taylor and Van Every, 1993, p. 109), that may include ‘verbal reports, artwork, spoken words, pictures, symbols’ (Phillips et al., 2004). Our meso-level approach to discourse analysis (Alvesson and Karreman, 2000) allowed us to investigate the relationship between different emotional dynamics and different strategizing processes across a comparatively large number of issues discussed in several meetings. Our analysis therefore involved close and repeated scrutiny of the video recordings, accompanied by multiple readings of the meeting transcripts. The following five broad stages describe our analytical process. It should be noted, however, that the process was iterative rather than linear, involving much cycling between the stages.

Stage 1: Identifying strategic issues discussed. We first went through the data to identify all the strategic issues that arose in discussion during the observation period. We defined an issue as a topic raised for discussion or to be shared as information with others in a meeting. The beginning of an issue was typically indicated by a team member saying, ‘let’s discuss . . .’ or ‘let’s move to . . .’; the end of an issue was indicated by the team deciding to move to another topic, usually after either making or postponing a decision, or deciding the information exchange was adequate or complete. When the same topic was discussed in different meetings, it was, for the purposes of our analysis, counted as a separate issue each time. If an issue came up more than once in the same meeting, it was counted as one issue in order to capture the emotional dynamics of the whole issue discussion in that meeting.

In keeping with previous literature, we defined an issue as strategic if it was likely to have a significant impact on the organization’s present or future strategies, structure, or business model (Ansoff, 1980; Dutton et al., 1983). For example, one strategic issue was whether the company would pursue an online strategy (a critical trend in the game industry at the time of our study), and another was whether to execute a project to solve a long term staffing problem (with significant implications for profitability). Based on both meeting observation and one author’s knowledge of the organization and sector, we identified 12 strategic issues in the data.

Stage 2: Coding displayed emotions and tracking emotional dynamics. In order to identify emotional dynamics in the data, we first developed an emotion coding scheme, then coded emotion at an utterance level, and finally tracked the emotional dynamics for each issue discussion.

Developing an emotion coding scheme: We began by familiarizing ourselves with existing emotion models, such as PANAS (Watson et al., 1988), the circumplex model (Russell, 1980; Russell and Feldman Barrett, 1999), and the basic emotion model (Ekman and
Friesen, 1971), to explore the range of emotions that team members might display in their meetings. We also watched the videos of all seven meetings at least three times in order to get a sense of the range and kind of emotions displayed in the meetings. We then reviewed existing coding guides to see how they could help us code the displayed emotions reliably. We found that these guides tended to focus on certain well studied emotions, such as anger (Ekman and Friesen, 1978; Gottman et al., 1996; Retzinger, 1991) and contempt (Ekman and Friesen, 1984; Gottman et al., 1996), but did not provide ways of coding other emotions we believed might be in our data, such as ‘relaxed’, ‘amused’, and ‘frustrated’. Existing coding guides also did not include the fine distinctions we sought to make between emotions such as ‘anger’ and ‘annoyance’. Consequently, we decided to develop an emotion coding scheme that would allow us to code less explored emotions and to make fine distinctions between certain emotions.

We used the circumplex model of emotion as our organizing framework, a model in which all emotions can be arranged in a circumplex defined by two orthogonal dimensions (Russell, 1980; Russell and Feldman Barrett, 1999; Scherer, 2001). One dimension reflects hedonic valence (pleasant–unpleasant, or positive–negative). The second dimension indicates level of activation (high or low); the higher the activation level, the more intense are the emotions. This model has been used in other well-known studies of affective display in groups (Barsade, 2002; Bartel and Saavedra, 2000), and suited our purposes for several reasons. First, it captures a much wider range of emotions, including the less studied ones, than do many other models, such as the PANAS (Watson et al., 1988) and the basic emotion model (Ekman and Friesen, 1984). Second, it maps emotions spatially on the two dimensions of valence and activation, which allowed us to develop our coding scheme by considering emotions relative to one another in terms of their positivity/negativity and intensity. For example, the circumplex model maps ‘annoyance’ as an intense negative emotion which is less intense than ‘anger’. To develop a coding scheme for ‘annoyance’, we could therefore draw on existing coding schemes for ‘anger’, and adjust them to capture the lower intensity of this emotion. Similarly, amusement and excitement were distinguished by amusement’s lower activation level (Russell, 1980), and the specific verbal cues associated with it, such as joking or good-natured teasing, as well as laughter. Third, the circumplex model provided a helpful structure for us to build a holistic, multi-channel method (Russell et al., 2003) to code emotion displayed through both verbal and non-verbal cues. Facial expressions (Ekman and Friesen, 1984) and verbal expressions (Retzinger, 1991) were the clearest indicators of emotional valence, while vocal expressions (Scherer, 2005) and body movements (Harrigan, 2005) often provided the strongest data for emotional intensity. In Table II we provide, as an example, the coding scheme for the display of ‘anger’. The full coding scheme is available on request from the authors.

The development of our coding scheme drew on and adapted several existing emotion coding guides (Bartel and Saavedra, 2000; Ekman and Friesen, 1984; Ekman and Rosenberg, 1997; Gottman et al., 1996; Retzinger, 1991; Roberts and Noller, 2005; Rusby et al., 1991; Scherer, 1986; Shaver et al., 1987), supplemented with observations from our data. This allowed us to use a variety of facial, body, vocal, and verbal behaviours to identify the display of eight different displayed emotions: excited, amused, relaxed, angry, annoyed, frustrated, contemptuous, and neutral. While covering a wide
Table II. Coding scheme for ‘anger’

<table>
<thead>
<tr>
<th>Facial cues</th>
<th>Vocal cues</th>
<th>Physical cues</th>
<th>Verbal cues</th>
<th>Example in our data</th>
</tr>
</thead>
<tbody>
<tr>
<td> The brows are lowered and drawn together. Vertical lines appear between the brows</td>
<td> May be very loud and with fast pace and with repeated pattern of pitch and stresses</td>
<td> Poised for action, leaning forward towards others in challenging stance</td>
<td> An explicit statement of anger (‘I am angry . . .’) or complaints with angry effect such as yelling or raising the voice</td>
<td>M2I3 35:49–35:55 Charlie: ‘And those people love Gangster. And you know what they’re all saying? “Don’t **** this up! Don’t mess with our beautiful Gangster!” ’</td>
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<tr>
<td> The eyes have a hard stare and may have a bulging appearance</td>
<td> The voice may be lowered or raised beyond the limits of normal tone; pitch and volume are uneven (voice ‘cracks’)</td>
<td> Highly animated hand gestures and body movements</td>
<td> The speaker may sound irrational</td>
<td></td>
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<tr>
<td> Sporadic eye contact</td>
<td> Words may be biting or abrupt with one word or syllable more strongly stressed</td>
<td> Clenched fists, waving fists, hitting motions, hand tremors</td>
<td> Blaming others for goal-inconsistent outcome</td>
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<tr>
<td> Hard, direct glaring</td>
<td> Short of breath</td>
<td> Nervous habits (rocking, chewing fingernails)</td>
<td> Reference to a demeaning offence against me or what I care about</td>
<td></td>
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<tr>
<td> The lips are in either of two basic positions: pressed firmly together, with the corners straight or down; or open, tensed in a squarish shape as if shouting</td>
<td> Flushed face</td>
<td> Involuntary twitches or jerks</td>
<td> Reference to violation of expectation, things not working out as planned</td>
<td></td>
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<tr>
<td> The nostrils may be dilated</td>
<td></td>
<td></td>
<td> The situation is illegitimate, wrong, unfair, contrary to what ought to be</td>
<td></td>
</tr>
<tr>
<td> Tight jaws and clenched teeth</td>
<td></td>
<td></td>
<td> Challenging behaviours:</td>
<td></td>
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<tr>
<td> Flushed face</td>
<td></td>
<td></td>
<td>– Interruption: the act of cutting another off before he or she ends his or her turn</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>– Questioning: repeating the same question over and over; a form of interrogation</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>– Prescription: statements that seek to change the other’s behaviour in a specific way; request, demand</td>
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</tbody>
</table>

