6. Middle managers' emotion management in the strategy process
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INTRODUCTION

Research on the strategy process has consistently emphasized the explanatory factors in cognitive or behavioral aspects but neglected emotional ones (e.g., Beck and Plowman, 2009; Floyd and Lane, 2000; Guth and MacMillan, 1986; Raes et al., 2011; Rouleau, 2005; Sasser and Leonard, 1980; Wooldridge and Floyd, 1990). Emotions arise in contexts of major change (Frijda, 1988) and social interaction (Elfenbein, 2007). The strategy process is a sequence of events characterized by significant changes not only in the material allocation of organizational resources but also in the psychological states of organizational members (Huy, 2005, 2011). It abounds in social interactions among top managers, middle managers, and frontline employees; people from social groups at various levels (Cartwright and Cooper, 1993). Although intense emotions prevail in strategy formulation and implementation, we have not seen a systematic study on the effect of emotion management on the strategy process. In this chapter, we combine the findings of studies on emotion and on the strategy process. We suggest a prescriptive model with emotion management as the central explanatory factor in the strategy process.

Because middle managers act as the lynchpins between the top decision makers and the many frontline employees, their emotion management is even more important than that of others. Previous studies have recognized the importance of achieving "emotional balancing" by middle managers (Huy, 2002, 2005). In this chapter, we extend that finding by providing a more complete picture of what middle managers should do in the strategy process, and exploring their emotional interactions not only with frontline employees but also with top managers.

Drawing from the research on emotion management in organizational change and on the resource allocation process (Bower, 1970), we propose a prescriptive model of how middle managers employ emotion management tactics in the strategy process. Specifically, we show how middle managers perform emotion management at the definition phase, impetus phase, and context determination phase. We show also how emotional
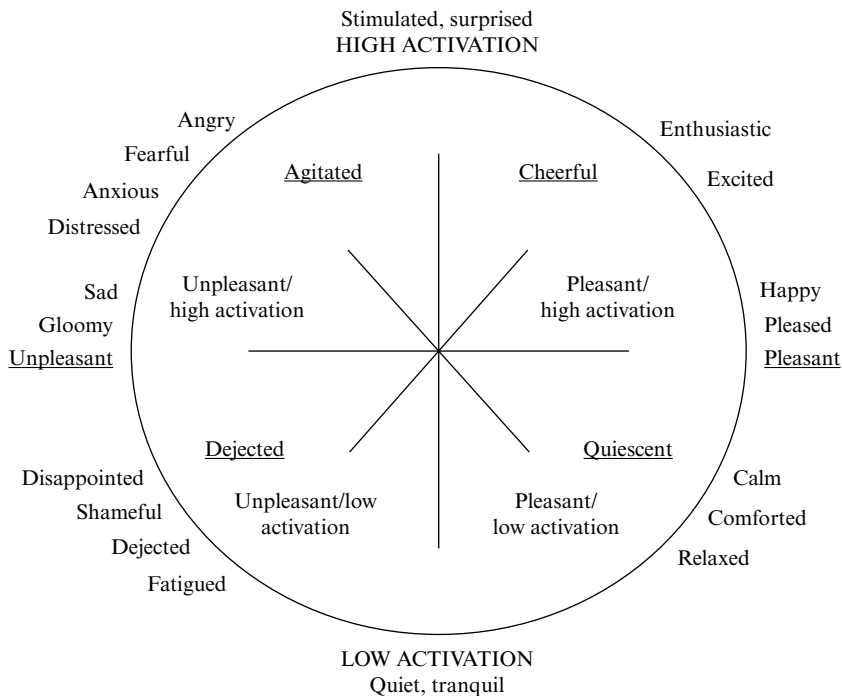
capabilities at the organizational level (Huy, 1999) contribute to the effectiveness of middle managers' emotion management in the strategy process.

First, we introduce some basic ideas on emotions; ideas that come from the psychology literature. Second, we argue that the strategy process actively evokes emotions. Third, we review the literature on middle managers' emotion management with an emphasis on "emotional balancing." Fourth, we develop a prescriptive theory of middle managers who manage emotions during the strategy process. To do this, we combine findings from the literature on emotions, strategy process, and middle management. We conclude by discussing the ethical implications of using emotion management methods for strategic change at work, comparing our model with those of current research and suggesting future directions for research.

