EMOTION AND STRATEGIZING:
EXPLORING EMOTIONAL DYNAMICS AND SENIOR TEAM STRATEGIZING IN MEETINGS

by

Feng Liu
Bachelor of Economics, Qingdao University, 1996
Master of Science, Lancaster University, 2003

A DISSERTATION SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF
DOCTOR OF PHILOSOPHY
in
The Faculty of Graduate Studies
(Business Administration)

THE UNIVERSITY OF BRITISH COLUMBIA
(Vancouver)

January 2013

© Feng Liu, 2013
Abstract

This dissertation explores the role of displayed emotion in senior team strategizing. It examines how the emotional dynamics generated in senior team member interactions influence how strategic issues are discussed and how strategies are constructed in organizations. This dissertation comprises two intensive case studies, each investigating the role of emotion in strategizing in one senior team’s regular meetings. The first exploratory case study of a top management team takes a micro, fine-grained approach and identifies five distinct emotional dynamics that are associated with five different kinds of strategizing process. It shows how displayed emotions shape strategizing processes through transient relational shifts between team members.

The second longitudinal case study takes a longer term view and offers a more contextualized analysis of the relationship between board members’ emotional dynamics and strategizing processes and connects these to changes in the organization’s strategic plan over a two year period. This case study identifies three kinds of emotional dynamic chain (a sequence of emotional dynamics) that are associated with three different sequences of strategizing processes. Two kinds of emotional dynamic chain enable the team members to have in-depth discussions and reach agreement, which in turn are associated with greater clarity in corresponding elements of the plan. The other kind generates a different sequence of strategizing processes and has the opposite effect on the strategic plan, increasing the ambiguity of certain elements. A framework of these processes is developed in which team psychological safety and members’ approach to conflict are explored as possible mechanisms in the relationship between emotional dynamics, strategizing processes, and changes in the strategic plan.
The dissertation concludes with a discussion of the contributions made by these two case studies to the literature on Strategy-as-Practice, emotion in organizations, team processes, and conflict management.
Preface

A version of chapter 4 is in press: Liu, F. & Maitlis, S. (Forthcoming). Emotional dynamics and strategizing processes: A study of strategic conversations in top team meetings. *Journal of Management Studies*, special issue on Strategy as Discourse. Using an existing data set collected by Professor Sally Maitlis, I conducted all the data analysis and wrote the first draft of the manuscript. Professor Maitlis provided guidance in data analysis, theorizing, and writing up of the paper. The rest of this dissertation is my independent work under Professor Maitlis’ supervision.

This research was conducted in accordance with the suggested ethics guidelines of the University of British Columbia, Vancouver, BC. Behavioural Research Ethics Board, University of British Columbia approved subject research via certificate number H05-80525 dated July 8th, 2005.
# Table of Contents

Abstract................................................................................................................................. ii  
Preface................................................................................................................................. iv  
Table of Contents ................................................................................................................ v  
List of Tables ....................................................................................................................... viii  
List of Figures ...................................................................................................................... ix  
Acknowledgements ........................................................................................................... x  
Dedication ........................................................................................................................... xii  
1. Introduction ..................................................................................................................... 1  
2. Literature Review .......................................................................................................... 10  
   2.1. Strategic management: Content, process, and practice ........................................ 10  
   2.2. Senior team strategizing, team member interactions, and the role of displayed  
       emotion ....................................................................................................................... 12  
       2.2.1. Senior team interactions with other teams ....................................................... 12  
       2.2.2. Interactions among senior team members and the potential role of  
             displayed emotion ............................................................................................... 14  
       2.2.3. Displayed emotion and senior team strategizing ........................................... 16  
       2.2.4. Meetings in Strategy-as-Practice research ................................................... 19  
   2.3. Theoretical framework on emotion ......................................................................... 21  
       2.3.1. What is an emotion? ...................................................................................... 21  
       2.3.2. What is displayed emotion? ......................................................................... 22  
       2.3.3. The critical realist approach on emotion ....................................................... 22  
   2.4. Strategic decision making, senior team member interactions, and emotion .......... 23  
       2.4.1. Top management team strategic issue diagnosis and emotion ................. 23  
       2.4.2. Senior team decision making, senior team member interactions, and  
             emotion .............................................................................................................. 24  
   2.5. Displayed emotion and interactions between organizational members ............. 27  
       2.5.1. Work team collective moods ........................................................................ 29  
       2.5.2. Displayed emotion in leader-follower exchange ........................................... 30  
   2.6. Displayed emotion in other interactions beyond the organizational boundary .... 31  
   2.7. Strategic plan as an outcome of senior team strategizing ..................................... 34  
   2.8. Research questions ................................................................................................. 36  
3. Overarching Research Methodology ............................................................................ 38  
   3.1. Research strategy .................................................................................................... 38  
   3.2. Research design: In-depth qualitative case studies ................................................. 39
3.3. Data collection: Real time nonparticipant observation and audio-video recording .................................................................40
3.4. Ethical issues ..................................................................................................................................................................................43
3.5. Reflexivity ........................................................................................................................................................................................44
4. Case Study 1 .........................................................................................................................................................................................47
  4.1. Case Study 1 research method ..................................................................................................................................................47
    4.1.1. Context ................................................................................................................................................................................47
    4.1.2. Data collection .................................................................................................................................................................47
    4.1.3. Data analysis .......................................................................................................................................................................48
  4.2. Case Study 1 findings ..............................................................................................................................................................57
    4.2.1. Emotional dynamics and strategizing processes .............................................................................................................57
  4.3. Case Study 1 discussion ...........................................................................................................................................................67
  4.4. Case Study 1 conclusion .........................................................................................................................................................73
5. Case Study 2 .....................................................................................................................................................................................78
  5.1. Case Study 2 research method ..................................................................................................................................................79
    5.1.1. Context ................................................................................................................................................................................79
    5.1.2. Gaining entry ......................................................................................................................................................................79
    5.1.3. Data collection .....................................................................................................................................................................80
    5.1.4. Data analysis .......................................................................................................................................................................82
  5.2. Case Study 2 findings ..............................................................................................................................................................91
    5.2.1. The planned change: From a traditional volunteer centre to a business-oriented model ..................................................92
    5.2.2. An overview of the team’s discussions that shaped the changes to the plan .................................................................92
    5.2.3. What does growth mean? - From clarity (Goal 2, SPI) to ambiguity (Goal 2, SPII) .............................................................95
    5.2.4. How big can we grow? - From ambiguity (Goal 3, SPI) to clarity (Goal 3, SPII) .................................................................95
    5.2.5. What does growth mean? - From ambiguity to clarity (from Goal 3, SPII, “double in size”, to its removal from SPIII) ....103
    5.2.6. How big can we grow? - Clarity achieved (It was not possible to grow) .................................................................124
  5.3. Case Study 2 discussion: The cumulative effect of emotional dynamics, strategizing processes & changes to the strategic plan ..........................................................128
    5.3.1. Meaning of growth (SPI- SPII): From clarity to ambiguity - avoiding conflict & reinforcing the sense of danger around the topic ..................................................................................................................................................129
    5.3.2. Size of growth (SPI- SPII): From ambiguity to clarity - managing to overcome conflict & building a buffering zone ........................................................................................................................................................................133
5.3.3. Meaning of growth (SPII- SPIII): From ambiguity to clarity - From avoiding to engaging conflict & developing trust

5.4. Case Study 2 conclusion

6. Concluding Chapter: Learnings from the Two Case Studies and Their Contributions to Extant Literature

6.1. Learnings from the two case studies

6.1.1. The link between emotional dynamics and strategizing processes

6.1.2. How emotional dynamics work to shape strategizing processes: Creating shifts in team relationships

6.1.3. The link between chains of emotional dynamics, sequences of strategizing processes and changes in the strategic plan