range of emotions and including both positive and negative ones, this set of emotions clearly represents only a small subset of the possible emotions that might be expressed in the workplace. However, these emotions are consistent with those found in other studies of top team meetings (e.g. Brundin and Nordqvist, 2008; Edmondson and Smith, 2006; Mangham, 1998; Samra-Fredericks, 2004), where emotional expression is usually restricted by corporate emotion display rules (Fineman, 2000).

An emotion display was coded as ‘neutral’ when an individual had an impassive expression, or ‘resting’ face (i.e. with no evident emotional expression), and was speaking in a matter-of-fact, even, and flat tone of voice. In addition, a display was coded as neutral if the cues detected were not strong enough to be coded as an emotion (Gottman et al., 1996; Rusby et al., 1991). The terms ‘neutral’ or ‘emotionally neutral’ thus simply follow a coding convention and do not imply that a display was neutral in its effect on others or on the strategizing process.

**Coding emotion displays:** Coding was carried out by one author and a graduate student research assistant with extensive prior training and experience in emotion coding, whom we trained to use our scheme. After some practice and calibration, the two coders coded all seven meetings independently, coding the emotions expressed by an individual each time he or she made an utterance. The codes were compared after each meeting was analysed, and differences discussed and resolved. Overall, the coders achieved over 90 per cent agreement on an average of 450 codes per meeting. Where there was disagreement, the two coders and the other author discussed each code until an agreement was reached. This author’s deeper understanding of the team members and the history of an issue helped resolve the discrepancies between the two coders.

Of the 12 strategic issues that were identified in stage 1, significant emotional displays were evident in the discussion of ten of them (see Table III). For these ten issues, we created a coding sheet that summarized the strategic conversation about the issue, organized by the name of each speaker, the start and end time of the speaker’s utterance, the verbatim content of each utterance, and the emotion that we coded. Through this process, we identified not only individual emotions, but also sequences of emotions displayed between speaking members of the team.

**Tracking emotional dynamics:** We then tracked the emotional dynamics of each issue discussion, that is, the sequence of emotions expressed from the time an issue was raised for discussion until the close of that conversation. At the end of this stage, we had ten coding sheets for the ten strategic issues that were discussed in a non-neutral manner.

**Stage 3: Coding strategizing practices in strategic conversations.** To code the strategizing practices in the team meetings, we did three things. First, we sensitized ourselves to meeting practices discussed in the strategy-as-practice literature (e.g. Jarzabkowski, 2005; Jarzabkowski and Seidl, 2008; Sturdy et al., 2006). Second, we examined existing coding guides for top management team and other team interactions (Beck and Fisch, 2000; Currall et al., 1999). Examples of strategic practices from these sources included initiating an issue, proposing, counter proposing, elaborating, seeking and giving information, giving a specific suggestion, voting, agreeing, rejecting, selecting and deselecting a proposal. Third, we inductively supplemented these, based on our observations of practices in the data. Using this combination of materials, we assigned a practice code to each utterance.
By the end of this stage, we had completed another column of our coding sheet, ‘Practice’, which provided a skeleton strategizing plot (a sequence of strategizing practices) for the discussion of each issue.

**Stage 4: Analysing the interplay between emotional dynamics and strategizing processes.** Using the coding sheet described above, we again watched the video of each emotional strategic conversation several times. We then wrote a summary narrative that described the characteristics of each conversation in terms of the emotional dynamic and the strategizing process associated with it, as well as apparent links between the two. Through a process of repeated comparison across the ten conversations, we identified five kinds of emotional dynamics: the energetic exchange (four issues), the amused encounter (three issues), the unempathic interaction (one issue), the recurrent

<table>
<thead>
<tr>
<th>Strategic issue type</th>
<th>Specific issue descriptions</th>
<th>Specific issues discussed</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Staffing</strong></td>
<td>Proposals to solve long-lasting staffing problems</td>
<td>• M1I7 Project X</td>
</tr>
<tr>
<td></td>
<td>Discussions of current staffing problems</td>
<td>• M2I1 HR roll-off process</td>
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<td></td>
<td></td>
<td>• M4I4 Hiring interns vs. using internal staff</td>
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<td></td>
<td></td>
<td>• M6I1 Global plan</td>
</tr>
<tr>
<td><strong>Organizational structure/culture</strong></td>
<td>Creating a more transparent, open organizational culture</td>
<td>• M1I6 Publishing the minutes of the Producer meetings</td>
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<td></td>
<td>Integrating the organization’s resources in order to increase efficiency</td>
<td>• M1I3 Making GAD a permanent role</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• M6I2 Buying software for a Producer’s team</td>
</tr>
<tr>
<td><strong>Product strategy</strong></td>
<td>Whether to move into the online game business at time when this kind of product was just starting to come onto the market</td>
<td>• M2I3 Gangster online strategy</td>
</tr>
<tr>
<td></td>
<td>How to respond to a major competitor’s products</td>
<td>• M2I2 Discussion of a competitor’s products</td>
</tr>
<tr>
<td></td>
<td>Allowing all the senior organizational members to negotiate their own compensation packages in the face of an impending acquisition</td>
<td>• M7I7 Bonus plan</td>
</tr>
<tr>
<td><strong>Senior team compensation</strong></td>
<td>How senior executives should be compensated in the context of an upcoming acquisition</td>
<td></td>
</tr>
</tbody>
</table>


in the data. By the end of this stage, we had completed another column of our coding sheet, ‘Practice’, which provided a skeleton strategizing plot (a sequence of strategizing practices) for the discussion of each issue.
confrontation (one issue), and the depleting barrage (one issue). We then looked for commonalities among the strategizing processes associated with a particular emotional dynamic, and differences with those associated with other dynamics, refining our descriptions of the processes until they captured as well as possible the activities we had observed. We found five strategizing processes associated with the five kinds of emotional dynamics: generative strategizing, integrative strategizing, fracturing strategizing, sticky strategizing, and curtailing strategizing respectively. By the end of this stage, we had a clear description of the characteristics of each emotional dynamic and associated strategizing process.