EMOTION AND ITS IMPACT

Over the last few decades, emotions have become a fast-growing topic in organization research (Elfenbein, 2007). Emotions are intense, short-term, feeling states that are associated with particular stimuli (Brief and Weiss, 2002; Kelly and Barsade, 2001). A related, but distinct, concept is mood. Moods are less intense, generalized feeling states without clear antecedents (Brief and Weiss, 2002; Kelly and Barsade, 2001). Emotions and moods are both subdivisions of "affect" (Elfenbein, 2007; Kelly and Barsade, 2001). Despite subtle differences, emotion, mood, and affect are not critical for the theoretical aims of this chapter (Huy, 2002). We will use the word "emotion" generally, because formulating and implementing strategies are significant events that trigger intense affective states and direct them toward specific objects (Huy, 2002, 2011).

Emotions are first and foremost psychological phenomena at the personal level (Kelly and Barsade, 2001; Kemper, 1984; Russell, 2003). A widely accepted model of emotions in psychology is the circumplex model with two basic dimensions (Huy, 2002; Larsen and Diener, 1992; Russell, 1980, 2003), which is shown in Figure 6.1. One dimension refers to the hedonic valence: that is, the continuum between pleasure and displeasure. Feelings such as excitement, happiness, and calm are positive, or pleasant. Feelings such as anxiety, fear, and disappointment are negative, or unpleasant. The other dimension captures the intensity of arousal, reflecting variation in levels of activation or deactivation. Angry, frightened, or excited people experience high activation levels and are probably engaged in taking action. On the other hand, dejected or comfortable people experience low activation levels and are probably not

Stimulated, surprised
HIGH ACTIVATION

Angry
Fearful
Anxious
Distressed

Agitated

Cheerful

Enthusiastic

Excited

Sad
Gloomy
Unpleasant

Unpleasant/
high activation

Pleasant/
high activation

Happy
Pleased
Pleasant

Dejected

Quiescent

Disappointed
Shameful
Dejected
Fatigued

Unpleasant/low
activation

Pleasant/
low activation

Calm

Comforted

Relaxed

LOW ACTIVATION
Quiet, tranquil

Source: Larsen and Diener (1992).

Figure 6.1   Circumplex model of emotions

taking action. All emotional states can be located somewhere along the continuum between these two dimensions. Surprise has a high activation level, for instance, but is neutral in terms of pleasure and displeasure.

At the risk of oversimplifying,[1] if we turn these two-dimensional axes roughly 45 degrees (Watson and Tellegen, 1985), we can then see the emotions associated with two broad, evolutionarily adaptive motivational systems (Watson et al., 1999; Huy, 2002). The axis between pleasant/high-activation and unpleasant/low-activation quadrants indicates emotions that we associate with a reward-seeking, goal-directed system that responds to positive incentives through energizing action (Watson et al., 1999). People seek opportunities to find resources due to influence from this motivational system. Pleasant/high-activation emotions influence people to behave energetically and seize opportunities (Huy, 2002). If they fail to get good enough rewards for their efforts, they feel disappointed and eventually lose their motivation to take action (Watson et al., 1999).

The orthogonal axis across the upper-left and lower-right quadrants in Figure 6.1 connects the emotions with a behavior inhibition system. People motivated by this system try to avoid behavior that might lead to pain and punishment (Watson et al., 1999). Unpleasant/high-activation emotions amplify the operation of this system. Fear and anxiety stimulate people to escape from potential threats or dangers (Huy, 2002; Staw et al., 1981).When threats are eliminated, organisms become relaxed and comforted.

Apart from studying the basic affective states, psychologists also perceive emotion as a process (Elfenbein, 2007). At the beginning of this process, individuals are exposed to stimuli. The latter are events or features of the environment that are so intense that they attract individuals' attention. They then appraise these stimulating events through either conscious or subconscious processing. A set of feeling rules provides general guidance about how one should feel, based on various types of appraisal (Smith and Ellsworth, 1985). After that, individuals experience discrete emotions (for example, anger, fear, guilt, hope, excitement), which are shown on the circumplex model (Russell, 1980). Experiencing these emotions is associated with individuals' motivational systems, which influence their attitudes, cognitions, and behaviors as well as their facial expressions and other emotionally expressive cues (Elfenbein, 2007).

Emotions are also social phenomena at the group and organizational levels (Elfenbein, 2007; Kelly and Barsade, 2001; Kemper, 1984). According to Kelly and Barsade (2001), the emotions of one person can be transferred to others through several processes. For instance, emotions can be shared by automatic and unconscious emotional contagion (Huy,1999), a tendency to mimic facial expressions and synchronize them with those of other people so that they converge emotionally (Hatfield et al., 1994). Besides, emotions can be learned vicariously by identifying and internalizing the emotional displays of other people. Empathy, for instance, is a vicarious affective experience (Kelly and Barsade, 2001). Neither the affect senders nor the affect receivers are necessarily aware of these implicit processes. But people can also consciously, explicitly influence the emotions of other people (Kelly and Barsade, 2001). This phenomenon is documented in, but not only in, the literature of transformational leadership (e.g., Kuhnert and Lewis, 1987). Last but not least, emotional norms and emotional history in the group or the organization play an important role in both the intrapersonal and interpersonal emotional processes (Kelly and Barsade, 2001). Employees who share a common group or organizational culture have similar beliefs, which lead them to similar appraisals and similar emotions (Huy, 1999, 2005).