6.1.4. The impact of issue type on emotional dynamics

6.1.5. The influence of organizational context

6.1.6. The influence of team composition

6.2. Contribution of the two case studies

6.2.1. Contribution to the Strategy-as-Practice literature

6.2.2. Contribution to the emotion literature

6.2.3. Contribution to literature on team processes

6.2.4. Contribution to the conflict management literature

6.2.5. Practical implications

Tables

Figures

Bibliography

Appendices

Appendix 1: Case 1 Producer Team Interview Protocol

Appendix 2: Case 2 Round 1 Interview Protocol

Appendix 3: Case 2 Round 2 Interview Protocol
## List of Tables

1. Table 1: Producer Team Information ................................. 164
2. Table 2: Displayed Emotion Coding Scheme ....................... 165
3. Table 3: Description of Strategic Issues .............................. 171
4. Table 4: Kinds of Strategic Issue and Associated Emotional Dynamics ............... 172
5. Table 5: Emotional Dynamics and Strategizing Processes ......................... 173
6. Table 6: NL Board Team Members’ Profiles ............................ 174
7. Table 7: NL Strategic Plans .................................................. 175
8. Table 8: Major Changes Between Two Adjacent Versions of the Plan ................... 176
10. Table 10: Changes to the Plan & Links with the Discussion of the Topics ............ 179
11. Table 11: Topic Descriptions ............................................... 180
12. Table 12: Emotional Dynamics and Strategizing Processes ......................... 181
13. Table 13: Emotional Dynamics, Strategizing Processes, Chronologies of Topics ........ 182
List of Figures

Figure 1: Emotional Dynamics and Strategizing Processes in Top Management Team Meetings .................................................................184

Figure 2: Year 1, Meaning of Growth: Light-hearted Avoiding, Procrastinating Strategizing, & TPS .................................................................185

Figure 3: Year 1, Size of Growth: Colliding & Reconciling, Circumventing Strategizing, & TPS .................................................................186

Figure 4: Year 2, Meaning of Growth: Growing Enthusiasm, Progressive Strategizing, & TPS .................................................................187
Acknowledgements

My Ph.D. study has been a challenging journey and writing this dissertation was the most difficult part of it. Many people contributed to this dissertation in innumerable ways. I am grateful to all of them.

First and foremost I want to thank my supervisor Dr. Sally Maitlis. It has been an honour to be her first Ph.D. student. She has taught me how interesting and rigorous qualitative research is done and with her encouragement I embrace the pains and enjoy the beauty of doing such research. I appreciate all the guidance and support she has given to make my Ph.D. experience productive and stimulating. I am especially indebted to her for the patience and energy she supplied during the tough times in my Ph.D. pursuit. It is impossible to include all my gratitude to her in the space provided here. For everything you’ve done for me, Sally, I thank you.

I thank Dr. Ilan Vertinsky and Dr. Linda Rouleau for serving on my supervisory committee. Both of them brought unique perspectives to my research, enriching it greatly. Dr. Vertinsky provided profound comments on my dissertation and is always willing to discuss my research with me. Dr. Rouleau’s warmth and her enthusiasm for my research have always impressed me.

I am grateful for all the coaching and help from the entire OBHR faculty at the Sauder School of Business and for Professor Moura Quayle and Dr. Wendy Frisby for serving as the university examiner of my dissertation, and for Dr. Ann Langley for serving as the external examiner. I am also grateful for all the administrative support from Ms. Nancy Tang and Ms. Elaine Cho. They have worked very hard to make things easy
for me since the first day of my Ph.D. study. Many thanks to my fellow PhD students who have made my study at UBC more enjoyable.

I would also like to record my appreciation to the senior team members of the two organizations. Special thanks are due to the members of NL (a pseudo name) who not only granted me access to the various data sources my research required but also made me feel welcome and respected.

I would like to express my deepest appreciation to my family. I would like to thank my husband Qiang Lu for his enduring love and devotion. My parents, Qiang’s parents, my sister, and my brother-in-law have given me their full support in different ways throughout my study. My parents deserve special mention for their constant love and belief in me. I dedicate this dissertation to my parents.
To my parents
1. Introduction

There is an increasing interest in human activity in the field of strategic management (Jarzabkowski, Balogun, & Seidl, 2007; Johnson, Melin, & Whittington, 2003; Pettigrew, Thomas & Whittington, 2006). While strategy research has typically focused on understanding the content of strategy and its relationship to organizational performance (e.g., Chandler, 1962; Porter, 1980, 1985), and more recently, the processes of strategy formation and change at an organizational level (e.g., Mintzberg, Raisinghani, & Theoret, 1976; Pettigrew, 1977), the growing field of Strategy-as-Practice highlights practitioners’ daily practices within the processes. Conceptualizing strategy as “a situated, socially accomplished activity” (Jarzabkowski et al., 2007, p. 7), which is related to strategic outcomes of the firm (Jarzabkowski et al., 2007; Johnson et al., 2003), the Strategy-as-Practice research informs us about what people actually do, their actions and interactions, that achieve organizational strategies (e.g., Jarzabkowski, 2008; Maitlis & Lawrence, 2003; Rouleau, 2005; Spee & Jarzabkowski, 2011). Strategy-as-Practice research thus signifies a shift in the strategic management field from focusing on organizational level strategy phenomena to focusing on explaining how individual practitioners’ mundane practices accomplish these phenomena (Whittington, 2003; 2006a, 2006b).

Senior teams (both boards and top management teams) are central to strategic management in organizations (Finkelstein, Hambrick, & Cannella, 2009; Jarzabkowski, 2005; 2008; Pettigrew, 1992), and have been one of the primary foci of Strategy-as-Practice research (e.g. Jarzabkowski, 2005; 2008; Samra-Fredericks, 2004; Sillince & Mueller, 2006). One aspect of senior team behaviour that has received attention in the
literature is senior team interactions with other organizational teams or other organizational members in general. These interactions, such as face-to-face discussions, coordinating and collaborating with other teams, settling conflicts and negotiating responsibilities with other teams, have been found to be critical to senior team strategizing since they shape the content of new strategies (e.g., Hoon, 2007; Regner, 2003), affect individuals’ commitment to the organization’s multiple strategies (e.g., Jarzabkowski & Sillince, 2007), influence the strategic planning process (Paroutis & Pettigrew, 2007), and impact how responsibility for strategic failure is assigned (e.g., Sillince & Mueller 2006). All of this research contributes to our knowledge about the importance of interactions between senior teams as a group and other organizational members.

Much less is known about the interactions among members of a senior team. However, existing research provides intriguing findings. We see that specific kinds of interactions shape the process of strategy formation and strategic change implementation (e.g., Ng & de Cock, 2002), influence organizational members’ perception and acceptance of the strategic change (e.g., Beech & Johnson, 2005), and can result in failure to develop an organizational strategy (Maitlis & Lawrence, 2003). In addition, a lack of interaction can also lead to strategy implementation failure (Sminia, 2005). Implicit in many of these studies is the impact of team members’ displayed emotions, that is, emotion manifested in observable facial expressions, bodily gestures, tone of voice, and language (Bartel & Saavedra, 2000; Elfenbein, 2007; Rafaeli & Sutton, 1989), in these interactions, especially negative emotions such as frustration and anger (e.g., Beech & Johnson, 2005; Ng & de Cock, 2002). This research, however, typically focuses on
strategists’ discursive practices, overlooking the fact that emotions conveyed in these practices may significantly influence how people interpret them (Harre & Gillett, 1994; Mangham, 1998; Perinbanayagam, 1991), and in turn the team’s strategizing activities.

A small but important group of Strategy-as-Practice studies has directly explored the role of displayed emotions in senior team members’ interactions, showing that displayed emotions can have a significant impact on the way strategy is developed, changed, and implemented (e.g., Brundin & Melin, 2006; Brundin & Nordqvist, 2008; Kisfalvi & Pitcher, 2003). Yet much of this work focuses mainly on the emotions displayed by just one team member, usually the CEO, paying less attention to the emotional reactions of others in the interactions (e.g., Brundin & Melin, 2006; Kisfalvi & Pitcher, 2003; Samra-Fredericks, 2004). The emotions displayed by several team members, which I term “emotional dynamics”, that is, sequences of emotions displayed by team members in their interactions (Liu & Maitlis, forthcoming), have been studied, but the analysis typically focuses on the discussion of just one or two issues examined over a small number of conversational turns (e.g., Edmondson & Smith, 2006; Mangham, 1998). Consequently, our understanding of the role of displayed emotion in senior team members’ interactions is still very limited, failing to capture the emotional dynamics of senior team members’ interactions generated by variety of issues, during longer meeting discussions, and across meetings over a longer period of time.

