

1 CHAPTER  
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3 Emotions and Strategic Change

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**Abstract**

Strategic change represents a special form of organizational change that is particularly large-scale, disruptive, and elicits a wide range of strong emotions among employees. This chapter discusses how organizations can develop routines that deal constructively with employees' emotions, as well as the challenges that organization leaders face in perceiving and managing employees' collective emotions. The chapter ends by suggesting a number of important research questions in this vastly underexplored area.

**Keywords:** Leadership; emotions, strategic change, emotional intelligence, collective emotions, emotional contagion, culture

14 One of the many important questions facing positive organizational scholarship (POS) is its link to business strategy, which focuses on organizational performance. During relatively stable times, in which managers have more bountiful psychological and organizational resources to build stable, quality relationships, many dimensions of POS, such as thriving at work (Spreitzer, Sutcliffe, Dutton, Sonenshein, & Grant, 2005), relational quality (Dutton & Heaphy, 2003), and experiencing positive energy (R. W. Quinn & Dutton, 2005) seem relevant to increasing business performance, although more research is needed to explore the associated boundary conditions. But when organizations need to deal with the pressure of strategic change, which is often associated with low or declining organizational resources and time pressure, how can a POS perspective help us think about what organizations can do to create an enabling and constructive social-psychological context for beneficial change in business strategy?

35 This chapter explores this question and is organized as follows. First, strategic change will be defined as a distinct form of organizational change.

We then review the role of emotions in organizations experiencing strategic change. The chapter then elaborates the key constructs in this literature, namely individual versus collective emotions, and perceiving and managing emotions at work. Next, it highlights several psychological and contextual enablers and impediments to dealing with emotions at work. Finally, it suggests avenues for future research.

**Strategic Change as a Distinct Form of Organizational Change**

Strategic change refers to a qualitative change in the firm's philosophy or core perspective/identity (Bartunek, 1984; Johnson, 1987). Core identity is defined as the central, enduring, and distinctive characteristics of the organization that all members feel proud of and have personally identified with (Dutton & Dukerich, 1991). This deep change in core identity often requires concurrent shifts in all other organizational dimensions, such as structure, systems, and personnel, to preserve alignment. Thus, a strategic change is often deep and large-scale and not only causes a major and pervasive redistribution

1 of resources and power, which is already highly  
 2 upsetting in itself, but by definition demands a  
 3 paradigm shift that challenges members' most  
 4 basic assumptions about the nature of the organiza-  
 5 tion (Reger & Gustafson, 1994). These assump-  
 6 tions define the domain of socially constructed  
 7 reality and provide a patterned way of dealing with  
 8 ambiguous, uncontrollable events (Schein, 1992).  
 9 Organization members have "emotionally invested"  
 10 in these non-negotiable assumptions that shape  
 11 their cognitive structures for sense-making and  
 12 sense-giving. Challenging this source of cognitive  
 13 and emotional stability is tantamount to an attack  
 14 on core identity and could trigger strong defense  
 15 mechanisms, such as anxiety and defensiveness  
 16 (Schein, 1992).

17 To the extent that strategic change is perceived  
 18 as being in opposition to esteemed core values,  
 19 the negative emotions can be more intense than  
 20 the affect aroused by lack of cognitive understand-  
 21 ing of the proposed change (Festinger, 1957).  
 22 Opposing concepts are likely to trigger anger,  
 23 threat, or fear (Reger et al., 1994). Disagreement  
 24 on important issues provokes intense emotions  
 25 (Jehn, 1997), and negative emotions tend to spread  
 26 more rapidly than positive ones (Staw, Sutton, &  
 27 Pelled, 1994).

28 Change leaders' tasks include recognizing cues  
 29 that signal the need for strategic change and helping  
 30 employees implement a new strategic direction  
 31 (Huff, Huff, & Thomas, 1992). As this process  
 32 unfolds, top and mid-level managers can face many  
 33 challenges in their attempts to facilitate learning  
 34 among their employees (Chakravarthy, 1982), and  
 35 as they strive to empower, motivate, and inspire  
 36 them (J. B. Quinn, 1980). To accomplish strategic  
 37 change, leaders often have to manage the tension  
 38 between deploying existing competencies and fos-  
 39 tering the development and implementation of new  
 40 ones (Crossan, Lane, & White, 1999). These con-  
 41 flicting goals can generate role conflict and emo-  
 42 tional discord among employees who are already  
 43 worried about time pressure and resources to carry  
 44 out their tasks effectively (Floyd & Lane, 2000).  
 45 The emotional reactions of individual employees, as  
 46 well as of upper and middle managers, to alternative  
 47 strategic direction can be particularly intense  
 48 (Kanter, 1983) as these are amplified in a context of  
 49 new, contested, and shifting ideas. To facilitate stra-  
 50 tegic change, organization leaders need to perceive  
 51 employees' emotions accurately, then manage them  
 52 in a constructive manner. We explore each dimen-  
 53 sion in turn.

## Perceiving and Managing Emotions in Strategic Change 54 55

56 One important dimension of positive psychology  
 57 involves how employees feel at work and how their  
 58 emotions influence personal well-being and task per-  
 59 formance (Spreitzer et al., 2005). Emotions refer to  
 60 psychobiological responses elicited by an appraisal of  
 61 a particular target or situation and often include sub-  
 62 jective experiences and specific action tendencies  
 63 (Frijda, 1986; Lazarus, 1991). Emotion and strategic  
 64 change are linked insofar as emotions are not neces-  
 65 sarily aroused by favorable or unfavorable conditions;  
 66 sometimes they are aroused by actual or expected  
 67 changes in these conditions (Frijda, 1988). People  
 68 can express emotions verbally and through nonverbal  
 69 behavior. Emotional cues, such as vocal intonations,  
 70 facial displays, and other nonverbal gestures, indicate  
 71 how others construe their role in changing events and  
 72 social structures (Rafaeli & Sutton, 1987). Emotions  
 73 help direct attention, prompt and inhibit particular  
 74 behavioral tendencies, and allow employees to coordi-  
 75 nate their efforts (Keltner & Haidt, 1999). Paying  
 76 attention to emotional cues therefore provides useful  
 77 information about opinions, preferences, and poten-  
 78 tial behaviors—even when people are unaware of  
 79 their emotions or consciously try to control their  
 80 expression (Ashkanasy, Härtel, & Zerbe, 2000).