Emotions can exert significant effects on personal and organizational

behaviors (Brief and Weiss, 2002). Emotions serve first and foremost as relevance detectors, focusing attention on changing events (Huy, 2005). Emotions then can reorder priorities for action (Huy, 2005) and influence decision making and behaviors (Elfenbein, 2007). Organizational events and environments that trigger intense emotions thus represent useful contexts for research on emotions in organizations and on the strategy process. In the following sections, we argue that the strategy process and the middle managers' work roles constitute salient stimuli of emotion-driven behaviors and can affect strategic outcomes.

STRATEGY PROCESS AND EMOTION

According to Bower (1970), the formulation of a new strategy starts from the definition process in which front-line employees initiate new projects and ideas, which are driven by problems that they encounter in their daily work within the existing strategic and structural contexts. The strategic context is a formal, concrete expression of the organization's strategy, whereas the structural context is a set of administrative mechanisms such as organizational architecture, information and measurement systems, and reward and punishment systems (Noda and Bower, 1996). Then, through the impetus process, middle managers decide on commitments to specific projects in connection with their own track records and reputations. Relying on middle managers' recommendations and credibility, top managers make ratification decisions. Top managers then influence the organization by adjusting the strategic context and the structural context according to the outcomes of these projects. Finally, middle managers lead front-line employees to work in the newly established strategic and structural contexts. This strategy process, described by Bower (1970), is both emergent and deliberate (Mintzberg and McHugh, 1985). It is emergent in that it involves a stream of decisions that are gradually shaped by people from several levels of an organization (Noda and Bower, 1996). It is somewhat deliberate in that these decisions and actions are influenced (and constrained) by relatively stable strategic and structural contexts that top managers design.

The strategy process can evoke strong emotions, because it can generate changes that have significant effects on the goals and personal needs of employees. Frijda (1988) argues that "emotions are elicited not so much by the presence of favourable or unfavourable conditions, but by actual or expected changes in favourable or unfavourable conditions" (Frijda, 1988, p. 353). The strategy process is a sequence of events that involve many changes. The formulation and implementation of a new

strategy provokes changes in the long-term direction of an organization and its daily routines. This organizational-level change affects people both materially and psychologically. Some people benefit from change, due to higher salaries or promotions. Others suffer, due to lower salaries or the loss of their jobs (Huy, 2011). Changes in strategy can involve changes in philosophy and basic assumptions, moreover, around which employees build the core organizational identity. Employees identify themselves with this organizational identity to various degrees (Huy, 2005). Consequently, adaptations in strategy arouse strong emotions. Top managers might be emotionally attached to their current strategies, for instance, and feel depressed if middle managers suggest projects that diverge from current beliefs and philosophies (Burgelman, 1994).

The strategy process is also very emotional because it is an environment that generates intense group interactions. According to some studies, social interactions are the most salient emotional stimuli. The modern workplace is a more emotional environment than earlier ones, because it relies on greater interdependence than ever among employees (Elfenbein, 2007; Kelly and Barsade, 2001).The strategy process involves people at various hierarchical levels (Bower, 1970; Burgelman, 1994; Noda and Bower, 1996). Scholars have theorized that leader–follower relationships generate emotional interactions (Brief and Weiss, 2002). George (2000) argued that the emotional intelligence of leaders can enhance their effectiveness in developing collective goals with subordinates; instilling in their subordinates an appreciation of work activities; generating and maintaining enthusiasm, confidence, optimism, cooperation, and trust with subordinates; encouraging flexible decision making and change; and establishing and maintaining meaningful identities for organizations.

Also, top managers, middle managers, and front-line employees can be perceived as distinct social groups (Cartwright and Cooper, 1993; Huy, 2011). Social groups might share in-group emotions, for instance, and elicit differentiating or integrating feelings toward out-group members (Kelly and Barsade, 2001; Kemper, 1984). Integrating emotions such as pride and hope can bind distinct groups together, whereas differentiating emotions such as fear, anger, and envy maintain distances between groups (Kemper, 1984; Wharton and Erickson, 1993). To illustrate, middle managers expressed their frustration when excluded by top managers from participation in strategy formulation. They experienced resentment about the tight control that top managers kept on that process (Westley, 1990).