The importance of interactions among senior team members and the role of displayed emotions in these interactions has also been highlighted by the senior team decision making literature (e.g., Baysinger, Kosnik, & Turk, 1991; Finkelstein, Hambrick, & Cannella, 2009; Goodstein, Gautam, & Boeker, 1994; Knight et al., 1999).
which suggests its influence on strategic decision making processes and outcomes (e.g., Amason, 1996; Barsade, Ward, Turner, Sonnenfeld, 2000; Eisenhardt, 1989b; Eisenhardt & Bourgeois, 1988). For example, Eisenhardt and colleagues have found that intense positive and negative displayed emotions influence the speed of top management team decision making processes (e.g., Eisenhardt, 1989b; Eisenhardt & Bourgeois, 1988). In addition, Amason (1986) and Barsade and colleagues (Barsade et al., 2000) have found that affective conflicts, which involve intense negative displayed emotions such as anger, are associated with low decision quality, low affective acceptance of decisions, and a more autocratic leadership style in top management team decision making processes. Despite these indications of the importance of displayed emotion in senior team decision making, however, these studies did not capture the emotional dynamics generated and developed in senior team members’ interactions when they made strategic decisions.

Finally, displayed emotion has been found to serve as a critical form of social influence in a wide range of interactions among organizational members in general both within and beyond the organizational boundary: team member interaction, leader-follower exchange, negotiator-opponent interaction, and employee-customer interaction (e.g., Barsade, 2002; Bartel & Saavedra, 2000; Hareli & Rafaeli, 2008; Van Kleef et al., 2009). In these interactions, an individual’s displayed emotions are found to influence an observer’s displayed and experienced emotions, thoughts, and behaviours (Hareli & Rafaeli, 2008; Keltner & Haidt, 2001; Van Kleef, 2010) through the mechanisms of emotional contagion (Hatfield, Cacioppo, & Rapson, 1994), emotion interpretation, and inference-drawing from displayed emotions (Hareli & Rafaeli, 2008; Van Kleef, 2010). These studies find that, in general, positive displayed emotions enhance cooperation
between interacting parties; whereas negative displayed emotions hurt it. They also, however, highlight the importance of examining specific displayed emotions, such as anger, happiness, sadness, and regret, in specific task and relationship contexts: The same displayed emotion may influence interactions differently in different contexts and different specific emotions, although can be categorized as “positive” or “negative”, may influence social interactions in different ways explained by different mechanisms. For instance, the displays of sadness or anger, which are both “negative” emotions, influence the interactions between negotiating parties in different ways (e.g., Tiedens, 2001; Van Kleef, De Dreu, Manstead, 2006, Van Kleef et al., 2009). Thus these studies informed us that displayed emotions are important in social interactions in different contexts, they nevertheless only focused on the displayed emotion of one party thus failed to capture the emotional dynamics between negotiation dyads, between leaders and followers, and between employees and customers.

This dissertation thus first addresses the following research question:

● How do emotional dynamics displayed by senior team members during their meetings shape the strategizing process?

Second, this dissertation explores the relationship between emotional dynamics, senior team strategizing, and an organizational strategic outcome. Many Strategy-as-Practice studies provide a rich description of the micro-activities in which strategists engage but very few explicitly attend to strategic outcomes, especially organizational ones (Jarzabkowski & Spee, 2009; Jarzabkowski et al., 2007; Johnson, Langley, Melin, & Whittington, 2007; Whittington, 2007). An organization’s strategic plan, the material output seen as guiding an organization’s strategy, is an important outcome of senior team
strategizing meetings (Cornut, Giroux, & Langley, 2012; Jarzabkowski & Seidl, 2008; Johnson et al., 2003; Spee & Jarzabkowski, 2011). Recently, research has started to investigate how senior team members’ face-to-face interactions shape the content and structure of an organization’s strategic plan (e.g., Palli, Vaara, & Sorsa, 2009; Samra-Fredericks, 2010; Spee & Jarzabkowski, 2011). This work, however, tends to focus on the strategists’ activities in one or two meetings, examining very small pieces of conversation. Consequently, we still do not know how an organization’s strategic plan is shaped by senior team members’ interactions and activities over time. We know even less about the part played by emotions in these activities. This study thus addresses the second research question:

- How do a senior team’s strategizing activities in its regular meetings, as influenced by members’ displayed emotional dynamics, shape the construction of an organization’s strategic plan over time?

To explore these questions, I adopted a research strategy that uses in-depth qualitative case studies as a tool for inductive theory building (Eisenhardt, 1989a; Eisenhardt & Graebner, 2007; Siggelkow, 2007), since a case study can capture the richness of human activities (Weick, 2007), can offer insights into complex social processes (Eisenhardt & Graebner, 2007), and is especially suitable for answering the “how” and “why” questions about a contemporary set of events (Yin, 1984, p. 13). I studied the emotional dynamics in two senior teams during their regular meetings.

The first case is the top management team of a medium-sized computer game company located in Western Canada. I consider this study as an exploratory study to develop and use a research method to investigate emotional dynamics and strategizing
activities in senior team meetings and to establish some understanding of how emotional dynamics influence strategizing in senior team meetings. To analyze the audio- and video-recorded meetings of this case, I used microethnography, a microscopic analysis of naturally occurring human activities and interactions (Streek & Mehus, 2005), to analyze what they said and the emotions they displayed. I took a turn-by-turn, fine-grained approach in order to gain a very detailed understanding of how each emotional dynamic developed and how it influenced the discussion of a relatively small number of strategic issues. By doing so, I identified a variety of emotions and emotional dynamics exhibited in the team meetings and explain the relationship between issue type, the top management team members’ emotional dynamics, and strategizing processes in senior team meetings.

The second case examines the board of a non-profit organization located in Western Canada. This case provides the chance to study emotion and strategizing in a different kind of senior team, one which plays a critical but different role in its organization’s strategy (Finkelstein et al., 2009). The data of this second case covers a two-year longitudinal data set which includes extensive data about this team’s emotional dynamics and strategizing activities over time. My understanding of these phenomena is deeper because of my long immersion in the field, and the greater number and variety of data sources which I use. This case also provides a rare opportunity to look at this team’s strategizing activities in relation to an organizational outcome - this organization’s strategic plan.

The second case study enabled a richer, more contextualized, and longer term analysis of emotion in strategizing meetings and addresses both of the research questions.
It drew on four sources of data. The primary data sources are the audio- and video-recorded meetings, in which I observed board members’ displayed emotions and their activities, and three versions of this organization’s strategic plan. I also drew on other board documents and interview data to provide contextual information of the displayed emotions and strategizing activities in these meetings.

I used microethnography to analyze the video data and discourse analysis to compare and contrast the characteristics of the three versions of the strategic plan in terms of their content and form (Cornut et al., 2012; see also Palli et al., 2009; Vaara, Sorsa, & Palli, 2010). I analyzed the data of the second case at a higher level, examining how emotional dynamics influence strategizing activities across a larger number of meetings over a longer time period and investigated how emotional dynamics generated in team members’ discussions shaped the content of the strategy texts over time.