81 Emotions in organizations, however, have impli-  
 82 cations that extend beyond those related to specific  
 83 individuals. Personal emotions can play a significant  
 84 role in the effectiveness of collective efforts (George,  
 85 1990; George & Brief, 1992). Collective reactions  
 86 and informal coalitions can form in response to  
 87 change proposals and their perceived implications for  
 88 various groups that have different roles and interests  
 89 in an organization (Cyert & March, 1992). Collective  
 90 emotions can influence the ways in which various  
 91 groups think and behave in relation to both the orga-  
 92 nization and other groups within it (Mackie, Devos,  
 93 & Smith, 2000). These emotional responses arise and  
 94 evolve throughout the process of strategic change,  
 95 and they highlight the need for leaders to accurately  
 96 perceive collective emotions then to manage them.

### Perceiving Emotions in Strategic Change 97

98 Perceiving emotions accurately, both at an individ-  
 99 ual and collective level, has been theorized to be  
 100 important in the context of strategic change (Jeffrey  
 101 Sanchez-Burks & Huy, 2009).

### PERCEIVING EMOTIONS IN INDIVIDUALS 102

103 The ability to recognize emotions in other people is  
 104 a key component of social emotional intelligence

1 (Salovey & Grewal, 2005). Scholars have shown  
 2 empirically that accuracy in respect to individuals'  
 3 emotional displays is related to effectiveness in man-  
 4 aging interpersonal relationships in many occupa-  
 5 tions and organizational roles (Côté & Miners,  
 6 2006; H. Elfenbein, Beaupré, Lévesque, & Hess,  
 7 2007; H.A. Elfenbein, 2007); For example, studies  
 8 have shown that high emotion recognition ability  
 9 among managers correlates positively with percep-  
 10 tions of transformational leadership among their  
 11 subordinates (Bass, 1999; Rubin, Munz, & Bommer,  
 12 2005), and in negotiation, accuracy correlates with  
 13 value for both parties (H. Elfenbein, et al., 2007).

#### 14 PERCEIVING COLLECTIVE EMOTIONS

15 Collective emotions refer to the composition of  
 16 various shared emotions of the group's members  
 17 (Barsade & Gibson, 1998). Collective emotions are  
 18 important to study because they can influence a  
 19 variety of group outcomes (van Zomeren, Spears, &  
 20 Fischer, 2004). Collective emotions can reflect an  
 21 emotionally homogenous group: All members of  
 22 the group experience the same emotion. But the  
 23 composition of a collective emotion can also consist  
 24 of sizable proportions of different shared emotions.  
 25 A sales unit reacting to a new change initiative, for  
 26 example, could have 80% of members experiencing  
 27 negative emotions and 20% experiencing positive  
 28 emotions. Since strategic change is unlikely to affect  
 29 all work units or groups in the same way, the com-  
 30 position of collective emotions might be diverse in  
 31 large organizations inhabited by groups with dis-  
 32 tinctive roles, values, and interests (Cyert & March,  
 33 1992). For instance, some clusters of group mem-  
 34 bers might feel proud because they perceive that  
 35 managers are heeding their calls for a new strategic  
 36 direction. On the other hand, other clusters of  
 37 group members might feel contemptuous, because  
 38 they believe their own ideas about new strategic  
 39 directions are better than those their managers have  
 40 proposed. In turn, these collective emotions can  
 41 prompt either action or inaction among subgroups  
 42 within the collective, motivating mobilization for or  
 43 against strategic change.

44 Several mechanisms contribute to the emergence  
 45 of collective emotions. These include similar inter-  
 46 pretations, experiences, identities, and organiza-  
 47 tional culture (Mackie, Devos, & Smith, 2000).  
 48 Faced with an important event (e.g., announcement  
 49 of a new strategic direction), employees can experi-  
 50 ence emotions similar to one another if they have  
 51 similar interpretations about the impetus for strate-  
 52 gic change, or if they have had similar experiences

with regard to the ensuing costs and benefits for  
 their work units (Gump & Kulik, 1997). For exam-  
 ple, employees who strongly identify themselves  
 with their companies are likely to experience emo-  
 tions similar to one another when faced with events  
 that enhance or threaten the organization's identity  
 through a major shift in strategic focus (Dutton &  
 Dukerich, 1991). Organizational culture represents  
 another subtle yet powerful form of control that  
 informs and guides the emotions of employees and  
 contributes to shared emotional experiences (Van  
 Maanen & Kunda, 1989).

*Emotional contagion* is another mechanism through  
 which emotions spread from group member to  
 group member, often occurring automatically with-  
 out conscious knowledge (although it can be con-  
 sciously induced), to produce shared emotions  
 (Barsade, 2002). This mechanism reflects an innate  
 human propensity to adopt the emotional experi-  
 ences of those around us (Neumann & Strack,  
 2000). The mere perception of a person showing  
 anguish, for example, can lead to a sad expression  
 on the perceiver's face (Ekman, 2004). In turn, these  
 unintentional changes in facial and other muscles  
 can lead to similar emotional states in perceivers.  
 Studies have found that these nonconscious but  
 contagious effects produce clusters of shared emo-  
 tional experiences in a variety of organizational set-  
 tings (Barsade, 2002; Bartel & Saavedra, 2000).

Sanchez-Burks and Huy (2009) theorized that  
 leaders' *emotional aperture* is distinct from their  
 ability to perceive individual emotions, which rep-  
 resented the focus of the emotional intelligence  
 literature (Mayer & Salovey, 1999). Emotional  
 aperture refers to a person's ability to recognize  
 dynamically the substantive yet shifting proportions  
 of diverse shared emotions that are experienced by  
 various subgroups in a given community. Upon the  
 announcement of a pending change in a company's  
 strategic direction, for example, nearly three-quar-  
 ters of the marketing group may react with hope,  
 whereas the other quarter reacts with fear. Four  
 months later, the proportion of group members  
 experiencing hope may decline, while the propor-  
 tion of people feeling fear may increase significantly.  
 The effective use of emotional aperture would  
 involve distinguishing more than a single dominant  
 group emotion and an ongoing perceptiveness  
 to recognize such changes in the emotional compo-  
 sition of the collective. Emotional aperture  
 requires taking a holistic orientation to emotion  
 perception (Nisbett, Peng, Choi, & Norenzayan,  
 2001), wherein managers derive a relatively accurate

1 portrait of an organization’s emotional landscape  
 2 from a brief but deeper focus on emotional distribu-  
 3 tions. Perceiving collective emotions and its effects  
 4 on various strategic change processes and out-  
 5 comes remains to be empirically investigated both  
 6 in laboratory and field settings.