Stage 5: Explaining the relationships between issue type, emotional dynamic and strategizing process. In the final stage of our analysis, we sought to explain the patterns we found connecting issues, emotional dynamics, and strategizing processes. First, drawing on the strategic issue literature, we considered the influence of issue type on the emotional dynamics generated (Dutton and Dukerich, 1991; Dutton et al., 1983, 1990; Schneider and De Meyer, 1991). Looking across issues discussed with the same dynamic and comparing them to those discussed with different dynamics led us to identify urgency (whether or not an issue required a decision during the meeting, as indicated by statements made to this effect) as a key distinguishing issue dimension. Specifically, four of the issues were non-urgent and these were discussed with the same emotional dynamic (energetic exchange). Urgent issues, on the other hand, were associated with a number of different dynamics. We also considered whether issue importance, or self-relevance (Dutton, 1993) consistently distinguished between dynamics, but found that it did not. Second, drawing on the emotion literature (De Dreu et al., 2001; Fischer and Manstead, 2008; Fredrickson, 2003; Hareli and Rafaeli, 2008; Hatfield et al., 1994) and theorizing inductively from our data, we explored how the emotional dynamics shaped the strategic conversation, and proposed a core relational process through which this occurred. By the end of this fifth stage, we had organized our emotional dynamics by issue urgency (see Table IV) and had identified the emotional dynamic–strategizing process link.

Reflections on the Analytical Process

While the two authors entered the data analysis from different positions (one having attended the meetings and conducted the interviews; the other working solely with recordings and transcripts), we worked as a team throughout the analytical process. Because our interest in this study was on emotional display and strategizing as practised in team meetings, we decided to ground our analysis primarily in the observational data (the video/audio recordings and transcripts of the meetings). However, we drew on the one author’s richer understanding of the team and organization to supplement our meeting coding where it could provide additional insights. For example, where the coders disagreed about an emotion code, this author was often able to help resolve the discussion by providing more context on the meeting, episode, or issue in question. In addition, the other author deepened her understanding of the team, organization, and issues under discussion by engaging in close readings of the interview transcripts.
Table IV. Kinds of strategic issue and associated emotional dynamics

<table>
<thead>
<tr>
<th>Issues (4)</th>
<th>Emotional dynamics</th>
<th>Strategizing process</th>
<th>Issues (6)</th>
<th>Emotional dynamics</th>
<th>Strategizing process</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. M1I7 Project X</td>
<td>• Energetic exchange</td>
<td>• Generative strategizing</td>
<td>1. M1I3</td>
<td>• Amused encounter</td>
<td>• Integrative strategizing</td>
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<td>2. M2I2 Discussion of a competitor’s products</td>
<td>• Energetic exchange</td>
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<td>2. M1I6</td>
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<td>3. M6I1 Global plan</td>
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<td>4. M7I7 Bonus plan</td>
<td>• Energetic exchange</td>
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<td>6. M4I4</td>
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EMOTIONAL DYNAMICS AND STRATEGIZING PROCESSES

This study examined how emotional dynamics shape strategizing in top management team meetings. Our main findings were five emotional dynamics that were associated with five strategizing processes that differed in how issues were proposed, discussed, and evaluated, and whether decisions were made or postponed. In this section, we first provide an overview of the five pairs of emotional dynamics and strategizing processes (see Table V), and then describe each pair in detail, including excerpts from the data. We conclude by identifying a key relational mechanism linking the emotional dynamics and strategizing processes, and an issue characteristic that influences how these unfold.

Overview of Emotional Dynamics and Strategizing Processes

Two emotional dynamics were made up solely of positively valenced emotions and were paired with strategizing processes that were collaborative in nature. The first emotional dynamic was the ‘energetic exchange’, in which team members all interacted excitedly with each other throughout the discussion, with occasional displays of amusement. It was associated with a ‘generative’ strategizing process, in which all team members engaged in
<table>
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<th>Kind of emotional dynamic</th>
<th>Description</th>
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<td>Positive emotion</td>
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<td>Energetic exchange</td>
<td>All team members interact with each other in an excited way throughout the discussion, with occasional displays of amusement.</td>
<td>Generative strategizing process</td>
<td>A process in which all team members engage in open discussion of the issue, resulting in either multiple proposals, or the thorough exploration of a single proposal.</td>
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<td>Amused encounter</td>
<td>One team member rejects the leader’s proposal with amusement, followed by collective amusement and excited counter-arguments by team members, ending with more collective amusement.</td>
<td>Integrative strategizing process</td>
<td>A process in which team members first challenge their leader’s proposal, but then bond with the leader, resulting in a decision that is eventually accepted by all parties.</td>
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<td>Emotional tugs of war</td>
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<td>Unempathic interaction</td>
<td>One team member’s increasingly excited appeal for help and proposal receives only light-hearted and prescriptive reactions, causing him frustration, annoyance, and to withdraw.</td>
<td>Fracturing strategizing process</td>
<td>A process in which one team member becomes distanced from the others, which results in the neglect of his opinion, his disagreement with others’ proposals, disengagement from the discussion, and the postponement of a decision.</td>
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<tr>
<td>Recurrent confrontation</td>
<td>Two team members repeatedly attack each other’s proposals, with one displaying intensely negative emotions, and one displaying intensely positive emotions.</td>
<td>Sticky strategizing process</td>
<td>A process in which two proposals absorb a lot of the team’s time and energy, resulting in the inadequate discussion of other promising proposals, poor exploration of alternative solutions, and the postponement of a decision.</td>
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<tr>
<td>Depleting barrage</td>
<td>One team member’s barrage of intense negative emotional display overpowers two other team members’ intense positive emotional displays, depleting their energy.</td>
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open discussion of the issue, either developing multiple proposals, or thoroughly exploring a single proposal.

The second emotional dynamic was the ‘amused encounter’. Here, one team member rejected the leader’s proposal with amusement, which was followed by collective amusement in the team, and then the excited proposal of an alternative. It was linked to an ‘integrative’ strategizing process, in which team members first challenged their leader’s proposal, but then bonded with him, resulting in a decision that was eventually accepted by all parties.

The other three pairs consisted of emotional dynamics that involved a wrestle between intense positive and intense negative emotions – ‘emotional tugs of war’ – and strategizing processes that were unreconciled in nature. The first of these was an emotional dynamic we describe as an ‘unempathic interaction’, in which one team member’s increasingly excited appeal for help and proposal received only light-hearted and prescriptive reactions, causing him frustration, annoyance, and to withdraw. It was paired with ‘fracturing’ strategizing, which created distance between one team member and the others, resulting in the neglect of his opinion, his disagreement with others’ proposals and disengagement from the discussion, and the postponement of a decision.