Emotions aroused by organizational changes and social interactions motivate action responses, in turn, which have strategic implications (Durand and Huy, 2008). Top managers' emotional attachment to out-dated strategies and unease with new business trends might lead to

organizational inertia and harm strategic results (Burgelman, 1994; Tripsas and Gavetti, 2000). Front-line employees' fear and anxiety might discourage their execution of strategic changes, too, and therefore lead to organizational chaos (Huy, 2002). Below, we review middle managers' emotion management and its effects on strategic outcomes.

MIDDLE MANAGERS AND EMOTION MANAGEMENT

We begin this section by describing the concept of emotional balancing and explicating the empirical findings on how middle managers manage their own emotions and their subordinates' emotions to achieve emotional balance during strategic changes. We then argue that, because middle managers link the top management team with front-line employees, their efforts at emotional balancing can be extended to their interactions with the top managers. This view of emotional balancing sets the foundation for our conceptual model, which we discuss in the next section.

Emotional Balancing

Emotional balancing reveals the substantive characteristics of middle managers' emotion management in strategic change (Huy, 2002, 2005, 2008). Emotional balancing involves managing the emotions of two distinct organizational groups: change agents and change recipients. Huy (2002) has suggested that emotional balancing brings about organizational adaptation and avoids the extremes of organizational chaos and inertia.

Emotional balancing is a group-level process that juxtaposes emotion management actions to drive change with a sense of continuity (Huy, 2002). This balancing is necessary, because too many and too rapid changes can lead to chaos, and too few and too slow changes can lead to inertia (Huy, 2002). At the organizational level, emotional balancing entails: (1) committing to and championing projects; and (2) managing the emotions of employees to promote operational continuity. Various organizational members can perform distinctive roles: some might choose to perform the role of change agents by proposing radically new ways of doing things; others might focus on attending to organizational continuity and employees' emotions.

Emotional balancing is necessary because of the underlying psychological mechanisms of emotions driving both change and continuity (Huy, 2005). As we say, people have at least two motivational foci. When focused on change (or growth), people are driven by development needs

and try to bring their behaviors and self-conceptions in line with how they would like to be; eagerness or gains dominate their behavior. When focused on continuity (or security), however, they try to align their actual selves with their duties and responsibilities.

The circumplex model of emotions can be used to explore the categories of emotional state that people experience during change. As shown by the 45-degree axes in Figure 6.1, the emotions of change-focused people vary along a cheerful–dejected axis, and those of continuity-focused people along an agitated–quiescent axis. These four hybrid categories reflect the operation of two evolutionarily adaptive motivational systems (Watson et al., 1999). The first system motivates people to seek change, the second to seek continuity and security and act as change recipients.

To create the necessary emotional energy that helps people to envisage major change and also to persist in adversity (Kanter, 1983), change agents try to elicit pleasant/high-activation emotions (such as enthusiasm) and reduce unpleasant/low-activation emotions (such as dejection). Emotional commitment to change generates within agents the stamina and hope that they need to persevere in change efforts, and also reduces premature despair from disappointing outcomes. Moreover, people who believe that they can influence the direction of change are likely to feel more confident about their own futures. Research suggests that perceptions of personal control are related positively, moreover, to maintaining the effort devoted to challenging tasks (Aspinwall and Taylor, 1997). People who display low emotional commitment to major change projects are likely to have a difficult time competing with highly committed peers for scarce organizational resources (Huy, 2002).

But how would people on the receiving end of change agents' actions feel? Employees affected by strategic change might feel powerless and fatigued and, as a result, neglect to perform the mundane but critical organizational routines that serve the needs of key constituencies, such as paying staff salaries, delivering good customer service, and ensuring safety and quality in production (Huy, 2005). Organizations need to mitigate the extreme effects of too much change and chaos by focusing managers' attention on the importance of maintaining operational continuity in their own work groups (Huy, 2002). As we say, the second motivational system (seeking continuity) mediates the threat avoidance behaviors that are typical of coerced change recipients – those who probably experience emotions in the upper-left and lower-right quadrants of Figure 6.1. These recipients try to attenuate unpleasant/high-activation emotions such as fear and anger, but also to enhance pleasant/low-activation emotions such as calm (Schein, 1996).

The organization needs to display emotional sensitivity behaviors that

distinguish, repair, and manage the emotions of change recipients (Huy, 2005). This requires managers to attend to their subordinates' emotional responses and thus achieve some emotional equanimity in their work and private lives. Attending to employees' private lives is crucial in enhancing their receptivity to strategic change. This is because employees are usually less concerned about the organization's new strategy during disruptive change than they are about the potential effects of the new strategy on their personal and family welfare.