7 ***Managing Emotions in Strategic Change***

8 Beyond accurately perceiving emotions at the indi-  
 9 vidual and collective level, leaders need to deal with  
 10 these when necessary in order to foster positive out-  
 11 comes, such as employees’ psychological well-being  
 12 and optimum business performance during pro-  
 13 longed periods of disruption caused by strategic  
 14 change. Anxious, fearful employees cannot devote  
 15 their full attention to their current tasks and have  
 16 little inclination or capacity to gain new knowledge  
 17 and skills. Resentful and angry employees may  
 18 engage in covert sabotage. Depressed and sick  
 19 employees increase the burden of work on peers  
 20 who are already overwhelmed (Noer, 1993). All of  
 21 these emotion-related conditions slow and even  
 22 thwart organizational learning and beneficial strate-  
 23 gic change. Unfortunately, thoughtful management  
 24 of employees’ emotions during strategic change is  
 25 little understood and even less systematically prac-  
 26 ticed in organizations.

27 Skillful emotion management seems necessary to  
 28 create organizational contexts that foster innovation  
 29 and beneficial change. This requires emotion-aware  
 30 managers who systematically allocate organizational  
 31 resources to develop procedures related to emotion  
 32 management. Skillful enactment of these proce-  
 33 dures constitutes the organization’s emotional capa-  
 34 bility (N. Q. Huy, 1999, 2005). Such a collective  
 35 capability mobilizes aggregate emotion manage-  
 36 ment efforts from many people and allows the orga-  
 37 nization to transcend the need for a large number of  
 38 individuals with superior emotional intelligence.

39 Empirical research on emotion management in  
 40 strategic change has introduced the importance of  
 41 emotional balancing (Huy, 2002), whereas theoret-  
 42 ical research has developed the concept of emotional  
 43 capability (Huy, 1999, 2005). *Emotional balancing*  
 44 involves the emotion management behavior of two  
 45 distinct organizational groups: change agents and  
 46 change recipients. Practicing emotional balancing  
 47 could bring about positive organizational adapta-  
 48 tion and help avoid the extremes of organizational  
 49 chaos and inertia. *Emotional capability* then focuses  
 50 on change recipients and elaborates how to enable  
 51 those recipients to facilitate major change and inno-  
 52 vation. Each concept—representing distinct but

complementary forms of emotion management 53  
 during strategic change—is described in turn. 54

**EMOTIONAL BALANCING AS DISTINCT 55**  
**EMOTION MANAGEMENT FOR STRATEGIC 56**  
**CHANGE 57**

Emotional balancing refers to a group-level process 58  
 juxtaposing emotion-related organizational actions 59  
 intended to drive change while fostering a sense of 60  
 continuity among a group of employees (Huy, 61  
 2002). Huy’s field research found that such balanc- 62  
 ing is necessary because too many and too rapid 63  
 change could generate chaos in employee groups, 64  
 whereas too little and too slow change could create 65  
 inertia. Emotional balancing entails, at the organi- 66  
 zational level, (a) the change agents’ emotional com- 67  
 mitment to champion and pursue change projects 68  
 and (b) middle managers attending to the emotions 69  
 of their employees to maintain their emotional 70  
 well-being and necessary operational continuity. 71  
 Different managers can play different roles, how- 72  
 ever. Some managers may choose to play the role of 73  
 change agents who propose radically new ways of 74  
 doing things, whereas others may focus on attend- 75  
 ing to organizational continuity and employees’ 76  
 emotions. Enacting emotional balancing at work 77  
 thus does not require all influential organization 78  
 members to display a high level of emotion manage- 79  
 ment skills. The aggregation of various emotion 80  
 management actions performed by different groups 81  
 of managers and facilitated by the organization’s 82  
 procedures, resources, and training could help 83  
 develop an enabling emotional climate that facili- 84  
 tates beneficial strategic change. Emotional balanc- 85  
 ing involves the management of emotions of both 86  
 change agents and change recipients. 87

88 With regard to change agents, to create the emo- 88  
 tional energy that helps them consider ambitious 89  
 strategic change and persist in adversity, change 90  
 agents manage their emotions by eliciting/increas- 91  
 ing pleasant high-activation emotions (e.g., enthu- 92  
 siasm) and reducing unpleasant low-activation 93  
 emotions (e.g., dejection). Positive emotions, in 94  
 particular, can help increase people’s resilience to 95  
 hardship, increase their flexible thinking, and 96  
 improve their interpersonal skills, all of which can 97  
 increase change agents’ effectiveness (Sekerka, 98  
 Vacharkulksemsuk, & Fredrickson, 2011, Chapter 13, 99  
 this volume). Emotional commitment to change pro- 100  
 vides agents with stamina and hope to persevere in 101  
 sustained change efforts and reduces premature 102  
 despair and early abandonment due to initial 103  
 disappointing outcomes. 104

1 Meanwhile, employees as recipients of strategic  
 2 change may feel powerless and fatigued when con-  
 3 fronting change and, as a result, neglect to perform  
 4 the mundane but critical organizational routines  
 5 that serve the needs of key constituencies, such as  
 6 delivering good customer service and ensuring safety  
 7 and quality in production. Organizations need to  
 8 mitigate the extreme effects of too much change and  
 9 chaos by focusing managers' attention on the impor-  
 10 tance of maintaining operational continuity in their  
 11 own workgroups (Huy, 2002).

12 The organization needs to display emotional sen-  
 13 sitivity behaviors that distinguish, repair, and manage  
 14 the emotions of change recipients. This requires  
 15 managers to attend to their subordinates' emotional  
 16 responses to achieve some emotional equanimity in  
 17 their employees' work and private lives. Attendance  
 18 to employees' private lives is crucial to enhancing  
 19 their receptivity to strategic change, because during  
 20 such disruptive change, employees tend to be less  
 21 concerned about the organization's new strategy  
 22 than about its potential effects on their personal and  
 23 family welfare.

24 Huy (2002) found that managers' aggregate  
 25 emotional balancing actions facilitated two impor-  
 26 tant organizational outcomes: development of new  
 27 skills and operational continuity. Through "learning  
 28 by doing," certain organization members developed  
 29 a more refined embodied understanding of the nec-  
 30 essary skills involved in major, rapid change. With  
 31 regard to operational continuity, middle managers'  
 32 attention to work details and subordinates' emo-  
 33 tions contributed to, for example, smooth downsiz-  
 34 ings in various work units. Managers' emotion  
 35 management actions dampened in part employees'  
 36 anger and fear, which could spread and amplify  
 37 through emotional contagion. Some continuity in  
 38 providing products and services allowed the organi-  
 39 zation to maintain some of its revenue-generating  
 40 capability, thus providing part of the needed cash to  
 41 fund various change projects. Inadequate attention  
 42 to recipients' emotions was found to cause under-  
 43 performance in organizational outcomes even when  
 44 change agents' commitment to realizing operational  
 45 efficiency and manpower savings are strong.  
 46 Similarly, weak commitment to change in a high-  
 47 pressure strategic change context or when emotions  
 48 are not attended to can lead to workgroup inertia or  
 49 chaos, thus resulting in deteriorating workgroup  
 50 performance. This suggests that emotional balanc-  
 51 ing is particularly important for strategic change  
 52 that requires both strong commitment to pursue  
 53 ambitious change and, minimally, some moderate

acceptance from recipients to integrate the change 54  
 while maintaining some of their traditional and still 55  
 important tasks (e.g., serving customers). 56