The fourth pair had an emotional dynamic that involved a ‘recurrent confrontation’, in which two team members repeatedly attacked each other’s proposals, with one displaying intensely negative emotions, and one displaying intensely positive emotions. It was linked to ‘sticky’ strategizing: two proposals absorbed a lot of the team’s time and energy, resulting in the inadequate discussion of other promising proposals, poor exploration of alternative solutions, and the postponement of a decision.

The last emotional dynamic and strategizing process was a ‘depleting barrage’, in which one team member’s barrage of intense negative emotion overpowered two other team members’ displays of intense positive emotion, depleting their energy, and ‘curtailing’ strategizing, where one team member rejected two others’ efforts to engage, leading to a truncated discussion, limited exploration of counter-proposals, and a decision that failed to win full commitment.

Detailed Descriptions of the Emotional Dynamics and Strategizing Processes

In this section we examine how each emotional dynamic enabled its associated strategizing process, illustrated with excerpts from the meeting data.

**Energetic exchange and generative strategizing.** The energetic exchange was characterized by excited team interaction, as members showed their interest in the issue and in other team members’ opinions. The positive emotions generated and the energetic, enthusiastic exchanges that developed facilitated a generative strategizing process – one in which all team members engaged with the discussion of the issue, resulting in multiple proposals, or the thorough exploration of a single proposal.

The discussion of Project X (M1I7), a proposal to create a ‘buffer group’ of developers who could be used to fill short term game development needs, provides an example of how the energetic exchange emotional dynamic and the generative strategizing process
developed. This issue arose after an announcement that the independent game studio was to be acquired by a global entertainment company, making available new funds for such a proposal. The leader, John, began with an excited statement that conveyed his enthusiasm for the proposal and his interest in hearing others’ thoughts about it. John’s initial expression of strong positive emotion triggered other members’ excited reactions. For example, Charlie said, ‘I love it! . . . I’m on board, I think it’s a great idea’, and Tom said excitedly, ‘Sounds great!’.

As the discussion continued, team members displayed excitement when they explored the rationale of the proposal, gave opinions and suggestions, and sought and provided information to other team members. During the conversation, there were several positive emotional ‘peaks’, when a number of people expressed excitement and amusement; these were associated with outbursts of ideas and comments, as illustrated in Excerpt 1 below. Through this excited discussion process, the leader was able to articulate several benefits of the proposal (such as being able to hire more qualified employees, and reducing employee burnout), sparking the generation and elaboration of related issues by other team members (such as how the present incentive system was at odds with the proposal, and how the CEO would react to it). When individuals expressed disagreement, they typically did so in an emotionally neutral manner, speaking politely and in a way that showed concern for those who disagreed with them. These disagreements stimulated further excited explanation of the initial proposal and enabled the articulation of more benefits. Excerpt 1 illustrates a positive emotional peak from the energetic exchange about Project X and shows how the energy and excitement expressed among team members enabled the generative exploration of a proposal for discussion.

**Excerpt 1 (from ‘Project X’) – a positive emotional peak enabling issue exploration**

Charlie: When we become a cost centre with [parent company], basically you’re going to have to budget for that anyway. Each project will have a cost, but then we’ll also have to project the cost for all of our admin costs . . . And that should just be all part of the money that we get from within the organization to pay for a lot of it. [Excited]

Simon: A lot of this is contingent upon exactly how the accounting works . . . So all those things need to get figured out first, before we actually – [Excited]

John: Yeah we’ll be talking about that. [Neutral]

Simon: And what we should be doing on that front is converting those contingencies into people prior to the acquisition . . . [Excited]

Tom: We crystallize the projects and people so they can’t fire them, is that what you’re saying? (Simon: Yeah). Well they could just go in and fire them. (Simon: No). That seems like a pretty underhanded, like you don’t . . . [Neutral]

Simon: Yeah, I think what we’re saying is $1.2 million or whatever profits we’re making – a lot of that is contingency, right? A lot of that is, ‘OK well let’s figure out that.’ What does that mean? That means people. So you know, you figure out how much would we need. [Excited]

...
Tom: No, but seriously . . . He [the CEO] doesn’t like the whole cost centre structure . . . [Neutral]

Charlie: And then he doesn’t make money! [Amused]

John: . . . I’m going like, ‘right now it’s always battlefield promotions and fire-fighting and somebody leaves, oh where can we get the next guy?’ . . . That’s got to end. We’ve got to have a little bit of a buffer, a cushion, that says, ‘Oh, you need a programmer, OK. While you’re looking for somebody, we have this person in the Project X that is not the perfect rendering man for you, but this guy’s pretty good, here you go – it’s free!’ [Excited]

Charlie: So our incentive system, the way we compensate people and bonus plan . . . You can’t do that [the current compensation system] and get that [Project X]. [Excited]

John: I would say my analogy . . . is look at the fire-fighting department: most of the time those people are reading or sleeping or playing with their dogs or something. . . . So the city could say, ‘OK, let’s not waste any time, get out there with parking tickets and clean the streets and we can have them busy.’ But when fire comes it’s very critical that you put the fire out so the whole town doesn’t burn down and your babies aren’t cooked. So we say [laughs] . . . , ‘Fire department, here’s $3 million. Most of the time you’re sleeping or not doing anything valuable. But when there’s a fire, boom, you’re there, you come and you save the day, we’re all thrilled! You go back to doing nothing’ . . . So that’s what I’m saying, we need a small department. OK if you look at it from a spreadsheet point of view you go, ‘Uh, this doesn’t make sense, there’s $200,000 wasted money.’ OK, purely at that second . . . [Excited, interrupted by Tom]

Tom: I think you’re preaching to the converted. We all totally agree with this idea . . . [Neutral]

Amused encounter and integrative strategizing. In the amused encounter, the leader’s proposal was rejected by one team member in an amused manner. This was followed by collective amusement in the team and excited counter-arguments by team members. Through the disarming expression of amusement where tension could have prevailed, this emotional dynamic enabled an integrative strategizing process in which all team members were able to challenge and then join with their team leader to develop a decision that was eventually accepted by all parties.

The discussion of ‘Publishing the Minutes of the Producer Meetings’ (M1I6) illustrates how the amused encounter emotional dynamic and the integrative strategizing process developed. This issue, as part of a strategic shift towards a more transparent organizational culture, concerned whether to share minutes of the Producer meetings with other groups in the organization. The discussion began with John, the team leader, presenting his proposal as a ‘fait accompli’, telling the team that he had decided to make the minutes available to others in the company, and explaining why. This was followed by a process in which the display and sharing of amusement played a key role in the rejection of the proposal and then in the collective agreement to pursue an alternative. First, Charlie used amusement to reject the idea, and other team members expressed their amusement, supporting Charlie. John remained impassive. Team members then argued excitedly.
against the leader’s proposal and Charlie proposed an alternative – that they find a
different way to communicate the meeting content. Eventually, the team leader was
persuaded of the counter-proposal, joining with the other team members and sharing in
their amusement. Below we offer excerpts from this issue discussion to illustrate the initial
amused rejection of the proposal (excerpt 2a), the excited counter-arguments that
persuade the leader (excerpt 2b), and the final agreement and collective amusement
(excerpt 2c).