The rest of the dissertation is divided into five sections. The first section, the literature review, discusses current knowledge of senior team strategizing and highlights the value in examining the role of emotional dynamics in senior team member interactions when they strategize. It also considers the significance both of a strategic plan as an outcome of these interactions and of meetings as venues or strategic episodes where these interactions occur. The first section ends with the two research questions guiding this dissertation. The second section, the research methodology, explains the research design and data collection methods I used in the two case studies. Ethical considerations and reflexivity issues are also included in this section. The third and fourth sections include the research methods, findings, discussion, and conclusion of Case 1 and Case 2 respectively. In the fifth section, the concluding chapter, I discuss the learnings
from these two case studies and their contributions to the extant literature on senior team strategizing, emotion in organizations, team processes, and intra-group conflict management.
2. Literature Review

2.1. Strategic management: Content, process, and practice

For almost 40 years, the field of strategy has been dominated by macro, economics-based approaches in which strategy is something an organization has; the focus has been on the content of the strategy and its influence on organizational performance (Whittington, 2006b). Though perspectives vary, strategy is viewed as the top management’s rationally intended purposeful plan that leads an organization to its envisaged future (Carter, Clegg, & Kornberger, 2008). For example, Chandler (1962) argues that changes in the environment signal the need for a new strategy, which in turn creates the need for a new organizational structure to follow the strategy. According to him, an organization should have a strategy which establishes a fit between its internal structure and the external market. Further, after the strategy is formed, the management implements it and evaluates its effect, which is a rational and linear process (Ansoff, 1965). Porter (1980; 1985) proposes that it is the structure of the industry that matters for an organization’s performance, which is measured by profitability. Hence, organizational strategies should navigate through industry opportunities and threats using his Five Forces Model (Porter, 1980). While Chandler’s and Porter’s approaches focus on responding to the external environment, the Resource Based View (e.g., Wernerfelt, 1984) of strategy argues that an organization’s long term competitive advantage comes from its internal, unique skills and resources. Thus, an organization should acknowledge, acquire, and develop a bundle of tangible and intangible resources such as knowledge, skilled staff, brand names, efficient processes, culture, and innovation capability, among
others, in order to build a competitive advantage (e.g., Barney, 1991; Grant, 1991; Heracleous, 2003).

These rational, linear, and normative images of strategy formation, change, and implementation have been challenged since the 1970s. Influenced by Herbert Simon’s idea of “bounded rationality” (Simon, 1945, 1960), which suggests that organizations use limited information to make the most satisfactory decisions based on evidence available, processual strategy researchers like Henry Mintzberg argue that strategies can be intended and planned, but they can also be emergent and unrealized. Further, actions can precede thoughts; therefore, strategy can be constructed retrospectively. Moreover, strategy formation and implementation are not clearly separable stages; rather, they are interwoven processes (Mintzberg, 1978; 1987; 1990; 1994; Mintzberg & McHugh, 1985; Mintzberg & Waters, 1985). Pettigrew further contributes to this perspective by exploring how power and organizational culture shape the organization’s strategic change process (Pettigrew, 1973; 1977; 1985). In short, this body of processual research has “humanized” (Pettigrew et al., 2006, p. 12) the strategy field by examining the processes of strategy formation and strategic change (e.g., Mintzberg et al., 1976; Pettigrew, 1977).

Despite the focus of early research on the daily activities of managers (e.g., Mintzberg, 1973), most strategy process research still tends to study strategy at a firm level of analysis (Paroutis & Pettigrew, 2007; Whittington, 2006b), such as Mintzberg and McHugh’s study of the Canadian film board’s strategy changes across four decades (Mintzberg & McHugh, 1985) and Pettigrew’s study of the strategic change process at ICI (Pettigrew, 1985). Therefore, the processual research does not inform us very much
about the “nitty-gritty” of what people actually do and say, and the tools necessary to
make these processes happen (Johnson et al., 2003; Whittington, 1996).

Informed by the practice turn in social theory (e.g., de Certeau, 1984; Giddens,
1984; Reckwitz, 2002; Schatzki, 2001), Strategy-as-Practice researchers conceptualize
strategy as “a situated, socially accomplished activity” (Jarzabkowski et al., 2007, p. 7)
which is related to strategic outcomes of the firm (Jarzabkowski et al., 2007; Johnson et
al., 2003). They propose investigating “the internal life of process” (Brown & Duguid,
2000, p. 95), the practices and micro-processes through which strategy work is actually
done (Jarzabkowski et al., 2007, 2010; Johnson et al., 2003; Whittington, 1996, 2003,
2006b). Whereas economists and processual strategy researchers consider strategy more
to be the property of an organization, the practice approach connects it with the
practitioners, that is, the individuals in an organization (Whittington, 2006a). This new
and growing line of work therefore shifts the focus to explaining how practitioners’
mundane daily work, such as discussion in their meetings and informal daily interactions,

2.2. Senior team strategizing, team member interactions, and the role of displayed
emotion

2.2.1. Senior team interactions with other teams

Senior teams are central to the study of organizational strategy since they are
“primary shapers” (Finkelstein et al., 2009, p. 8) of an organization’s strategic direction
(also see Chandler, 1962; Child, 1972; Hambrick & Mason, 1984; Westphal & Stern,
2007). Therefore, although it has been argued that every organizational actor has the
potential to be a strategist (e.g., Jarzabkowski et al., 2007; Johnson et al., 2003), what
senior teams do has remained one of the primary foci of Strategy-as-Practice research (e.g. Jarzabkowski, 2008; Samra-Fredericks, 2004; Sillince & Mueller 2006).

One aspect of senior team behaviour that has received much attention is how the senior team’s interactions with other organizational teams or other organizational members influence senior team strategizing activities (e.g., Hoon, 2007; Jarzabkowski, 2005; 2008; Jarzabkowski & Sillince, 2007; Regner, 2003). One group of these studies focuses on the active role that the senior teams take to influence other organizational members’ understanding of organizational strategies and their attitude and behaviour toward the strategy. For example, Jarzabkowski (2005; 2008) observes that senior team members use interactive strategizing practices, that is, direct, face-to-face interaction with other organization members, to frame the meaning of the organization’s strategies and to shape how organization members instantiate strategy in their actions. In addition, these interactive practices are used to persuade other organizational members to commit to multiple strategic goals (Jarzabkowski & Sillince, 2007). Another group of studies investigates the interactions between senior teams (or corporate center strategy teams) and middle managers, compares their strategizing practices, and explains how these interactions influence the strategizing process and the content of an organization’s strategy. For instance, Regner (2003) investigates the strategizing activities of four organizations over time and compares the inductive, explorative practices of middle managers, such as trial and error, experiments, and the use of heuristics, to the deductive, continuity-seeking practices of the senior team, such as planning, analysis, and the use of standard routines. By doing so, he illustrates how the interactions between these two teams finally result in the middle managers’ innovative strategy being incorporated into
the corporate strategy. Paroutis and Pettigrew (2007) find that corporate center strategy teams and business unit strategy teams engage in coordinating, supporting, and collaborating practices when they create and refine the company’s new strategic planning process. These practices enable both teams to develop standardized rules in their work, interpret strategy related information and experiences, and generate new strategic ideas together. In addition, Hoon (2007) finds that senior managers finally approved middle managers’ strategy initiatives after middle managers’ insistent informal interactions with them to put the ideas through. In another study of senior teams, Sillince & Mueller (2006) find that members deflect responsibility for a strategic failure to others during their interactions.

These studies show that senior teams’ interactions with other team members are critical in the strategizing activities of an organization since they shape the content of the strategy, influence organization members’ attitudes and behaviours toward the strategy, and affect the processes of strategy formation, implementation, and change. However, despite the growing recognition of the importance of these interactions, this body of research typically treats senior teams as a group, so that it is what “the senior team”, “the top management team”, and “the corporate center strategy team” does. In other words, we know very little about how the social dynamics between senior team members influence their strategizing activities.