In summary, emotional balancing involves broad 57  
 categories of emotion management actions related 58  
 to change agents (e.g., emotional commitment to 59  
 the proposed changes) and recipients (e.g., the need 60  
 to attend to their emotions). Huy (1999, 2005) 61  
 further elaborates the theory of emotional capability, 62  
 which specifically describes the links between 63  
 specific emotion management actions that elicit 64  
 recipients' various emotions in strategic change. 65

**EMOTIONAL CAPABILITY** 66

Emotional capability refers to the organizational 67  
 ability to recognize, monitor, discriminate, and 68  
 attend to emotions of employees at both the indi- 69  
 vidual and the collective levels (Huy, 1999). This 70  
 ability is built into the organization's routine proce- 71  
 dures for action, which reflect the collective knowl- 72  
 edge and skills demonstrated in local contexts to 73  
 manage emotions related to strategic change. 74  
 Organizations that develop procedures related to 75  
 emotion management and that provide systematic 76  
 training on this subject to various managers likely 77  
 reduce the need to rely on the innate competence of 78  
 individuals' emotional intelligence and their vari- 79  
 able individual dispositions. In this respect, an orga- 80  
 nization's emotional capability can be far greater 81  
 than the sum of the emotional intelligence of its 82  
 individual members (Huy, 1999). 83

Huy (1999, 2005) elaborates the various emo- 84  
 tion management action routines that constitute an 85  
 organization's repertoire of emotional capabilities: 86  
 the experiencing, reconciliation, identification, encour- 87  
 agement, display freedom, and playfulness that 88  
 express or elicit specific positive emotions during 89  
 strategic change. These actions are called *emotional* 90  
*dynamics*. These emotional dynamics are posited 91  
 to influence three critical processes of strategic 92  
 change—receptivity, collective mobilization, and 93  
 organizational learning—as feedback mechanisms 94  
 linking receptivity to mobilization. Each is summa- 95  
 rized below. 96

*Empathy and the Dynamic of Heedfulness* 97

Empathy refers to a person's ability to understand 98  
 someone else's feelings and to re-experience them. 99  
 Empathy represents a core attribute of emotional 100  
 intelligence and a prime motivator for altruistic 101  
 behavior (Salovey & Mayer, 1990). Empathy is 102  
 demonstrated in part through heedful behaviors 103  
 related to others' feelings. At the organizational 104

1 level, heedfulness refers to the quality of an organi-  
 2 zation’s active efforts in recognizing the importance  
 3 of emotion and in enacting emotion-focused activi-  
 4 ties during strategic change. These actions can  
 5 involve organized activities, such as training and  
 6 coaching all organization members, and especially  
 7 change agents, to experience the same or other  
 8 appropriate emotions in response to others’ feelings  
 9 and to communicate or act on this internal experi-  
 10 ence. Organization members can be trained in the  
 11 ability to accurately recognize the subtle social cues  
 12 and signals given by others in order to determine  
 13 what emotions are being expressed and to under-  
 14 stand the perspective of the other party (Huy,  
 15 1999).

16 The organization can establish anxiety reduction  
 17 mechanisms, for example, informal communication  
 18 structures that foster dialogue and sense-making  
 19 during this disruptive period. Emotional support  
 20 structures, such as psychological counseling services,  
 21 self-help groups, and single- and double-loop learn-  
 22 ing interventions, may help employees come to  
 23 grips with the new reality. The more these programs  
 24 are made widely available in the organization and  
 25 the more varied they are, the more likely the inten-  
 26 sity of emotional pain will be attenuated. Heedfulness  
 27 also means sensitivity to the impact of the timing,  
 28 pacing, and sequencing of the various change  
 29 actions, so that adequate emotional equanimity is  
 30 maintained among those affected. In sum, the emo-  
 31 tional dynamic of experiencing is posited to increase  
 32 employees’ receptivity to the proposed strategic  
 33 change and their ability to react constructively to it  
 34 (Huy, 1999, 2005).

35 **SYMPATHY AND THE DYNAMIC OF**  
 36 **RECONCILIATION**

37 At the individual level, sympathy is a less demand-  
 38 ing emotional process than empathy, as it refers  
 39 to the ability to feel for the general suffering of  
 40 another with no direct sharing of that person’s expe-  
 41 rience (Davis, 1983). Sympathy is a precursor to the  
 42 empathy. Sympathy is partly dem-  
 43 onstratory behaviors. At the organi-  
 44 zational level, Albert (1984) conceptualizes most  
 45 change as a juxtaposition of additions and deletions.  
 46 To the extent that the proposed change can be  
 47 framed and accepted by the recipients as an addi-  
 48 tion or an expansion of existing values, the easier it  
 49 is to accept the proposed change. The more conti-  
 50 nuity is perceived to exist between the past and the  
 51 future, the less the change is perceived as radical.  
 52 On the other hand, the portion of the valued

elements of the past that must be “deleted” should  
 be mourned to facilitate transition.

A process of reconciliation that bridges feelings  
 about new and old values, therefore, has to be con-  
 ducted. Emotional conversations between change  
 agents and their targets to co-construct a new mean-  
 ing are helpful. To the extent that strategic change  
 requires abandonment of certain cherished values,  
 mourning of these past, abandoned values has to be  
 organized (Albert, 1984). Thus, one of the first steps  
 toward achieving full emotional reconciliation is  
 adequate grieving. Mourning is more likely to be  
 effective if adequate time and resources are allocated  
 for affected members to work through their emo-  
 tional grief. The effectiveness of various reconcilia-  
 tion processes thus hinges on their aggregate ability  
 to address various addition and deletion compo-  
 nents that can co-exist in strategic change. This  
 requires an artful combination of various activities,  
 such as allocating appropriate time and resources,  
 ensuring the quality and frequency of conversations  
 to develop a new and meaningful synthesis, and  
 involving influential stakeholders. The emotional  
 dynamic of reconciliation is posited to increase  
 employees’ receptivity to strategic change (Huy,  
 1999, 2005).