Excerpt 2a (From ‘Publishing the Minutes of Producer Meetings’) – initial amused rejection
Charlie: Then the next group is going to say, ‘Why don’t I get it? These guys get it.’
And they’re going to want it. Why don’t we send it to the whole f****** company?
[Amused, mimicking the way other people talk]
All other team members: (Kathy laughs, Tom and Simon smile) [All team members
Amused]
John (the team leader): [Neutral]

Excerpt 2b – excited counter-arguments that persuade the leader
Charlie: We shouldn’t be posting documents. You know what? It actually takes away
from the effectiveness of us as a group because we actually can’t just, you know, have
uncensored notes between us that really are no bullshit, just here’s what we talked
about, here’s the hard facts. We need that to communicate well as a group, to keep our
action items, to keep the notes of what really happened. When I come back from
holidays I don’t want to see the notes that have been sanitized. [Excited]
John: No, I’m sorry to interrupt you. There are two versions of . . . there is the official
one that Sharon sends to us that’s whatever it was. Then I or us are supposed to edit
that and send it to – [Excited, interrupted by Charlie]
Charlie: But can’t you see what’s going to happen? She’s going to be thinking of this,
if I write this down, I know this is going to get edited out, so I’m not going to write it
down. [Excited]

...,

John: The only agenda item I have out of this, is I want to respond to them, OK? I
don’t want to ignore them. So far they’re – it’s in limbo. I want to get back to them
and, all this stuff we’re saying, I want them to hear or not hear. We need to either say
‘we’re doing it’ or ‘not doing it’. Right now there’s no response. Maybe we can discuss
this at Ops [the Operations Meeting with the CEO] or something, make some kind of
decision. [Excited]

Excerpt 2c – collective amusement and agreement that bond team members
Charlie: [The CEO] is the first person to tell us, ‘You can’t talk about this.’ I don’t
know how many things he says that about. [Amused]
Tom: But he also says, ‘I’m sick and tired of operating from a position of fear!’ I’ve heard that so many times I’m going to shoot him the next time he says that. [Amused]

John: Also, by the way, I think next Monday I believe is the first Monday of October so we’ve got that monthly TD meeting, we’ll be facing this and we can . . . [Excited]
Simon: Maybe we can all arrive early and all sit on one side of the table! [All team members Amused, whole team laughs]

Here we see the role of amusement in enabling team members to first challenge but then connect with their team leader, engaging in integrative strategizing to make a decision that is accepted by all.

**Unempathic interaction and fracturing strategizing.** In the unempathic interaction, one team member received only light-hearted and prescriptive reactions to his increasingly excited appeal for help, leading him to express frustration and annoyance. This created emotional distance between him and the others, and a fracturing strategizing process of disagreement and disengagement.

This process was found in the discussion of a new HR strategy proposed to manage the sharp reduction of staffing that occurs at the end of the game production cycle, employee ‘roll-off’ (M2I1). At the beginning of the conversation, the whole Producer team except Victor seemed to agree with the proposal put forward by the HR department. Victor did not think it would work well for his game team and excitedly asked for help from the other Producers to explore it. As other team members responded with jokes and prescriptive advice, however, he displayed frustration and annoyance. Excerpt 3 illustrates how the emotional dynamic that created distance and led to the fracture unfolded.

**Excerpt 3 (From the ‘HR Roll-off Process’) – failure to empathize creating distance in team**

Victor: If Michael doesn’t want to go to [game team 4], he doesn’t really have a choice. You know, like that’s – we’re going to sell it to him: ‘They asked for you, blah blah?’ I’m sure, I’m pretty confident he’s going to get excited and really want to do it. But let’s use him as a case study for a second and say, OK, he says no. There’s no other roll-out – I come to you guys, there’s no other role – what the hell do we do? [Excited]
Simon: So then there are not many choices to him.[Neutral]
Charlie: Would you like a job still? [Amused]
Victor: (Gives examples with two of his team members). What is the result? Is the result, literally, ‘well you know you don’t really have much of a choice’, or ‘your choice is there’s no job for you or you take this’. And can we say that? [Excited]
Simon: To be safe, you go ‘look, this is where the company needs you right now. You know, we need your skills on this project; you’re the man to do the job. Obviously we’re going to try to accommodate you as much as possible. There’s two options, go to either one of these. But if it’s the one – that’s where we need you right now.’ [Excited]
Kathy: . . . so it’s a bit of a gap-filler and there’s something else cool coming down the road. So it’s a bit of a carrot for people. [Neutral]
Victor: We can sell them that we hope there’s a carrot. Even now, I can’t . . . [Frustrated]

Victor: I can’t even tell them if we’re doing [game name], or whatever it’s called. [Frustrated]
John: On Monday I had announced that originally we were doing [game name]. [Neutral]
Victor: Yesterday you asked them, ‘Are we going to do it or not?’ [Annoyed]

Victor then attempted to propose, excitedly, a better plan to solve the problems. He had hardly begun to explain his proposal when it was diminished by John, the team leader, who asked with an impassive expression, ‘Is this much ado about nothing now?’ and by Simon who observed excitedly, ‘I think this is a bit of overkill’. Discussion of the issue closed with Victor disagreeing with the proposed strategy and John concluding that the team was not ready to make the decision. Thus we see how a lack of empathy led the transformation of excitement to negative emotions, and ultimately the fracturing of the team and strategizing process.

Recurrent confrontation and sticky strategizing. In the recurrent confrontation, two team members repeatedly attacked each other’s proposals, with one displaying intensely negative emotions, and one intensely positive emotions. This emotional battle ended up absorbing a great deal of the team’s time and energy, and resulted in a sticky strategizing process in which there was inadequate discussion of alternative solutions, and the postponement of a decision.

The recurrent confrontation arose during a discussion of whether game teams should hire interns or use existing staff (employees ‘rolled-off’ from finished games) when extra temporary headcount was needed (M4I4). Simon and other team members supported proposal 1, to use rolled-off internal staff, but Tom considered this proposal a threat to his team’s profitability and questioned Simon in an annoyed and contemptuous manner: ‘But it’s not your project, is it? So you don’t care about what it does to the project!’. In turn, Simon argued excitedly that proposal 2 was a threat to the profitability of other Producer teams, the company at large, and the employees who would be rolled off. Excerpt 4 illustrates the intense bi-valenced emotional exchange characteristic of the recurrent confrontation.

Excerpt 4 (From ‘Hiring Interns vs. Using Internal Staff’) – battle of opposing emotions

Tom: We need slack in the system because of the way our things don’t dovetail. You are stupid if you think you’re going to get 100% – [interrupted]. [Contemptuous]
Simon: I think it’s ludicrous that you’re going to get five people. Dude, I would do the same thing tomorrow – but I think it’s ludicrous that the opportunity is available for us to take five people from the outside that are not burdened . . . [Excited]

... 