2.2.2. Interactions among senior team members and the potential role of displayed emotion

To date, there exist only a few Strategy-as-Practice studies which have examined the interactions among senior team members when they strategize. For instance, Beech
and Johnson (2005) examine the impact of a CEO-initiated organizational change process and find that it triggered identity dynamics, that is, the manipulation of different kinds of identities, among senior team members. These identity dynamics ultimately enabled the new CEO to enforce the strategic change in the organization. Ng and de Cock (2002) illustrate how a minority shareholder in the board, through effective use of certain discursive practices, defeated the majority shareholder in the organization’s restructuring process and prevented his involvement in the organization’s management after restructuring. Maitlis and Lawrence (2003) highlight how senior managers’ discursive practices combined with their political actions enable the deflection of responsibility and accountability, leading to a failure to construct an organizational strategy. Another study finds that a lack of interaction between senior managers resulted in a strategy implementation failure because of senior team members’ different understandings about key terms in the strategic plan (Sminia, 2005). These studies show that the interactions between team members influence relationships among senior team members in ways that affect processes and outcomes of strategy formation and strategic change.

While this work reveals the important role of senior team members’ interactions, they all focus on their spoken discourse without attending to the emotional component of these practices. However, emotion seems to underlie many of the dynamics described. For example, the interactions between the new CEO and the marketing director described by Beech and Johnson (2005) involve anger displayed by the new CEO and the marketing director, frustration by the marketing director, and sympathy by other organizational members. These strong negative emotions alienate these two focal players in their confrontation. In addition, the losing shareholder in Ng and de Cock’s (2002)
study displayed deep frustration during the organization’s restructuring process. More generally, we know that discourse is inherently emotional (Harre & Gillett, 1994; Mangham, 1998; Perinbanayagam, 1991), and discursive practices are interpretable significantly through the emotions they convey. This is especially so in team meetings, as emotion is displayed and interpreted in a reciprocal and ongoing manner during regular interactions (Harre & Gillett, 1994; Mangham, 1998; Perinbanayagam, 1991). Indeed, it has been observed that emotion constantly works to adjust the relationships between people (De Dreu, West, Fischer, & MacCurtain, 2001; Keltner, Gruenfeld & Anderson, 2003; Keltner & Haidt, 1999; Parkinson, Fischer, & Manstead, 2005). Exploring senior managers’ discursive practices without their emotional aspects, therefore, overlooks important layers of practice and meaning.

2.2.3. Displayed emotion and senior team strategizing

Recently, there has been a growing interest in the role of emotion in senior team strategizing research (e.g., Jarzabkowski et al., 2007; Jarzabkowski & Spee, 2009; Johnson et al., 2003; Samara-Fredericks, 2004). The relatively small amount of work that has been done in this area suggests that emotion plays a critical role in an organization’s strategy formation, change, and implementation (e.g., Brundin & Melin, 2006; Brundin & Nordqvist, 2008; Edmondson & Smith, 2006; Mangham, 1998; Kisfalvi & Pitcher, 2003; Samra-Fredericks, 2004). Most of these studies take a unidirectional approach, focusing on the displayed emotions of a key strategist to explain how these emotions influence the interactions between the strategists in the strategizing process. For example, Kisfalvi and Pitcher (2003) show how a CEO’s strong negative emotions forestall other team members’ participation in the strategic change process of a family business, which leads
to the failure to implement strategic change. In addition, Brundin and Melin (2006) find that consistency in a CEO’s experienced and displayed emotions helps organizational members understand strategic priorities, and so, promote change. Further, a CEO’s displayed emotions act as power and status energizers over time, which influence whether the CEO maintains control of the conversation with the board during the strategic change process (Brundin & Nordqvist, 2008). Finally, Samra-Fredericks (2004) finds that a senior executive persuades others by combining emotional expressiveness with a rhetoric of rationality.

From these studies, we learn that displayed emotions of a key strategist, usually the CEO, play a critical role in the interactions among senior team members, significantly by enabling or suppressing others’ contributions in the strategic change process. Missing from this research, however, is an analysis that fully takes into account the social and dynamic nature of emotion as it occurs in the interactions that take place between strategists. This is somewhat surprising given that emotions are evoked by interactions between people (Collins, 1990; Goffman, 1955; Hallett, 2003), which in turn feed back into the interaction (De Dreu et al., 2001; Frijda & Mesquita, 1994; Hareli & Rafaeli, 2008). This process thus creates sequences of displayed emotions between individuals which I term “emotional dynamics” (Liu & Maitlis, forthcoming). These emotional dynamics, although ubiquitous in and seemingly important to strategists’ interactions (cf. Brundin & Nordqvist, 2008; Edmondson & Smith, 2006; Mangham, 1998), have been largely neglected in the strategizing literature.

To date, a few studies have examined emotions displayed by several different team members during strategic discussions in their meetings (e.g., Edmondson & Smith, 2006;
Edmondson and Smith (2006) illustrate how several team members’ intense negative emotions when they discuss “hot topics” create relational conflicts that distract them from the substance of the discussion, slowing it to a standstill. In addition, Mangham’s (1998) analysis of a senior team strategy meeting reveals how one team member’s irritation triggered by another team member escalates rapidly from mild irritation through moderate anger to extreme rage during their interactions. Mangham further notes how the team leader’s failure to acknowledge these intense negative emotions exacerbates the problem, preventing the issue receiving the attention it deserves.

These studies thus provide initial insights into how team members’ emotional displays build on one another in strategizing, especially as regards to negative emotions, such as frustration, irritation, and hostility. They show how negative emotional dynamics among senior team members can distract them from focusing on the critical strategic issues, and hence prevent strategic change. These analyses, however, tend to focus on the team’s discussion of just one or two issues, examining a small number of conversational turns. Therefore, they do not explore how these dynamics play out over longer episodes in a meeting and across a greater number and variety of issues. These oversights are particularly significant because a longer episode of a meeting might capture an emotional dynamic of a different nature. For instance, the extant literature usually captures several minutes of intense emotional displays. These emotional displays may occur in the middle of other sequences of emotional displays in a meeting. Thus, analyzing the emotional dynamics in the team’s discussion in the whole of a meeting will provide a more holistic picture. In addition, the overall discussion of an issue across meetings over time may
witness different kinds of emotional dynamics in different meetings depending on the stage of the discussion in the overall process and the team members in the meeting (e.g., Brundin & Nordqvist, 2008; Edmondson & Smith, 2006). Moreover, previous research also suggests that different kinds of strategic issues have different emotional impacts on organizational members (Dutton & Dukerich, 1991; Dutton & Jackson, 1987; Maitlis & Ozcelik, 2004; Pratt & Dutton, 1998), but has not explored this phenomenon in the context of senior team discussions.

In summary, despite valuable insights gained from the emergent literature on emotion and strategizing, our understanding of the dynamics of emotion in senior members’ interactions is still in its infancy and has yet to explore emotional dynamics involved in the discussion of different issues, in longer strategizing episodes within a meeting, and over longer periods of time.

2.2.4. Meetings in Strategy-as-Practice research

It becomes noticeable in the previous sections that most Strategy-as-Practice studies use real time observation of senior team meetings as the central part of their data source (e.g., Beech & Johnson, 2005; Brundin & Nordqvist, 2008; Jarzabkowski, 2008; Maitlis & Lawrence, 2003). In these studies, meetings are default venues or “modes” (Jarzabkowski & Spee, 2009) for senior teams’ doing of strategy. For example, board meetings are the primary venue for board strategizing activities (e.g., Brundin & Nordqvist, 2008; Denise et al., 2006; Ng & De Cock, 2002; Parker, 2007) because meetings are the main place where all board members come together. In the study of top management teams, meetings are one of the most important modes through which strategizing activities are accomplished (e.g., Beech & Johnson, 2005; Hoon, 2007;
Jarzabkowski, 2008; Maitlis & Lawrence, 2003; Palli et al., 2010; Regner, 2003; Samra-Fredericks, 2000, 2003, 2004, 2010; Sminia, 2005). In addition, a special kind of senior team meeting, the strategic planning meeting, has recently received growing interest. These studies examine the practices involved in these meetings and their contribution to the overall strategy of an organization (Bourque & Johnson, 2008; Heracleous & Jacobs, 2008; Hodgkinson, Whittington, Johnson, & Schwarz, 2006).