Huy's (2002) field study found that middle managers' aggregate emotional balancing actions facilitated two important organizational outcomes: development of new skills, and operational continuity. Through learning by doing, some middle managers and employees developed a refined and embodied understanding of the necessary skills that major, rapid change involves. These skills included, for example, process mapping and re-engineering, project management, employee downsizing and relocation, and emotional concern for highly stressed employees.

With regard to operational continuity, some middle managers' attention to work details and subordinates' emotions contributed to smooth downsizing in work units. By working with union representatives to soften hardships due to downsizing and relocation, managers reduced the likelihood of extreme responses. Middle managers' emotion management actions partially dampened their employees' anger and fear; emotions that could spread and grow through the dynamics of emotional contagion. Some continuity in providing products and services allowed the organization to maintain some of its revenue-generating ability, thus providing part of the needed cash to fund more than 100 change projects (Huy, 2002).

Field research suggests also that inadequate concern for recipients' emotions can lead to underperformance despite strong commitments by change agents to operational efficiency and manpower savings (Huy, 2002). Similarly, weak commitment to change in a context of high-pressure strategic change or lack of concern for emotions can lead to work-group inertia or even chaos, thus resulting in deteriorating work-group performance. This suggests that emotional balancing is particularly important for major strategic change, which requires both strong commitment to change and, minimally, some moderate acceptance from recipients of the need to integrate change but also to maintain some of their traditional but still important tasks (such as serving customers).

Middle Managers' Emotion Management as Both Change Agents and Change Recipients

Studies on emotional balancing have found solid evidence on how middle managers as change agents manage their own emotional commitments to organizational change and care for the emotions of their subordinates as change recipients. In fact, after combining the literatures on middle management and emotion management, we argue that middle managers should alternate their roles between change agents and change recipients in organizational change. That way, they could influence not only the emotions of front-line employees but also those of top managers.

Middle managers are the links, those who coordinate top- and operating-level activities (Huy, 2001; Raes et al., 2011). Middle managers are involved in the strategy process by maintaining both upward and downward influences, promoting both divergent and integrative ideas (Floyd and Wooldridge, 1992). According to Floyd and Wooldridge (1992), middle managers engage in four types of activity: championing alternatives, when they influence top managers with new ideas; facilitating adaptability, when they influence front-line employees by diverting from the claimed strategy based on specific operational environment; synthesizing information for top managers to enhance the integration and consistency of the existing strategy; and leading front-line employees to implement deliberate strategy and promote organizational integration.

Their unique position in the hierarchy of an organization leaves middle managers to deal with many events that can trigger intense emotions. Cartwright and Cooper (1993) found that they suffer from stress that is triggered by the expectation of change and fears about losing their jobs during mergers and acquisitions. Brooks (2003) had three key findings: first, middle managers experience anxiety, because they share that of top managers through the delegation progress and empowerment; meanwhile, they experience stress due to pressure from powerful employees; finally, their emotions can be amplified and diffused through in-group emotion contagion.

The emotions of middle managers as both change agents and change recipients can have significant effects on strategic outcomes. Dutton et al. (1997) argued that, when middle managers as change agents try to sell strategic issues to top managers, the uncertainty of top managers' reactions leads them to experience anxiety or even fear, which in turn block the new strategy formulation process. As change recipients, middle managers might react according to top managers' new strategic plans. In that case, they might form group-focussed emotional attachment, which would prompt them either to support or to covertly dismiss a particular

strategic initiative. They might bolster or inhibit strategy implementation for emotional reasons, moreover, even when their immediate personal interests are not directly under threat (Huy, 2011).

Not only do middle managers experience intense emotions, which play a critical role in strategy process, but they can also influence the emotions and behaviors of both front-line employees and top managers. Scott et al. (2010) found that employees with empathetic middle managers experienced lower average levels of somatic complaints. Middle management with empathy enhances the positive relation between the positive affect of employees and their goal progress. Burgelman (1994) implied that middle managers as change agents need to overcome top managers' emotional opposition when planning new strategic opportunities.

In sum, our review of the literature on emotions, strategy process, and middle management suggests several important insights. First, emotions have significant personal and organizational effects, especially in the context of major changes and intense social interactions. Second, the strategy process is a context that abounds in changes and interpersonal interactions across hierarchical levels. Thus, emotion management is a pivotal aspect determining its effectiveness and efficiency. Third, studies have found that middle managers facilitate emotional balancing by managing their own emotions and by managing the emotions of their subordinates. Although a handful of studies have tried to unpack the complex role of middle managers in connection with emotion management through the strategy process, no study has systematically analysed this topic. More specifically, no study has examined how middle managers influence both the emotions of frontline employees and those of the top managers sequentially through the strategy process. We now propose a conceptual model to describe how middle managers manage emotions at various stages of the strategy process.