Tom: So? You’re right; it’s another aspect of this problem. Say I’m not allowed to do that. So my plan B is, ‘OK I’m going to cut stuff on my game’ . . . [Annoyed]

Simon: Then that’s irrelevant. Then those five people have to go. [Excited]

... 

Tom: From a game perspective, those interns are a way better decision. Take advantage of the loophole, make the game better. [Excited]

Simon: But everything’s better. We could all spend our entire budgets and then 10% if we were hiding people in the building and then not being accountable. But at the end of the day if you want to stick to an 18% margin and that’s what’s expected of you – [interrupted]. [Excited]

... 

Tom: Something gives. I’d be happy to take these people on, not hire the interns and my margin goes down. My team isn’t going to be very happy. [Annoyed]

The positive and negative emotional displays seemed to carry equal force so that neither party could persuade the other and the confrontation was not resolved, returning repeatedly to create a kind of sticky stalemate. Three times, other team members tried to put forward and discuss proposal 3, and all team members (including Tom) quickly agreed that it seemed to be a promising solution. It was not properly discussed, however, because Tom and Simon kept drawing everyone back to their heated debate. The decision was eventually postponed to another meeting. Thus we see how team energy was sucked into the emotional confrontation, producing a sticky and unproductive strategizing process.

Depleting barrage and curtailing strategizing. In the depleting barrage, one team member’s barrage of intense negative emotion overpowered two other team members’ intense positive emotional displays, depleting their energy. This curtailed the discussion, leading to a limited exploration of counter-proposals, and a decision that failed to win all team members’ commitment.

The depleting barrage occurred when the team discussed whether Charlie’s game, ‘Gangster’, which was quite close to completion, should be re-engineered to become the organization’s first online game (M2I3). Initial reactions to this proposal were split: Charlie and Victor strongly disagreed with the proposal, which they thought too risky; John and Simon strongly supported it, believing it a great opportunity both for Charlie’s team and the company as a whole. As the discussion progressed, Charlie engaged in intensely emotional arguments first with one and then with the other team member supporting the proposal. John, the team leader, tried excitedly to persuade Charlie with a modified proposal: to build hip-hop music into the game. Charlie argued against John’s proposal with annoyance and anger. John responded by further elaborating his proposal with an
expression of intense positive emotion. Repeatedly challenged by Charlie’s highly emotional arguments, interspersed with several impassive questions that he could not answer, John displayed decreasing confidence and energy and eventually dropped his proposal.

A similar pattern played out in the subsequent discussion between Charlie and Simon, with Charlie’s negative emotions battling with Simon’s positive emotions, and the emergence of a stalemate as each person continued expending energy but without making new points:

Excerpt 5 (from ‘Gangster Online Strategy’) – wearing down positive emotional displays

Simon: I think it’s a relatively risk-free way to do it. Take that first step. Maybe it’s not online play the first time round. Maybe you’re just streaming content and stuff in. But I think they’d give you all the money that you needed to get that done, to give you an extra hook at the end of the day, and to give [our studio] an online presence which it doesn’t . . . [Excited]

. . .

Victor: Why can’t we maybe just wait, not f*** up with the current projects. I don’t believe it’s hurt our sales. [Annoyed]

Charlie: I’m shipping another game a year after this one ships, by the way, and that’s why I’m saying this. My whole year – like I said, my game goal is to establish the franchise. My goal is not to be innovative with technology, be innovative with online, be innovative with marketing. My goal is to establish the franchise as a quality – put out a quality game that brings respect to the franchise that allows us to branch off and do all those amazing things in the future. And this to me is counter to that goal. [Annoyed]

Simon: But one of the biggest battles that you face is that all these other games . . . aren’t games with massive amounts of content. . . . I really think you could get a team on the side working on this that isn’t really interfering with what’s going on. . . . I think it could add something major in a risk-free way and advance [our studio’s] status at the same time. I don’t necessarily agree that it’s going to completely distract from the project, but I don’t know. I mean, it’s still obviously your call at the end of the day. [Excited]

Charlie: Would you do it for [your game]? [Neutral]

Simon: If I could get a completely different set of people to put at that problem, absolutely . . . [Excited]

Charlie: I don’t know, this was my frustration I was expressing at the end of that day. It’s talk, and when it comes down to money they don’t do it. They don’t budge. I’ve been trying this whole project to get more money; [two senior directors] have been pushing it down there as well, all the time. It’s ‘no, no, no, no, no, no.’ [Annoyed]

Simon: The point is, you say, ‘yes we can do it, I need 1.5 million bucks. End of story’. [Excited]
Charlie: So they have the same conversation at [parent company name] with [one senior director] and these guys saying, ‘Can you get online, can you get . . .’ – the same conversation. And we said, ‘Current schedule, current budget? No we can’t.’ Then it was conversation over. They didn’t even bring it up again. The next time they brought it up was up here. Then [one senior director] was all pissed off, like he was angry, because he’s just like ‘they’re going around us to get to you, just to try to get you to agree with it.’ They don’t want to spend another penny. [Annoyed]

Again the negative barrage won out: Simon lost energy and confidence, and became emotionally neutral and more tentative. His proposal was finally rejected by Charlie and Victor. The depleting barrage thus resulted in the wearing down of alternative viewpoints and produced a curtailing strategizing process with little exploration and a poor resolution.

Linking the Emotional Dynamics and Strategizing Processes

Our first set of findings established sets of paired emotional dynamics and strategizing processes. Next, we sought to understand how, across these sets, the emotional dynamics influenced the strategizing processes. Our data suggest that a key mechanism through which this occurred was team relationship dynamics. A further influence on the emotional dynamics and strategizing processes was the urgency or non-urgency of the issue at hand. This process is captured in the model of emotional dynamics and strategizing in Figure 1.

Team relationship dynamics as a mechanism. Looking across the five pairs of emotional dynamics and strategizing processes, we identified changes in team relationships as an important mechanism through which emotional dynamics shaped strategizing. While the type of data we have cannot show these changes unequivocally, there was a consistent pattern in which some emotional dynamics seemed to draw team members together as they strategized while others drove them apart, which in turn affected the team’s strategizing process.

The data suggest that in the positive emotional dynamics – the energetic exchange and the amused encounter – team members expressed emotions that drew them closer together over the course of the conversation and enabled a collaborative approach to the issues under discussion. In both sets of cases, we saw evidence of increasingly shared positive emotions displayed among team members, and in how members began to connect on key points of discussion. Drawing together seemed to be facilitated by the creation of a positive emotional tone in the team. In the energetic exchange, this tone was generated as the excitement of the individual making the proposal was picked up by other team members as they discussed it. In the amused encounter, the initial expression of amusement led to the collective display of amusement and other positive emotions. The positive emotional tone encouraged team members to express their disagreements in ways that did not alienate others: in an emotionally neutral manner in the generative strategizing that accompanied energetic exchanges, and with humour in the integrative strategizing that emerged with amused encounters. Thus members were drawn towards
one another through positive emotional dynamics, enabling a non-defensive interaction that led to further positive emotion. Through this recursive process emerged collaborative strategizing, with the broad and deep exploration of issues, and culminating in decisions that integrated different parties’ input and were widely accepted in the team. An example of this was seen in the amused encounter, illustrated in excerpts 2a–2c, where the initial display of amusement seemed to draw the team members together against the leader, and the following excited discussion seemed to draw the leader towards his team members, culminating in a bonded team who laughed together and agreed on a way forward.