*Hope and the Dynamic of Encouragement*

Hope is an emotional state that is elicited by  
 appraisal of future positive prospects for self (Ortony,  
 Clore, & Collins, 1988). Hope buffers people  
 against apathy and depression and strengthens their  
 capacity to persist under adversity; it bolsters peo-  
 ple’s beliefs that they have both the will and the  
 means to accomplish goals (Snyder et al., 1991).  
 Recently, scholars such as Carlsen, Hagen, and  
 Mortensen (2011, Chapter 22, this volume) have  
 argued for an understanding of hope that should  
 not focus simply on the individual and her goals,  
 but include the relational quality of hope that is  
 experienced in social relationships. Hope grows  
 when one places oneself in service to others, and it  
 binds together members of a community. Hope can  
 be elicited by a future that is open-ended and  
 becoming, in which people toy with generative pos-  
 sibilities, improvise, and co-create a coherent image  
 of the future.

At the organizational level, the emotional  
 dynamic of encouragement refers to the organiza-  
 tion’s ability to instill hope among all its members  
 during strategic change. Huy’s (2002) research  
 found that certain change agents aroused hope and  
 collective action by promoting wide participation

AQ: Please confirm this become H3 heading level.

← SAME AS HOPE ON LINE 79

1 of, and active consultation with, employees right  
 2 from the beginning of strategic change. They devel-  
 3 oped some enthusiastic supporters in recipient  
 4 groups who, in turn, championed their cause inside  
 5 their respective units in the “language” that their  
 6 local peers could relate to. People who feel that they  
 7 can influence the direction of change are also likely  
 8 to feel more confident about their own future (Beer,  
 9 Eisenstat, & Spector, 1990). Perceptions of personal  
 10 control are related positively to maintaining the  
 11 effort devoted to challenging tasks, such as the pur-  
 12 suit of ambitious change projects (Aspinwall &  
 13 Taylor, 1997).

14 Examples of organizational actions that arouse  
 15 hope among employees include establishing mean-  
 16 ingful change goals; creating small wins to rekindle  
 17 self-confidence; frequent and cheerful interaction  
 18 between change agents and employees; uplifting  
 19 rituals, such as rousing speeches and award ceremo-  
 20 nies; and a compelling strategic vision (Ashkanasy  
 21 & Tse, 2000; House, 1977). The higher the degree  
 22 of encouragement to elicit hope among all employ-  
 23 ees, the higher the posited degree of collective mobi-  
 24 lization for strategic change (Huy, 1999, 2005).

#### 25 *Authenticity and the Dynamic of Display Freedom*

26 At the individual level, emotional authenticity refers  
 27 to a person’s ability to acknowledge, express, and be  
 28 sincere about his or her feelings. Individuals who  
 29 lose this ability bury their real self and a false self  
 30 emerges (Hochschild, 1983). At the organizational  
 31 level, the emotional dynamic of display freedom  
 32 refers to the organization’s ability to facilitate the  
 33 variety of authentic emotions that can be legiti-  
 34 mately displayed (and felt) in the organization  
 35 during strategic change. The converse is an *alexithy-*  
 36 *mic* organization that controls the types or intensity  
 37 of emotions that can be expressed and felt through  
 38 the oppressive use of culture and power (Lukes,  
 39 1974). Values and preferences are shaped so that  
 40 individuals cannot visualize any better alternative  
 41 than the status quo. Order is maintained partly  
 42 through emotional underpinnings such as fear,  
 43 guilt, or embarrassment. A failure to engage play-  
 44 acting skills and to display representative emotions  
 45 is read as an act of insubordination or a sign of  
 46 incompetence in strong cultures (Flam, 1993). As a  
 47 result, employees may privately feel trapped and  
 48 fearful. In front of powerful persons, individuals are  
 49 likely to restrict the range of displayed emotions to  
 50 mainly positive expressions (Morris & Feldman,  
 51 1996). Negative displays could be interpreted as  
 52 cynicism or detachment during strategic change.

Duck (1993) suggests that the content of emo- 53  
 tions (negative vs. positive) is not as important as 54  
 how leaders of change deal with them. Leaders who 55  
 deny emotionality in the workplace will also block 56  
 the emergence of new ideas from the base of the 57  
 organization at a time when creativity and contex- 58  
 tual knowledge are most needed to realize strategic 59  
 change. Organization members should be encour- 60  
 aged to express their full range of emotions without 61  
 fear of reprisal. Controlling the variety of emotions 62  
 expressed in the organization during discontinuous 63  
 transition periods may well lead to emotional acting, 64  
 risk aversion, cynicism, and covert resistance to the 65  
 proposed change. This further reduces the self- 66  
 reflection time that is necessary for deep learning. 67  
 This frustrating state could be interpreted as a 68  
 failure in change that depresses further efforts at 69  
 collective learning. The dynamic of display freedom 70  
 is posited to facilitate organizational learning during 71  
 strategic change (Huy, 1999, 2005). 72

#### *Fun and the Dynamic of Playfulness* 73

At the individual level, fun as an emotional state 74  
 and process relates to the motivated search for pleas- 75  
 ant experiences and aesthetic appreciation. From a 76  
 neurophysiological perspective, a feeling of elation 77  
 permits the rapid generation of multiple images, so 78  
 that the associative process is richer. A happy person 79  
 indulges more often in creative and exploratory 80  
 behavior; in contrast, sadness slows image evocation 81  
 (Damasio, 1994). In a related vein, research on cre- 82  
 ativity suggests that people who experience flow or 83  
 timelessness are likely to be more creative. 84  
 Csikszentmihalyi (1975, p. 43) defines flow as the 85  
 experience of a series of actions in which one feels in 86  
 control and in harmony with them and the feeling 87  
 after which one nostalgically says, “That was fun.” 88  
 Mountain climbers, motivated artists, and research- 89  
 ers are likely to experience a high level of flow when 90  
 they are totally immersed in their tasks, lose their 91  
 self-consciousness and sense of time, and thus expe- 92  
 rience “timelessness” (Mainemelis, 2001). Fun 93  
 replenishes people’s energy as they undertake long 94  
 and arduous work to reach a distant vision with 95  
 uncertain outcomes, and enjoying the process 96  
 of doing one’s work helps people to persevere in 97  
 the face of difficulties and disappointments 98  
 (Csikszentmihalyi, 1997). 99

It is thus critical that leaders of strategic change 100  
 allocate special attention to rekindling employees’ 101  
 creative energy by enacting a set of actions that dis- 102  
 play playfulness (Huy, 2005). Playfulness refers to 103  
 the organizational ability to arouse “serious” fun in 104

1 employees, to create a context that encourages the  
 2 generation of creative ideas leading to organizational  
 3 innovation (Amabile, 1996; Amabile, Conti, Coon,  
 4 Lazenby, & Herron, 1996; Huy, 1999). “Serious” or  
 5 “deep fun” here should be distinguished from the  
 6 superficial fun elicited by traditional social activities  
 7 such as telling jokes, organizing office parties,  
 8 or attending sports events, all of which can elicit  
 9 fleeting pleasure, provide temporary release, and  
 10 strengthens social bonding but that exert little long-  
 11 term effect on work creativity and innovation  
 12 (Csikszentmihalyi, 1997). “Deep fun” is reflected in  
 13 feelings of timelessness and flow, when one engages  
 14 in personally motivating and challenging activities.  
 15 This state, however, should be distinguished from  
 16 more holistic and transcendent spiritual experiences  
 17 (see Sandelands, Chapter 76, this volume).