CONCEPTUAL MODEL

To build our conceptual model, we used Bower's (1970) framework – definition, impetus, and determination of strategic and structural contexts – to divide the strategy process into three sub-processes. In each, we then identified middle managers' primary working partners; that is, top managers or front-line employees. We proposed middle managers' effective emotion management behaviors in each sub-process. And we discussed the organizational routines that could enhance middle managers' emotion management in the strategy process. These organizational routines are called "emotional capability" (Huy, 1999).

Before introducing our model, we must explain "emotional capability." Emotional capability is "the organizational ability to recognize, monitor, discriminate, and attend to emotions of employees at both the individual and the collective levels" (Huy, 1999, p. 325). Emotional capability is reflected in organizational routines as either expressing or evoking emotional states (Huy, 1999). Because organizational routines are institutionalized procedures for action, organizations that develop routines related to emotion management reduce the need to rely mainly on the innate competence of personal emotional intelligence and their personal dispositions (Huy, 1999). According to Huy (1999), emotional capabilities include emotional experiencing, emotional reconciliation, identification, encouragement, display freedom, and playfulness. We show in the following subsections that some of these routinized behaviors are especially effective in the strategy process.

The Phase of Definition

Definition is initiated by front-line employees with specific knowledge of technology and who are close to the market (Noda and Bower, 1996). They demand the resources that they need to solve technical problems, and submit their proposals to middle managers (Bower, 1970). Front-line employees are the primary participants in this phase. Middle managers merely receive these proposals and evaluate them. Top managers do not participate at all in this phase; they simply maintain the organization's strategic and structural contexts.

From the perspective of middle managers, their key interacting partners are front-line employees, whose proposals are collected and evaluated by middle managers. Front-line employees analyse the information and define the technical and economic elements of these proposals, some of which become the organization's strategic initiatives (Noda and Bower, 1996). To ensure that critical strategic information is conveyed precisely and objectively, cool heads and demonstrated justice should be maintained at this stage.

Positive emotions such as passion or enthusiasm are often unnecessary for front-line employees to submit their proposals. Feelings of dissatisfaction, which stem from the misalignment between their technical operations and the strategic and structural contexts of the organization, might be strong enough to stimulate them to initiate proposed changes (Bower, 1970). On the other hand, too much emotional attachment to the proposed changes might distort the facts that they present in their reports. The attractiveness of the proposals might be exaggerated. Meanwhile, in order to encourage the submission of reasonably objective proposals from

front-line employees, middle managers can demonstrate that they treat all employees fairly. When unfairness prevails, front-line employees are less likely to be committed to achieving organizational goals and aligning their behaviors with their supervisors' wishes (Lind and van den Bos, 2002). To display fairness, middle managers should maintain the appearance of emotional neutrality (Wharton and Erickson, 1993) and not show unbalanced passion toward proposals from various subordinates during evaluation.

In other words, to keep subordinates emotionally balanced – neither too dissatisfied nor too passionate – and focussed on the technical and economic content of their proposals, middle managers can become role models by displaying emotional neutrality (Wharton and Erickson, 1993). This would ensure that unnecessary intense emotions do not spread through emotion contagion (Hatfield et al., 1994) among both middle managers and their subordinates. To create a fair environment that fosters the submission of high-quality proposals, moreover, middle managers should manage and control their own emotions during this phase (Wharton and Erickson, 1993) by not demonstrating extreme passion or emotional attachment, for instance, to any proposal before objective assessment. Thus, we suggest the following:

Proposition 1: In the definition phase, middle managers' display of emotional neutrality enhances the quality of proposal submission from front-line employees, and hence the quality of strategy formulation.

Furthermore, enacting emotion management routines that are consistent with the emotional capability literature (Huy, 1999) might increase the effectiveness of middle managers' emotion management during the definition phase. To enhance subordinates' perceived fairness, middle managers can enact what we call "emotional calming routines." This refers to organizational activities that reduce the intensity of emotions, either pleasant or unpleasant ones. Establishing clear criteria for proposal screening, for instance, should increase perceived procedural justice and reduce the anger and frustration of employees seeing the rejection of their proposals (Shimizu, 2012). Procedural justice has been shown to mitigate anger, when the outcome of screening is not favorable, and to reduce guilt – caused by perceived undeserved managerial favouritism – when the outcome of the evaluation is favorable for the employees (Weiss et al., 1999). Establishing clear criteria for the selection of proposals should also reduce uncertainty for employees and thus lessen their anxiety (Hirsh et al., 2012):

Proposition 2: Enacting emotion-calming routines enhances the effectiveness of middle managers' display of emotional neutrality.