Despite their pervasiveness, we know little about how senior team meetings are carried out and the effects of meetings upon the overall strategizing activity. Seidel and colleagues’ work explores how meetings contribute to strategizing activity (Hendry & Seidl, 2003; Jarzabkowski & Seidl, 2008). Drawing on Luhman’s theory of episodes (1995), Hendry and Seidl (2003) use a framework of “meetings as strategic episodes” to study the role of meetings in strategizing activity. Meetings are considered episodic because they bracket in some actors and issues during a specific space and time, while bracketing out others (Boden, 1994; Hendry & Seidl, 2003; Jarzabkowski & Seidl, 2008). Jarzabkowski and Seidl (2008) further investigate meetings as strategic episodes and find that structuring characteristics of senior team meetings during the initiation, conduct, and termination stages of these meetings, such as setting the agenda, free discussion, and voting, all have potential for stabilizing or destabilizing an organization’s existing strategy. In addition, they identify three evolutionary paths and find that changes in organizational strategy are more likely to be proposed, and either adopted or rejected, depending on which of the paths are followed through sequential meeting practices over time. Their study thus explains the mechanisms through which meetings relate to consequential strategic outcomes.
Drawing on these studies, I set out in this dissertation to investigate senior teams’ strategizing activities in their meetings through an emotion lens in order to provide a richer account of what senior team meetings look like, the kinds of emotional dynamics generated in these meetings, and how what they do in meetings connects with an organization’s strategic outcome.

In the next section I review the relevant literature on emotion, displayed emotion, and the theoretical approach I take in this study on emotion. Section 2.4 reviews the studies on displayed emotion and senior team decision making; Section 2.5 reviews the studies on displayed emotion and other organizational member interactions; and Section 2.6 reviews displayed emotion in other interactions beyond the organizational boundary. The latter three sections provide a broader background for this study regarding how displayed emotion has been studied in different kinds of organizational member interactions.

2.3. Theoretical framework on emotion

2.3.1. What is an emotion?

The definition, conceptualization, and operationalization of emotion are thorny issues (Scherer, 2000). No consensus has been reached, probably because the concept of emotion encompasses a wide range of phenomena; therefore, seemingly competing theories often address different aspects of the same phenomenon (Averill, 1980). Most theorists, however, agree that emotions are usually triggered by internal or external stimuli or events that are significant to an individual and that emotion is a multi-componential construct which encompasses at least the individual’s physiological arousal, motor expression, and subjective feeling (Frijda, 1986; Scherer, 2000).
2.3.2. What is displayed emotion?

This study examines “displayed emotion”: emotion manifested in observable facial expressions, bodily gestures, tone of voice, and language (Ekman & Friesen, 1984; Elfenbein, 2007; Hareli & Rafaeli, 2008; Rafaeli & Sutton, 1989). Research on displayed emotion seeks to explain its social functions or interpersonal consequences (e.g., Fischer & Manstead, 2008; Keltner & Haidt, 1999; Parkinson, 1996; Van Kleef, 2010; Van Kleef et al., 2009). This is the dominant focus in the current literature on emotion and senior team strategizing (e.g., Brundin & Nordqvist, 2008; Mangham, 1998; Samra-Fredericks, 2004), and is quite a distinct body of work from that on individuals’ experienced emotions (e.g., Ashkanasy, Zerbe, & Härtel, 2002; Isen, Daubman, & Nowicki, 1987), which is not the focus of this study.

2.3.3. The critical realist approach on emotion

This study takes a broadly critical realist approach towards emotion and towards senior teams’ strategizing activities in general. A critical realist approach assumes the existence of an external reality - in the case of this dissertation, senior teams’ strategizing activities - that is independent from one’s conceptions of it (Bhaskar, 1978; Danermark, Ekstrom, Jakobsen & Karlsson, 2002; Fleetwood 2004; Reed, 1997; 2005; Sayer, 2000). As a researcher, by analyzing the empirically observable events, that is, what senior team members do, what they say, and the emotions they display in their meetings and by analyzing their interpretations of these events, I try to provide an account of senior team strategizing activities from a perspective that I argue has strong explanatory power: emotional dynamics between team members. As I have explained previously, this is a
theory-laden choice and I am aware that many other factors are operating at the same
time in a complex manner to influence the strategizing activities.

Emotions are, to some extent, regarded as universal (Ekman, 1992; Frijda, 1986). There are basic emotions such as anger, happiness and surprise that are triggered by similar eliciting conditions and displayed in similar ways cross-culturally (Ekman & Friesen, 1971; Ekman et al., 1987). Nevertheless, it is also argued that emotions are socially and culturally ingrained. That is to say, cultural and organizational contexts influence people’s interpretations of the eliciting situation, the kinds of emotions displayed, and the way emotions evolve in interactions (Matsumoto et al., 2002; Mesquita & Frijda, 1992; Rafaeli & Sutton, 1989). Thus by systematically analyzing senior team members’ displayed emotions in their strategizing activities, supplemented by their interpretations of these activities, I seek and conceptualize the mechanisms through which displayed emotions shape the strategizing activities.

2.4. Strategic decision making, senior team member interactions, and emotion

In addition to the Strategy-as-Practice studies, senior team member interactions have also been highlighted as important in the context of strategic decision making. Research in the strategic issue diagnosis literature, the top management team decision making literature, and the board governance literature all signal the importance of emotion. They do not, however, generally study its impact in depth.

2.4.1. Top management team strategic issue diagnosis and emotion

Dutton and colleagues argue that when top management team members discuss strategic issues, because of the magnitude of gain and loss associated with these issues, they are likely to garner more attention and generate considerable emotion in the
discussions (Dutton & Dukerich, 1991; Dutton & Duncan, 1987; Dutton & Jackson, 1987). They suggest that the perception of a strategic issue as an opportunity is likely to elicit positive emotions in senior teams, while the perception of a strategic issue as a threat will elicit negative emotions.

While Dutton and colleagues’ argument touches on the role emotion plays in team members’ interactions when they discuss strategic issues, it overlooks the fact that team members’ different constructions of an issue can trigger different emotions. For example, while some members may perceive an issue as a threat which triggers negative emotions, others may perceive it as an opportunity which elicits positive emotions. We don’t know much about how the negative and positive emotions interplay - do the individuals who display positive emotions keep on displaying more positive emotions and those who display negative emotions follow the same pattern? Or do they display different kinds of emotions as the discussion evolves? And how do these diverse paths shift the team members’ initial perceptions of the issue and the final decisions made? Therefore, further exploration into how the emotional dynamics develop after the initial emotional reactions to a strategic issue will provide a more complex and nuanced understanding of emotion’s role in senior team strategic issue diagnosis.

2.4.2. Senior team decision making, senior team member interactions, and emotion

It has long been argued that senior team member interactions critically affect a senior team’s decision making process and an organization’s strategic choices (e.g., Finkelstein et al., 2009; Goodstein, Gautam, & Boeker, 1994; Knight et al., 1999; Wiersema & Bantel, 1992). Most studies in both the top management team and governance literatures use proxies for senior team member interactions, such as senior
team members’ demographic factors, functional and educational backgrounds, and the ratio of internal to external board members (e.g., Baysinger, Kosnik, & Turk, 1991; Hill & Snell, 1988; Wiersema & Bantel, 1992). Based on the idea that attributes such as a team’s demographic and functional diversity have a significant effect on executive and board decision making, they implicitly assume that the way members interact plays a role in mediating this relationship. For instance, the “good interactions” in diverse teams include openly challenging and debating with each other, which enable the team to generate more alternatives and better evaluate these alternatives (e.g., Bantel & Jackson, 1989; Finkelstein & Hambrick, 1996; Schweiger, Sandberg, & Rechner, 1989). As a result, these teams are more likely to make high quality decisions, to engage in strategic change (Wiersema & Bantel, 1992), and to be more innovative in their strategy (Bantel & Jackson, 1989). In contrast, “bad interactions” include communication problems and conflicts which make it difficult to reach consensus (Finkelstein et al., 2009; Greening & Johnson, 1997; Hambrick & D’Aveni, 1992; Hambrick & Mason, 1984; O’Reilly, Snyder, & Boothe, 1993) and to initiate strategic change (Goodstein et al., 1994). In the governance literature, the study of board member interaction focuses on the power dynamic between internal and external board members, using ratio between the two as proxies, and explains its influence on the content of an organization’s strategy (e.g., Baysinger et al., 1991; Hill & Snell, 1988).