18 The literature on organizational creativity has  
 19 suggested a number of organizational actions that  
 20 create a playful climate fostering “deep fun.”  
 21 These involve emotional states of interest and task  
 22 enjoyment. These actions are at three different  
 23 levels—task, organization, and workgroup—and  
 24 are discussed in Huy (2005).

25 *Love and the Dynamic of Identification*

26 At the individual level, the ability to love refers to  
 27 the attunement process, whereby emotions are  
 28 accepted and reciprocated, which begins early  
 29 between parents and children (Goleman, 1995). At  
 30 the organizational level, the emotional dynamic of  
 31 identification refers to the collective behavior  
 32 whereby organization members express their deep  
 33 attachment to salient organization characteristics  
 34 (Dutton, Dukerich, & Harquail, 1994). Identifying  
 35 is analogous to “falling in love”; that is, to the extent  
 36 that one’s expectations are fulfilled and reciprocated,  
 37 the initial attraction ripens into a deep and abiding  
 38 attachment (Ashforth, 1998). Members in a collec-  
 39 tive group stay together because there are mutual  
 40 benefits, and among the most important of these are  
 41 the emotional bonds that develop over time in rela-  
 42 tion to self-identified and shared organization char-  
 43 acteristics. Proposed major changes to identity can  
 44 arouse intense anxiety, especially when a meaningful  
 45 new identity is not present or not yet proven. People  
 46 tend to dismiss or deny warnings that increase anx-  
 47 iety by practicing selective attention and various  
 48 forms of information distortion: This is known as  
 49 *defensive avoidance* (Janis & Mann, 1977).

50 Thus, strategic change requires a certain level of  
 51 psychological safety (Edmondson, 1999). Emotional  
 52 identification often translates into resilient loyalty

to the organization experiencing disruptive change. 53  
 Organizations with a high turnover rate have diffi- 54  
 culty in learning since their experience base is being 55  
 continually eroded: Much of the organization’s 56  
 know-how and know-why is tacit and involves 57  
 understanding and operationalization of the subtle 58  
 interconnections between routines that have been 59  
 developed among various members (Kim, 1993). 60  
 This collective yet distributed memory enables revisions 61  
 to existing routines and the addition of new 62  
 ones, thereby enabling organizational learning. To 63  
 the extent that strategic change does not require a 64  
 complete destruction of the past involving organiza- 65  
 tional memory and distinctive competence, veteran 66  
 employees who remain loyal to the organization can 67  
 help operationalize new knowledge more quickly. 68  
 Thus, emotional attachment to the organization 69  
 is posited to foster organizational learning during 70  
 strategic change (Huy, 1999, 2005). 71

72 Thus far, discussion has focused on how leaders  
 73 in organizations can enact practices related to the  
 74 perception and management of employees’ emo-  
 75 tions to facilitate strategic change. This is by no  
 76 means an easy task. The next section discusses why  
 77 perceiving and managing emotions in strategic  
 78 change can be difficult in organizations.

79 **Barriers to Perceiving and Managing**  
 80 **Emotions**

81 Theoretical research has identified a number of chal-  
 82 lenges for organizations perceiving emotions in strate-  
 83 gic change (Jeffrey Sanchez-Burks & Huy, 2009).  
 84 These include attending to emotional information  
 85 at work, adjusting emotional aperture from the  
 86 individual to the collective, asymmetry in perceiv-  
 87 ing accurately negative emotions versus positive  
 88 emotions, and challenges posed by culturally diverse  
 89 organizations. Each is elaborated below.

90 *Attending to Emotional Information*  
 91 *At Work*

92 Recent research indicates a widespread perceptual  
 93 habit among Westerners to filter out much of  
 94 what unfolds in the social and emotional domains  
 95 (J-Sanchez-Burks, 2005). Although it is neither  
 96 uncommon nor inappropriate to focus on emo-  
 97 tional cues (such as someone’s tone of voice, facial  
 98 expression, or nonverbal gestures) beyond the work-  
 99 place, it is often considered inappropriate to do so  
 100 in the workplace. The cultural norms of profession-  
 101 alism, therefore, create emotional blind spots.

102 Scholars have explained this reduced sensitivity  
 103 to emotions as a pervasive work ethos: the *Protestant*



1 *relational ideology* (PRI) (Sanchez-Burks, 2002), a  
 2 concept closely associated with beliefs about the  
 3 moral importance of work that underpins the  
 4 Protestant work ethic. One result of these deep-  
 5 seated beliefs is the assumption that social and emo-  
 6 tional matters will interfere with business  
 7 effectiveness. To be professional, therefore, is to  
 8 focus attention exclusively on tasks instead of on  
 9 social emotional concerns. This denial is largely  
 10 independent of high individual emotional intelli-  
 11 gence: The same people who show impoverished  
 12 attention to emotional cues at work might be highly  
 13 alert to similar emotional cues away from work  
 14 (Sanchez-Burks, 2002). The implication of PRI for  
 15 organizations and managers during strategic change  
 16 is that they must learn about the deep-seated habit  
 17 of filtering out precisely the type of information  
 18 they need in responding to emotional behaviors.

19 Thus, the first step in increasing emotional aper-  
 20 ture is to overcome culturally grounded cognitive  
 21 habits that restrict attention to emotional cues at  
 22 work. A focus that includes emotion perception is  
 23 especially important for leaders who manage the  
 24 role conflicts and emotional tensions that arise  
 25 during strategic change. Attention to collective  
 26 emotions may provide leaders with the information  
 27 they need, for example, during times of particular  
 28 crisis, to deal sensitively and promptly with their  
 29 employees' most acute emotional needs (Fox &  
 30 Amichai-Hamburger, 2001; Q-Huy, 2002; Liu &  
 31 Perrewe, 2005).