In contrast, the data suggest that the emotional tugs of war dynamics – the unempathic interaction, the recurrent confrontation, and the depleting barrage – all involved a wrestle between positive and negative emotions that ultimately drove team members apart and led to unreconciled strategizing processes. In these three sets, we saw divergent and polarizing emotional displays in the team, and growing separateness among members. The distance created between team members made it difficult to find common ground, leading to the postponement of decisions, or decisions made without full team commitment. In the unempathic interaction, one team member became
alienated when others failed to understand or empathize with his concerns, and the distance between him and the others increased as they sought to combat his frustration and annoyance with excited and amused advice-giving. The result was a fractured strategizing process which failed to resolve differences. The other two emotional dynamics involved head-on fights over differences of opinion, in which displayed emotions became polarized, staying matched in their intensity while diverging in their valence: as one party displayed increasingly positive emotions, the other became increasingly negative. In contrast to the affiliating effect of positive emotions in the positive emotional dynamics, in these emotional tugs of war, the display of intense positive emotions from one side seemed to exacerbate the tension, driving members further into their corners and producing strategizing that was narrow, shallow, and unreconciled.

Previous research on the social functions of emotion helps explain how certain sequences of displayed emotions drew team members together and others drove them apart, shaping the way strategic issues were discussed and resolved. Earlier studies have identified two major functions of displayed emotions in interpersonal relationships: they help build cooperative relationships, through affiliation, and they enable individuals to differentiate themselves from and compete with others, through social distancing (De Dreu et al., 2001; Fischer and Manstead, 2008). In the positive emotional dynamics, we saw the spread of excitement and amusement, perhaps through a process of emotional contagion (Hatfield et al., 1994), creating a positive affective tone in the team (George, 1996). The sharing of positive emotion generated high levels of energy (Fredrickson, 2003) in the energetic encounters and reduced tension in the amused encounters (Berlyne, 1972; Morreall, 1983). In general, sharing positive emotions facilitated interpersonal alignments, harmony, and cooperation (De Dreu et al., 2001; Glenn, 1994), ultimately enabling collaborative strategizing. In addition, our data showed how, despite the potential for groupthink (Janis, 1982; Rhee, 2007), as team members drew closer, they generated comprehensive understandings of the issues, a finding consistent with previous research on positive team mood (Bramesfeld and Gasper, 2008). This may have been in part because of the effect of positive emotions on team members’ cognitive processes, broadening their thought–action repertoires (Fredrickson, 2004), improving their cognitive flexibility (George, 1996), and increasing their creative and divergent thinking (Isen, 1999; Isen and Baron, 1991; Madjar et al., 2002). Together, these processes produced collaborative strategizing.

In the case of the emotional tugs of war, positive and negative displays seemed to compete, preventing either kind of emotion from becoming widely shared. Instead, one party’s efforts to persuade the other through the display of intense emotions simply fuelled an equal but oppositely valenced response, quickly driving team members apart. Individuals seemed to use these emotional tugs of war as ways of defining and positioning themselves in the team (Fleming and Spicer, 2007). As they dug their heels in, arguing with increasing emotional intensity, so they positioned themselves further and further apart, leading to unreconciled strategizing. In addition, as they were repeatedly assailed by intense emotions, both positive and negative, members likely became distracted from the task at hand (Amabile et al., 2005), finding their available cognitive resources consumed and their attention and energy absorbed by the growing affective conflict.
(Amason and Schweiger, 1994; Beal et al., 2005; Weiss and Cropanzano, 1996).
Together, these processes produced unreconciled strategizing.

These findings – on how emotional dynamics serve to pull team members closer or
apart – are reminiscent of Hambrick’s (1994) writing on the centripetal and centrifugal
forces that affect a top management team’s ‘behavioural integration’, or the degree to
which it engages in mutual and collective interaction. However, they operate at a
different level: while Hambrick identified key structural and contextual influences on
team interaction (such as organizational size and environmental dynamism), this study
shows how a team shapes its own interaction processes through the emotions members
display as they strategize.

The impact of issue urgency. Our data suggest another important influence on how emo-
tional dynamics and strategizing processes unfolded: issue urgency. Urgency concerned
whether a decision or action was required in the meeting, or whether the issue was simply
being raised for team discussion. This was usually stated explicitly at the start, with
comments such as, ‘I’m just asking you to think further about it, to see if this is a good
idea, like a proposal but we’re not going to vote on it today’ (M117 – Project X),
or ‘It’s a more casual discussion. Nobody says there is any decision to be made’ (M212 –
Competitor’s Products) for issues under general discussion. This contrasted with conver-
sations about urgent issues, which typically began with a clear proposal, such as ‘I
propose that we make it final and just go on like this’ (M113 – Making GAD a Permanent
Role), and a request for approval or a vote. As shown in Table IV, all of the non-urgent
issues – those for team discussion – were characterized by energetic exchange dynamics.
In contrast, when an issue required an immediate decision, it led to either an amused
encounter dynamic, or an emotional tug of war.

Our following arguments are necessarily speculative since we cannot show that ener-
getic exchanges took place because no immediate decision was needed. We can, however,
explore why this association may have been found in the data. In contrast to previous work
that has suggested the absence of a deadline or pressure for action can lead to inertia
(Gersick, 1988; Maitlis and Ozcelik, 2004), the non-urgent issues were all explored with
excitement and energy and produced generative strategizing processes, involving the open
and productive discussion of proposals. We suggest that such processes may have been
possible because the lack of urgency highlighted early on encouraged expansiveness in
team members, both in their contributions and in their openness to those of others
(Amabile, 1998; De Dreu, 2003). This engendered a discussion that was not constrained
by time or the threat of making the ‘wrong’ decision. The sense of freedom that seemed to
surround these issues also appeared to affect the ways in which disagreement was
expressed, lacking the insistence and ‘edge’ that was evident in several other dynamics, and
that is found in higher-velocity environments (Eisenhardt and Bourgeois, 1988).

In contrast, urgent issues were associated with a variety of different kinds of emotional
dynamics: amused encounters when the proposal came from the team leader, and
emotional tugs of war when it came from another team member. The need for a decision –
and especially the need to get agreement for a given proposal – meant that more was
at stake in these discussions, with the potential for greater protection of interests and
tension (Morgeson and De Rue, 2006). In the case of the amused encounter, humour
served to diffuse the potentially conflictual situation (Griffiths, 1998; Hatch, 1997; Holmes and Marra, 2002) and realign team and leader (Glenn, 1994), but in the emotional tugs of war, under pressure for a decision, team members seemed to intensify their commitment to their own positions (Turner and Horvitz, 2001).