These studies suggest that senior team member interactions influence senior team decision making process, the content of an organization’s strategy, and the organization’s tendency to initiate strategic change. However, using proxies for senior team member interactions does not allow for the examination of these important interpersonal processes.
or of their emotional qualities, even though these are often implied in the findings reported. For instance, the power dynamics between the internal and external board members, who often have competing interests (e.g., Baysinger et al., 1991; Goodstein & Boeker, 1991; Hill & Snell, 1988), may trigger intense displayed negative emotions, as has been found in the organizational decision making literature (e.g., Allison, 1971).

Some more recent work directly investigates conflicts generated in senior team members’ interactions in the decision making process. For example, Knight and colleagues (Knight et al., 1999) find that teams who engage in more interpersonal conflicts tend to have different interpretations about the firm’s current strategy. These interpersonal, or affective, conflicts, which involve intense displayed negative emotions such as anger, are detrimental to both decision quality and to top management team members’ acceptance of decisions (Amason, 1996). It has also been found that in teams that are high on affective conflicts team members engage in less cooperation and team leaders are less likely to use a participative decision making style (Barsade et al., 2000).

This latter group of studies highlights the importance of emotion in senior team decision making, showing its impact on the quality of decisions made, team members’ acceptance of the final decision, and the relationships among team members. It does not, however, inform us about the impact of different kinds of emotions, or their differential effects on top team members’ interactions. Eisenhardt and colleagues’ case studies provide insight here. They find that, in organizations in the high-velocity microcomputer industry, intense displayed emotions, such as frustration and distrust, shape political interactions between senior team members, which in turn slow down the speed of senior team decision making (Eisenhardt & Bourgeois, 1988). Eisenhardt (1989b) also identifies
team members’ displayed anxiety and confidence as key factors which speed up decision closure and enable the teams to make good decisions. Thus, while limited, there is research that informs us of the impact of different kinds of emotions on team interactions at the highest levels of decision making.

In summary, two related groups of literature on senior team decision making - the strategic issue diagnosis literature and the literature on senior team decision making - have each acknowledged the importance of senior team interactions and the emotionality of these interactions. However, though emotion emerges as a critical factor which influences the content of an organization’s strategy, the process and speed of strategic decision making, and the outcome of an organization’s strategic change process, our understanding of how it does this is still quite limited.

2.5. Displayed emotion and interactions between organizational members

The literature on displayed emotion and interactions between organizational members suggests that displayed emotion serves as a form of social influence in human interactions, affecting the observers’ emotions, thoughts, and behaviours (De Dreu et al., 2001; Elfenbein, 2007; Fischer & Manstead, 2008; Hareli & Rafaeli, 2008; Van Kleef, 2010). Hareli and Rafaeli (2008) and Van Kleef (2010) integrate previous studies to suggest that this social influence is achieved through three kinds of mechanisms: eliciting both displayed and experienced emotional reactions in the observers, usually through emotional contagion (Hatfield et al., 1994); emotional interpretation (Hareli & Rafaeli, 2008, see also Barsade, 2002); and drawing inferences from displayed emotions (Hareli & Rafaeli, 2008; Van Kleef, 2010).
Emotional contagion is a mechanism through which people automatically and unconsciously mimic non-verbal expressions so that emotions spread among individuals like viruses (Hatfield et al., 1994; Kelly & Barsade, 2001). Through this process, displayed emotions often evoke similar emotional reactions in observers, which may subsequently shape the observers’ behaviours. In contrast to observers who display similar emotions through the emotional contagion mechanism, observers may also perceive a displayer as feeling a particular emotion (Ekman, 1993) and react with complementary or situationally appropriate emotions of their own (Hareli & Rafaeli, 2008; See also Van Kleef, 2010). For instance, embarrassment might invoke forgiveness rather than more embarrassment (Keltner & Haidt, 1999; 2001); anger may lead to fear instead of more anger (Van Kleef, De Dreu, & Manstead, 2004). Displayed emotions can also wield social influence by triggering inferential processes in observers, which in turn influence the observers’ behaviour (Hareli & Rafaeli, 2008; Van Kleef, 2010). For instance, an observer may infer information from another’s displayed emotions about that person’s social motives (Fridlund, 1994), orientation toward other people (Hess, Blairy, & Kleck, 2000; Knutson, 1996), appraisal of the situation (Manstead & Fischer, 2001), behavioural intentions (Keltner & Haidt, 1999), power and status (Conway, DiFazio, & Mayman, 1999; Kemper, 1987; Scherer, 1984; Tiendens, 2001), and competence (Tiedens, 2001).

The following sections review four categories of empirical studies on displayed emotion and organizational member interactions both within an organization and beyond the organizational boundary: work team collective moods, leader-follower exchange, employee-customer interaction, and negotiator-opponent interaction. “Emotion” is used
in a broad sense here so that these reviews include studies both on emotions and moods (Elfenbein, 2007) - or “affect”, an umbrella term that covers both mood and emotion (Forgas, 1995). Emotions are short-lived and relatively intense phenomena that have recognizable antecedent causes (Watson & Clark, 1984); whereas moods are pervasive phenomena and tend not to have recognizable antecedent causes (Barsade & Gibson, 2007). The following reviews stick to the original terms that the studies use.

2.5.1. Work team collective moods

Recently there has been an increasing interest in examining whether an individual’s displayed emotions influence the displayed emotions of interacting team members and how this further influences team processes. Research has shown that team members’ displayed moods are found to converge during their interactions and that this “collective mood” has an impact on team performance. This mood convergence is thought to come about through the mechanism of emotional contagion into a group mood (Hatfield et al., 1994). That is to say, team members all display similar moods, both in experimental settings (Barsade, 2002) and in real teams’ daily work (Bartel & Saavedra, 2000; Totterdell, Kellett, Teuchmann, & Briner, 1998), and both in short observation periods (Barsade, 2002; Bartel & Saavedra, 2000) and over several weeks (Totterdell et al., 1998). The convergence of positive moods among team members promotes cooperation and performance and reduces conflict in the team, whereas the convergence of negative moods results in poorer cooperation (Barsade, 2002; Bartel & Saavedra, 2000; Totterdell et al., 1998). Thus, interacting team members’ displayed emotions do influence each other, which in turn influences group processes.
2.5.2. Displayed emotion in leader-follower exchange

Research on leader-follower exchange, examines what kinds of emotions leaders should display in order to elicit desirable emotions, perceptions, and behaviours from followers that will improve team processes. For instance, leaders who display positive emotions can, through emotional contagion, trigger positive experienced emotions in their followers (Bono & Illies, 2006; Sy, Cote & Saavedra, 2005), which further enhance team members’ cooperation. If, however, leaders want to elicit more effort from their followers, they should display negative emotions, such as anger or sadness, so that followers infer that the leader deems progress on the task to be inadequate and therefore exert more effort. In contrast, followers may exert less effort if a team leader displays happiness (Sy et al., 2005; Van Kleef et al., 2009). Further, leaders who want their followers to perceive them as having more power and higher status should display anger instead of sadness (Lewis, 2000; Tiedens, 2001). The downside of a leader’s display of anger or sadness, however, is that anger may trigger fear and nervousness from followers who may then consider the leader as less effective, and sadness may lead to fatigue and low enthusiasm in followers (Lewis, 2000).