### 32 *Adjusting Emotional Aperture: From the* 33 *Individual to the Collective*

34 Recall that emotional aperture departs from other  
 35 ability constructs of emotion perception by switch-  
 36 ing from a research focus on sensitivity to the  
 37 emotion-laden cues of an individual to cues that  
 38 are embedded in a collective. This focus on collec-  
 39 tive emotions does not downplay the importance of  
 40 paying attention to individual-level emotional cues.  
 41 Accurate perception of a specific individual's emo-  
 42 tional cues has been shown to improve the quality  
 43 of interpersonal interactions, negotiations, and per-  
 44 ceived leadership (Rubin et al., 2005). But a mana-  
 45 gerial focus on that alone, perhaps on the emotions  
 46 of very close or very outspoken employees, could be  
 47 misleading about the prevalence and distribution of  
 48 that specific emotion, as well as other shared emo-  
 49 tions, across the organization. Therefore, adjusting  
 50 one's perception so as to read collective emotions is  
 51 complementary to—rather than a substitute for—  
 52 perceiving another individual's emotions.

The dynamic nature of strategic change suggests 53  
 that, beyond simply perceiving the proportion of 54  
 any specific emotion (e.g., contempt, fear, hope) 55  
 that emerges upon the initial announcement of a 56  
 strategic change, it is also necessary to perceive the 57  
 extent to which this emotion spreads or fluctuates 58  
 over time. Such dynamic perception of collective 59  
 emotions could provide timely clues about whether 60  
 the change initiative is being accepted or not. 61

Recent research on analytic versus holistic perception 62  
 explains why it could be challenging for managers 63  
 to perceive a collective's emotional composition 64  
 (Nisbett et al., 2001). People vary widely in their 65  
 ability to process social information holistically— 66  
 seeing patterns in an entire field (“forest”) as opposed 67  
 to focusing on specific individuals (“trees”). Masuda 68  
 and his colleagues (2006) showed that, when per- 69  
 ceiving a group, it is not uncommon to narrow 70  
 one's attention to a few individuals. Achieving this 71  
 collective-level focus of attention seems more chal- 72  
 lenging for Westerners, who are more likely to 73  
 focus on individuating information at the expense 74  
 of social and contextual information (Nisbett 75  
 et al., 2001). 76

### 77 *Asymmetry in Accurately Perceiving* 78 *Negative Versus Positive Emotions*

79 During emotionally turbulent times, accurately rec-  
 80 ognizing clusters of shared positive emotions (e.g.,  
 81 the proportion of group members experiencing  
 82 happiness or hope) and negative emotions (e.g.,  
 83 those exhibiting contempt or fear) is necessary for  
 84 understanding a collective's emotional composition.  
 85 Empirical evidence indicates a reliable asymmetry  
 86 in emotion recognition, showing less accuracy for  
 87 negative emotions than for positive ones (Hillary  
 88 Anger Elfenbein & Ambady, 2002).

89 Misreading the proportion of negative emotions  
 90 within either the organization as a whole or its  
 91 departments in particular is posited to impede strate-  
 92 gic change (Jeffrey-Sanchez-Burks & Huy, 2009).  
 93 The ability to detect shifting proportions of distinct  
 94 negative emotions (e.g., contempt, fear, anger) during  
 95 strategic change provides leaders with early valuable  
 96 information about the effectiveness of past actions  
 97 and the likely success of new ones. Unlike differentiat-  
 98 ing between global negative and positive emotions,  
 99 differentiating between specific ones provides fine-  
 100 grained cues about potential behavior, for example,  
 101 emotions associated with a relational orientation to  
 102 engage with or disengage from others (Kitayama,  
 103 Markus, & Kurokawa, 2000). Consider, for example,  
 104 two specific negative emotions, contempt and anger.

1 Whereas anger is amenable to resolution since it  
 2 motivates engagement (Folger, 1987), the more dis-  
 3 engaged emotion of contempt most often is not  
 4 (Fischer & Roseman, 2007). Thus, misreading one  
 5 negative emotion (anger) for another (contempt) can  
 6 lead to adverse unintended consequences.

7 Despite the utility of recognizing specific nega-  
 8 tive emotions, because they typically signal a prob-  
 9 lematic state of affairs, many people are unable to  
 10 detect negative emotions as accurately as they do  
 11 positive emotions (Hillary Anger Elfenbein &  
 12 Ambady, 2002). The explanation for this handicap  
 13 might have to do with the lower frequency with  
 14 which people encounter displays of negative emo-  
 15 tions. Another explanation is that, given their  
 16 potentially destructive consequences in social inter-  
 17 actions, most people might try to hide their own  
 18 negative emotions—especially in front of their more  
 19 powerful superiors (Argyris, 1993), thus inhibiting  
 20 the latter’s ability to decode their subordinates’ neg-  
 21 ative emotions. This adversely affects change leaders’  
 22 collective emotion recognition by increasing the  
 23 odds of underestimating the proportion of negative  
 24 emotions.

25 ***Challenges in Culturally Diverse***  
 26 ***Organizations***

27 Although there is some degree of universality in  
 28 nonverbal displays of emotions, enough variation  
 29 remains to produce culturally unique nuances in  
 30 emotional displays that create a handicap at decod-  
 31 ing the emotions expressed by people with cultural  
 32 backgrounds different from those of the perceivers  
 33 (Hillary Anger Elfenbein & Ambady, 2002). In  
 34 increasingly culturally diverse companies that  
 35 undergo various forms of strategic change (includ-  
 36 ing global mergers acquisitions and international  
 37 alliances), cultural differences in emotional display  
 38 can present yet another challenge to accurately read-  
 39 ing the composition of diverse collective emotions  
 40 in a group. Scholars have suggested that this disad-  
 41 vantage is due to people’s common greater exposure  
 42 to people from similar backgrounds than to those  
 43 from different ones (Beaupré & Hess, 2006;  
 44 Elfenbein & Ambady, 2003). For example, Chinese  
 45 people living in China are less accurate than Chinese  
 46 people living in the United States at decoding Anglo-  
 47 American faces. However, training in recognizing  
 48 emotional facial expression produces greater  
 49 improvement for recognizing emotions expressed by  
 50 out-groups than by in-groups, thus supporting the  
 51 argument that exposure increases accuracy (Elfenbein  
 52 & Ambady, 2003). Although this disadvantage at

decoding out-group emotions has been demon- 53  
 strated only at the individual level, this finding sug- 54  
 gests that, at the level of collective emotions, people’s 55  
 inferences about various shared emotions of the out- 56  
 group will be less accurate than those related to the 57  
 in-group. This bias presents another challenge to 58  
 accurate emotion perception. 59

Although research to date has conceptualized 60  
 only some of the barriers to perceiving accurately 61  
 collective emotions in organizations, one can 62  
 hypothesize that similar, if not more difficult and 63  
 diverse barriers exist at managing and modifying 64  
 others’ emotions at work during strategic change. 65  
 This represents an area for potentially rich research, 66  
 which is discussed next. 67