The Phase of Impetus

The key activity during impetus is middle managers' championing of strategic projects to top managers (Bower, 1970). Top managers make important resource allocation decisions that often rely on the displayed commitment and proven credibility of initiating middle managers (Noda and Bower, 1996). Because middle managers are much closer than top managers to the competitive environment and everyday operations of the organization, they are more alert than top managers to new trends and opportunities in the market (Burgelman, 1994). Middle managers evaluate proposals from their front-line subordinates and champion the promising ones by betting their personal reputation and credibility on them (Noda and Bower, 1996). They try to sell these proposals to top managers and promote changes in strategy (Dutton et al., 1997; Floyd and Wooldridge, 1992).

Middle managers are the pivotal players at this stage of the strategy process (Bower, 1970). They need to persuade top managers to accept their suggestions and implement changes. However, top managers are often trapped in their mental models and strategic models (Tripsas and Gavetti, 2000) to which they have nurtured a high emotional commitment (Burgelman, 1994). Top managers are thus, ironically, resistant to change, especially when they see no clear and major threat to their organizations' survival. At this stage, middle managers are the change agents, hoping that top managers will accept change. In order to overcome top managers' emotional pushback (Burgelman, 1994), middle managers can try framing their proposed strategic initiatives as further opportunities to generate rewards, and advance a reward-seeking, goal-directed motivational system with top managers (Watson et al., 1999). As we say, this system elicits pleasant/high-activation emotions. Emotions such as excitement and enthusiasm help people to maintain their energy during change projects and promote persistence in adversity (Huy, 2002). Hence, middle managers need to convey to their bosses excitement and passion, hoping that they will catch the same emotions through emotional contagion:

Proposition 3: In the impetus stage, middle managers' eliciting pleasant/high-activation emotions among top managers reduces top managers' emotional resistance to new strategic ideas, and hence increases the quality of the strategy formulation process.

An emotional capability type of action that might enhance the effectiveness of middle managers' emotion management involves emotional encouragement. Emotional encouragement refers to organizational routines that

can instill hope among organizational members during organizational change (Huy, 1999). Illustrations of this organizational routine include regular meetings and frequent dialogue between middle managers and top managers. The goal is to discuss new trends in the external environment and promising opportunities, all of which could encourage top managers to discover new horizons and accept innovative ideas. Continuous updates of progress by middle managers to prove partial success of their projects can enhance top managers' confidence, too, and increase their enthusiasm (Huy, 1999).

Proposition 4: Enacting emotional encouragement routines enhance the effectiveness of middle managers' eliciting pleasant/high-activation emotions for launching a new strategy.

The Phase of Determination of Context

The final stage of this strategy process involves revising the organization's strategic and structural contexts. The primary decision makers in this phase are the top managers (Bower, 1970). According to the change projects that they have ratified, they issue a new official statement of the organization's strategy and redesign the structure of administrative systems accordingly. Top managers inject their own visions and ideas into the final statement of this strategy and into the revised structural context. As change recipients, middle managers must first understand and accept the new formal strategy themselves. Then, as change agents, they must lead their front-line subordinates to implement the deliberate strategy (Floyd and Wooldridge, 1992). For many employees, implementing a newly announced strategy in a new structural context could involve significant changes in their work. Because these changes could be significant to their goals and well-being, emotions can arise (Lazarus, 1991) and influence employees' thinking and behavior related to implementing change and realizing operational effectiveness and efficiency.

To implement the new strategy and structure smoothly, middle managers need to create for employees an emotional environment that supports continuity (Huy, 2002). Intense opportunity-seeking behaviors are undesirable at this stage. Instead, to make sure that employees follow the principles of new strategic and structural contexts, middle managers should elicit pleasant/low-activation emotions such as calm and security into the workplace. Some employees might perceive the new strategy and structural context as threats that could alter their work identities and habits. Middle managers can attenuate anxiety by creating a work environment in which employees feel safe and appreciated. This would

enhance the cohesion and the integration that are necessary for effective team work. Emotions such as comfort, safety, and calmness motivate people to align their actual selves with their felt duties and responsibilities in the teams (Huy, 2002). Hence:

Proposition 5: In the phase that involves determination of strategic and structural contexts, middle managers' eliciting pleasant/low-activation emotions among employees enhances employees' cohesion and integration, which fosters strategy implementation.