CONCLUSION

In this paper, we have examined how emotional dynamics developed in strategic conversations shape strategizing processes. Specifically, we have identified five kinds of emotional dynamics that influence strategizing processes by shaping the team’s relationships. We have shown how members’ emotional reactions to each other created relational dynamics in the team that in turn affected the conversation and its outcomes. The team’s emotional dynamics and strategizing processes were also influenced by the urgency of the issue under discussion, so that conversations about issues that did not require immediate agreement or action seemed to be more energetic and lead to a generative strategizing process.

Our exploratory study necessarily has limitations. First, the detailed analysis we describe was carried out on the meetings of a single top management team, and so the generalizability of our findings remains to be explored. It is possible, for example, that the different strategizing processes emerged more because of the particular personalities and relational histories of these team members than through the emotional dynamics generated by their emotional displays. However, our systematic analysis of their meeting conversations strongly suggests a link between certain emotional dynamics and strategizing processes, and a mechanism that reasonably explains why this should be so. Moreover, the team we studied behaved in ways consistent with other studies of strategic teams, where negative emotions have been found to derail discussions, forestall participation, diminish commitment, and impede strategic decision making (Amason, 1996; Edmondson and Smith, 2006; Kisfalvi and Pitcher, 2003), and positive emotions have been associated with high velocity decision making (Eisenhardt, 1989). For these reasons, we believe our findings likely generalize to other top management teams, although this may be limited by strong contextual conditions in the form of certain team compositions, histories, and emotional display rules (Barsade and Gibson, 1998; Fineman, 2000).

Second, although our observation of seven meetings allowed us to examine the emotional dynamics associated with a considerable number and range of different issues, this doubtless represents only a subset of the possible issue types and emotional dynamics that occur in strategizing meetings. Further research wouldvaluably extend this contribution. Third, this paper’s focus on meetings necessarily limits our analysis to the strategizing that occurred in such a setting. While meetings are ‘focal points for the strategic activities of organizational members’ (Jarzabkowski and Seidl, 2008, p. 1393), there are many other opportunities for strategizing which could not be included in the present study. Moreover, meetings, as a genre of communication, to some extent structure and shape how issues are discussed (Orlikowski and Yates, 1994); the meeting context may also have limited the type and range of emotions expressed by team members. As a result, our analysis of emotion in strategizing may not extend to the full range of strategic conversations that occur in organizations. We should also note that
because this study examines displayed rather than experienced emotions, it is possible that team members could have controlled or manipulated their emotional displays in order to shape the meeting dynamics (Brundin and Melin, 2006). However, this is true of almost any emotional display; our interest lies in the effects of such displays on important team processes.

Fourth, we recognize that the model we propose in this study of the relationship between emotional dynamics and strategizing processes necessarily simplifies the link between two processes that are fundamentally entwined. We believe, however, that teasing them apart and attempting a systematic analysis of each, as we have done here, enables a valuable step in understanding how they work together in a team setting. In addition, our model underplays the possibility of self-reinforcing cycles between emotional dynamics and team relationship dynamics: emotional dynamics may shape longer episodes of strategizing through cycles that are self-reinforcing in ways that that we have not been able to demonstrate in this study. For example, we might expect positive emotional dynamics to draw team members together, in turn generating more positive emotional dynamics and closer team relations, which in turn lead to more collaborative strategizing. Alternatively, a recursive cycle could be interrupted by a new emotional display that triggers a new dynamic and shifts the kind of strategizing. While these ideas lie beyond the scope of the present study, we believe they merit empirical investigation.

Despite its limitations, this study makes some important contributions to the study of strategy-as-discourse and to research on emotions in top management teams. The paper’s first contribution to the literature on strategy-as-discourse comes from its finding that, through members’ emotional displays, a team creates different kinds of emotional dynamics and that these are associated with different forms of strategizing processes. Previous work in the strategy-as-discourse tradition has signalled the importance of emotion in strategy discourse (Samra-Fredericks, 2004; Tracy, 2007) and highlighted problems associated with the display of negative emotion in strategizing meetings (Brundin and Nordqvist, 2008; Edmondson and Smith, 2006; Kisfalvi and Pitcher, 2003; Mangham, 1998). It has not, however, identified distinct links between patterns of emotions expressed in strategic conversations and the form that this strategizing takes. By specifying five different emotional dynamics that shape strategy discourse in top management team meetings, our study shows the variety of ways in which collective emotional processes affect the discussion, evaluation, and acceptance of strategic proposals. Future work in this area could be significantly advanced by using as a starting point the pairs of emotion dynamics/strategizing processes we have identified.

A second contribution our paper makes to strategy-as-discourse is the development of a process model of emotion and strategizing that highlights team relationship dynamics as a key mechanism through which emotional dynamics shape strategizing in top team conversations. While previous research suggests that emotion displays can powerfully affect individuals’ understandings of their status, power and intimacy with others (De Dreu et al., 2001; Hareli and Rafaeli, 2008; Keltner and Haidt, 1999; Keltner et al., 2003; Lovaglia and Houser, 1996; Parkinson et al., 2005), the current study is one of the first to highlight how emotional dynamics generated in team meetings increase or diminish the relational distance between people, and in so doing, affect the shape and
outcome of strategic conversations. This finding suggests that strategizing is influenced not only by pre-existing political positions and discursive resources (Maitlis and Lawrence, 2003; Vaara et al., 2004), but also by more transient, dynamic relational shifts that occur through the emotions expressed in strategy discourse.

Third, our study contributes to the literature on emotion in top management teams. Research in this area has tended to regard emotion as a stable dispositional attribute of team members (Barsade et al., 2000; George, 1990) or focused specifically on conflict (Amason, 1996; Amason and Sapienza, 1997; Eisenhardt et al., 1997), thereby providing an understanding of executive team emotion that is either static or negatively valenced. By examining both positive and negative emotions, and more and less intense emotional displays, and by mapping these over time, our study highlights the diverse and dynamic nature of emotion in a top management team, and shows how different sequences of displayed emotions shape relational dynamics to affect a critical executive process.

Finally, the study makes a methodological contribution. Previous strategizing research has tended to rely either on the fine-grained analysis of small pieces of a strategic conversation (e.g. Samra-Fredericks, 2004; Watson, 1995), which makes it difficult to identify relationships between emotion and strategizing, or retrospective accounts of larger processes that cannot fully capture the dynamics of strategizing as a social process (e.g. Laine and Vaara, 2007; Mantere and Vaara, 2008). In contrast, our real-time study of the emotional dynamics of strategic team conversations answers the call for innovative research on emotional practices in strategizing research (Jarzabkowski and Spee, 2009; Johnson et al., 2007; Samra-Fredericks, 2004) through its rare exploration of the emotional and relational aspects of strategy-as-discourse.

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