68 ***Future Directions***

This chapter suggests that much work remains to be 69  
 done, notably empirical research. Huy’s work (2002) 70  
 is one of the very few empirical studies that link 71  
 perception and management of emotions in a con- 72  
 text of strategic change, whereas other works have 73  
 been conceptual (e.g., Huy, 1999, 2005; Jeffrey 74  
 Sanchez-Burks & Huy, 2009). Much research, 75  
 therefore, can be done with respect to perceiving 76  
 and managing emotions in strategic change. 77

78 ***Perceiving Emotions***

It remains an empirical question as to whether indi- 79  
 viduals who are skilled at recognizing emotions in 80  
 others at the individual level will be similarly com- 81  
 petent in doing so at the collective level. Sanchez- 82  
 Burks and Huy (2009) posited that this might not 83  
 always be the case. Using emotional aperture to 84  
 bring into focus the composition of collective 85  
 emotions could represent a distinct ability comple- 86  
 mentary to existing notions of social emotional 87  
 intelligence. Empirical tests of this and the other 88  
 proposed relationships are needed in future research 89  
 to validate and deepen our understanding of per- 90  
 ceiving collective emotions. 91

For example, one could empirically explore, using 92  
 qualitative or quantitative research in a longitudinal 93  
 cross-panel research of diverse employee groups 94  
 inhabiting one organization in flux, whether the 95  
 importance of emotional aperture for leader success 96  
 in realizing strategic change likely increases with the 97  
 level of emotional turbulence and with the level of 98  
 cultural diversity in that organization. Researchers 99  
 could also investigate the degree to which emotional 100  
 aperture is an ability that people can be trained to 101  
 improve. The ability measures of emotional aperture 102  
 required to assess the effectiveness of such training 103

1 also would provide a metric that organizations could  
 2 use to evaluate their success in building this manage-  
 3 rial capability. Importantly, such a metric should  
 4 avoid exclusive reliance on self-reported measures of  
 5 accuracy and include, instead, various multichannel  
 6 stimuli with ecological validity (e.g., audio, pictures,  
 7 or movies of people in context). People are generally  
 8 overconfident about their accuracy when making  
 9 judgments about others (Todorov, Pkrashi, & Engell,  
 10 2007), yet the most confident judgments are not the  
 11 most accurate. Studying emotional aperture in more  
 12 naturalistic settings also may further our understand-  
 13 ing about moderating factors. For example, although  
 14 research show a disadvantage in recognizing negative  
 15 emotions compared to positive ones, this effect may  
 16 not exist when the perceiver has access to both vocal  
 17 and visual cues (e.g., Wallbott & Scherer, 1986).

### 18 *Managing Emotions*

19 Huy's (2002) field research on emotional balancing  
 20 involves management of four groups of emotions in  
 21 the quadrants of low–high activation and pleasant–  
 22 unpleasant hedonic valence. Within each of these  
 23 four groups, discrete emotions can be quite differ-  
 24 ent in terms of what people experience (e.g., anger  
 25 is distinct from fear, disappointment is different  
 26 from depression). This suggests that the antecedents  
 27 and consequences of discrete emotions can also  
 28 differ in strategic change. Future research should go  
 29 beyond the effects of these broad emotion categories  
 30 to tackle the effects of discrete emotions. Emotional  
 31 capability, with its focus on certain discrete emo-  
 32 tions (Huy, 1999, 2005), represents only a first step  
 33 toward greater specificity. Future research on emo-  
 34 tional balancing (Huy, 2002) can also explore indi-  
 35 vidual differences that led some managers to  
 36 emphasize emotions related to change and others to  
 37 focus on managing employees' emotions. Scholars  
 38 can distinguish the effects of organizational condi-  
 39 tions from individual competences in managing  
 40 employees' emotions versus emotional commitment  
 41 to realizing strategic change.

42 The challenge of realizing beneficial strategic  
 43 change raises another issue. Would developing  
 44 emotional balancing and capability in organizations  
 45 vary according to organizational age and employee  
 46 turnover? In large and established organizations  
 47 with a long history, people (including middle man-  
 48 agers) who perceive and manage employees' emo-  
 49 tions generally had a long tenure and knew many of  
 50 their subordinates well, and this might explain in  
 51 part their good-will efforts to attend to their subor-  
 52 dinates' emotions. In young companies, such as

entrepreneurial start-ups, in which many employees 53  
 expect short tenure or share few, if any, core organi- 54  
 zational values, people may be less likely to expend 55  
 prolonged, extraordinary personal efforts to deal 56  
 with their colleagues' emotions when faced with 57  
 adversity. Future research could validate whether 58  
 and how emotional balancing emerges in young 59  
 organizations undergoing stressful change, and 60  
 whether emotional capability can be developed in 61  
 such transient contexts. 62

It is also unclear what kinds of emotional balanc- 63  
 ing and capability might be developed during strate- 64  
 gic change in flatter or networked organizations, 65  
 and who might be willing and able to do it. The 66  
 majority of the employees in these organizations 67  
 will be front-line workers or professionals rather 68  
 than experienced personnel managers. It is possible 69  
 that emotional balancing and capability, and thus 70  
 beneficial strategic change, in these organizations 71  
 might depend mainly on individuals' skills and pre- 72  
 dispositions. This raises the hypothesis that organi- 73  
 zations that tend not to value emotional awareness, 74  
 such as certain engineering or financial trading 75  
 companies, may have less emotional resilience and 76  
 adaptive capacity under strategic change than would 77  
 organizations that value it more, such as The Body 78  
 Shop (Martin, Knopoff, & Beckman, 1998). 79

Finally, much research has theorized on the posi- 80  
 tive effects of positive emotions. Little research has 81  
 systematically examined the adaptive, beneficial 82  
 effects of negative emotions in the context of strategic 83  
 change. Huy (2008) represents only a preliminary 84  
 step in this regard. The combination of contrasting 85  
 emotions—both positive and negative—is theorized 86  
 to influence various processes of strategic change. 87  
 Much empirical research remains to be done to vali- 88  
 date the various hypotheses and delineate boundary 89  
 conditions. 90

### 91 **Conclusion**

92 In sum, the field of positive psychology can be  
 93 enriched by exploring the rich diversity of specific  
 94 positive and negative emotions, how these interact  
 95 with each other, as well as various organizations'  
 96 emotional capabilities to perceive and manage indi-  
 97 vidual and collective emotions to achieve both  
 98 employees' well-being and high organizational  
 99 performance and adaptation.

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