At least two types of emotion management action discussed in the emotional capability literature might be particularly relevant for middle managers at this stage. First, emotional experiencing refers to an organization's efforts to identify the variety of emotions aroused during the implementation of a new strategy, to accept and internalize them, and to act on a deep level of understanding (Huy, 1999). Routines providing emotional support and encouraging emotion sharing are helpful. Organizations can set up psychological counselling services and self-help groups, for example, to help release employees' anxiety about new strategies (Huy, 1999). The other type of emotional capability action involves emotional reconciliation. After achieving a deep understanding of members' emotions through emotional experiencing, an organization can try to achieve a synthesis of opposing values that people feel strongly about. To help employees reduce their attachment to old strategies and experience positive emotions toward new ones, an organization can launch "mourning" sessions that help to articulate the bridge between old and the new ways of doing things. These efforts to maintain continuity can help to calm anxious employees and make their transition smoother:

Proposition 6: Enacting emotional-experiencing and emotional-reconciliation routines enhance the effectiveness of middle managers' eliciting pleasant/low-activation emotions for strategy implementation.

We summarize in Table 6.1 our prescriptive model of middle managers' emotion management in the strategy process.

DISCUSSION

In this chapter, we have reviewed the literature on emotions in strategy process and middle managers' emotion management. Emotions have a significant impact on personal and organizational behaviors. The

Table 6.1   A model of middle managers' emotion-management during the strategy process

	The strategy process		
	The phase of definition	The phase of impetus	The phase of determination of context
Middle managers' key interaction partners	Front-line employees	Top managers	Frontline employees
Middle managers' emotion management	Emotional neutrality	Pleasant/high-activation emotions	Pleasant/low-activation emotions
Supporting organizational routines/emotional capabilities	Emotional calming	Emotional encouragement	Emotional experiencing and emotional reconciliation

strategy process evokes strong emotions because it requires changes and social interactions. Middle managers, right between the top managers and front-line employees, play a pivotal role in achieving emotional balancing. However, no one has produced a systematic analysis of middle managers' emotional interactions with both the top managers and front-line employees in the strategy process. We have proposed a prescriptive model with a series of predictions that link middle managers' various emotion management actions with strategic outcomes for various phases of the strategy process. We have also proposed a theory of how emotional capability at the organization level influences middle managers' emotion management actions. Before we go through the theoretical contributions of this chapter and some future research opportunities, we would like to mention the ethical concerns of manipulating others' emotions.

Ethical Principles for Emotion Management: Practical Wisdom

Because emotion management in general could be seen by recipients as manipulative and serving only the selfish purpose of the agents and the powerful, we find it necessary here to introduce a discussion on the ethics of emotion management. Durand and Huy (2008) suggested that middle managers play the dominant organizational role of enacting emotional capability, under norms of practical wisdom, with their colleagues and subordinates. Practical wisdom represents the overarching framework of values under which emotion management in general, and emotional

balancing and emotional capability in particular, operate. These values stem from a rich philosophical tradition. Philosophers including Aristotle (1976), Levinas (1989), and Ricoeur (1992) have developed sophisticated philosophies of both self–other relationships and moral judgment. Practical wisdom refers to an applied philosophy of respect for others and their innate right to be different. "Practical" connotes the concept's applied nature, involving concrete and useful actions in everyday situations; and "wisdom" denotes a process of attunement that involves sensitivity to others, including respect for individuality, freedom to think and speak, and the keeping of promises. Practical wisdom assumes inherent a priori differences between the self and others, focusing on encounters in which the other meets the self. Because it is inherently interactional, practical wisdom is well suited to inform our questions about the interactionality of emotion management among members of the organization. Indeed, all groups in the organization seek to influence one another to establish and pursue shared goals, and emotion management could be construed as part of the influence process which targets others' cognition, feelings, attitudes, and behaviors in regard to the pursuit of organizational goals.

Combining middle managers as actors, strategy process as context, and emotion as a central variable promises to open vast new areas of research. First, future studies can test the prescriptive model that we propose here empirically. Qualitative fieldwork might be especially useful for a more fine-grained and contextual understanding of emotions and effective emotion management action (Brooks, 2003; Hatch, 1997; Huy, 2002, 2011).

Second, our model suggests that emotional capability has a moderating effect on the relation between middle managers' emotion management actions and the effectiveness of the strategy process and its outcome. However, how does emotional capability come into being in the first place? How do middle managers contribute to the variation, selection, and retention of emotion management routines (Nelson and Winter, 1982), which constitute emotional capability? Future studies could try to answer these questions.

Third, the strategy process indicates an evolutionary process of strategy making. The rate of this process probably varies from one environment to another. Some changes are rapid and radical, others slow and incremental. How do middle managers' emotion management actions differ in these qualitatively distinct processes? Our model might be perceived as a first step toward knowledge of a moderate, gradual process of change. Investigating how emotion interacts with cognition and action in the complex process of strategy making, and how emotion management can play an effective role in influencing the nature and effects of various

emotions, promises to open new and exciting areas of research on the strategy process in general and the nascent field of behavioral strategy in particular.

NOTE

1. For a revision of the circumplex model and further discussion of the key dimensions, see Watson et al. (1999).

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