These studies illustrate that a team leader’s displayed emotions may influence team members’ experienced emotions, thoughts, and behaviours, which further shape team processes. They also highlight the value of examining specific emotions, such as anger and sadness, in team leader-member exchange and in specific task and relationship contexts.
2.6. Displayed emotion in other interactions beyond the organizational boundary

The important effects of displayed emotion have been studied in other interactions beyond the organizational boundaries. For instance, in interactions with customers, service employees are usually requested by their organization to display certain emotions or moods in order to elicit desirable emotions in the customers. Service employees’ positive displayed emotions or moods, usually carried by smiles, are found to trigger both displayed (Hochschild, 1983; Barger & Grandey, 2006) and experienced (Barger & Grandey, 2006; Pugh, 2001) positive emotions in their customers through emotional contagion. These customers are more satisfied and rate the service quality highly. In another kind of service job, for example, bill collectors, employees display negative emotions, such as irritation and anger, in order to induce anxiety in debtors, gain compliance, and hence garner payments (Sutton, 1991). These studies again show that the displayed emotions of one party can trigger desirable emotions and hence elicit favourable attitude or behavioural responses from the interacting party in a different task and relationship context, in this case, between employee and customers.

In addition, in the context of negotiator-opponent interaction, research has focused on what kinds of emotions a negotiator should display in order to obtain the best result in a negotiation. Anger is probably the most thoroughly studied displayed emotion in negotiator-opponent interaction and research has yielded contradictory findings. Through emotional contagion, negotiators’ displayed anger was found to elicit anger from their opponents (Friedman et al., 2004), leading to competitive and retaliatory behaviour (Van Kleef & Cote, 2007) and a tendency to deceive and make less general offers (Van Dijk, Van Kleef, Steinel, & Van Beest, 2008). Negotiators, however, also use opponents’
displayed anger to draw inferences and to decide what kind of action to take. For example, negotiators who display anger are perceived as having ambitious goals, which make their opponents concede; whereas negotiators who display happiness are perceived as being close to satisfaction, which makes their opponents less willing to concede (Van Kleef, De Dreu, & Manstead, 2004).

More kinds of displayed emotions have recently been explored in this context. A negotiator’s display of disappointment and worry can make his/her opponent concede because the opponent infers that the negotiator has received too little, which leads the opponent to lower his/her demands (Van Kleef, De Dreu, & Manstead, 2006; see also Van Kleef & Van Lange, 2008). In contrast, a negotiator confronted with an opponent who displays guilt and regret may infer that s/he has claimed too much and this can lead to an increase in demands (Van Kleef, De Dreu, & Manstead, 2006). In all, the literature on displayed emotion and negotiator-opponent interaction shows the kinds of emotions a negotiator should display in order to elicit favourable emotions, thoughts, and behaviours from the opponent. In addition, it also highlights the value of examining the effects of a wider range of specific emotions in social interaction.

In summary, numerous studies across different domains within and beyond the organizational boundary (work team collective emotions, leader-follower interaction, employee-customer interaction, and negotiator-opponent interaction) converge in demonstrating that displayed emotion wields critical social influences on the emotions that observers display and experience, their thoughts, and their behaviours in social interactions. In general, these studies have shown that the display of positive emotions usually elicits reciprocal experiences and displays of positive emotions, which further
enables constructive interpersonal interactions and cooperation. The display of negative emotions, in contrast, usually undermines cooperative social interactions (e.g., Barger & Grandey, 2006; Barsade, 2002; Bono & Illies, 2006; Friedman et al., 2004; Pugh, 2001; Sy et al., 2005; Van Kleef & Cote, 2007). These studies, however, also highlight that the responses that certain displayed emotions can elicit from the observer depends on several contextual factors: the nature of the tasks (e.g., bank tellers vs. bill collectors), the mechanisms involved (emotional contagion vs. interpretation vs. inference-drawing), and the specific relationship between the interacting parties (e.g., customer and employee vs. team leader and member). These studies further highlight the value of going beyond the dichotomy between positive and negative emotions and examining a wider range of specific emotions such as anger, guilt, and regret (Van Kleef et al., 2006; see also Van Kleef & Van Lange, 2008).

While these studies reveal important findings about the impact of displayed emotion in social interaction, it is notable that most of these studies only capture emotions displayed by one party. Consequently, we do not know the reciprocal and probably cyclical effects of emotions between negotiation dyads, between leaders and followers, and between employees and customers. For instance, might there be a “spiral of incivility” (Andersson & Pearson, 1999) that spreads from one customer to the employee and then to the next customer (Grandey, 2008). How might an employee’s displayed emotions influence the emotions of the leader and then, in turn, the emotions of another team member? Exploring emotions displayed reciprocally between organizational members thus may provide a more sophisticated and qualitatively different understanding of emotion’s role in organizations.
2.7. Strategic plan as an outcome of senior team strategizing

As I explained earlier, Strategy-as-Practice research focuses on strategists’ micro activities in their practice of strategy. It rarely connects these activities with organizational outcomes; hence, a recurrent question asked of Strategy-as-Practice research is “so what?” (Jarzabkowski et al., 2007, p. 14). This is a fair question because at the core of the definition of strategy from the Strategy-as-Practice tradition, activities should be related to the strategic outcomes of a group, firm, or industry, such as its direction and survival. On one hand, several founding Strategy-as-Practice researchers endeavour to highlight outcomes at different levels of analysis (Jarzabkowski et al., 2007; Jarzabkowski & Spee, 2009), such as group processes (e.g., Hoon, 2007), development of an organization’s strategy (e.g., Maitlis & Lawrence, 2003), and construction of alliances (e.g., Vaara, Kleymann, & Seristo, 2004), but on the other hand, they call for Strategy-as-Practice research to develop and substantiate further outcomes that are consequential especially at macro-levels, such as organizational level (Jarzabkowski et al., 2007; Jarzabkowski & Spee, 2009; Johnson et al., 2007; Whittington, 2007).

I propose studying an organization’s strategic plan as an organizational outcome of senior team strategizing activities. We know from existing literature that the development of a strategic direction for an organization is often an important goal of such a team’s strategizing activities (e.g., Jarzabkowski, 2005, 2008; Maitlis & Lawrence, 2003; Palli et al., 2009). An organization’s strategic plan - the key material manifestation of an organization’s strategy- has, however, received relatively little attention in strategizing research to date (Cornut et al., 2012; Giraudeau, 2008; Palli et al., 2009; Spee & Jarzabkowski, 2011).
As the organization’s central strategy text, the strategic plan orients the future strategizing activities of an organization (Palli et al., 2009), usually indicating its long term goals and the resource allocation and intended course of action to carry out these goals (Cornut et al., 2012; Floyd, Cornelissen, Wright, & Delios, 2011; Hrebiniak & Joyce, 1984). It is a powerful device that communicates socially negotiated meanings (Spee & Jarzabkowski, 2011; Samra-Fredericks, 2010), influences power relationships (Vaara, Sorsa, & Palli, 2010), and can trigger resistance in the organization (Laine & Vaara, 2007). Despite the important role that strategic plans play in organizations, however, few studies have examined how they are developed.

The strategic plan is often formulated in an organization’s formal strategic planning meetings (e.g., Grant 2003; Jarzabkowski & Seidl, 2008; Johnson et al., 2003) despite the criticism that these activities are detached from actual strategy making (Mintzberg, 1994; Mintzberg, Ahlstrand, & Lampel, 1998). Only recently have scholars begun to examine the micro activities that make up the strategic planning process to shed some light on how organizations’ strategic plans are created. These studies show the recursive process through which a senior team produces a renewed strategic plan: interpreting the current strategic plan, debating what to write down and how to write it, negotiating choices, updating the strategic plan, and resuming the discussion. The final text of the plan thus reflects both the process and the outcome of the talk in the planning meetings (Palli et al., 2009, Spee & Jarzabkowski, 2011; Vaara et al., 2010). The nature of team member interaction plays a critical role in this process. For example, who participates in the meetings, what they say and how they say it, and how some individuals’ preferences are prioritized over others all shape the content and form of the strategic plan (e.g., Palli et
al., 2009, Samra-Fredericks, 2010; Spee & Jarzabkowski, 2011; Vaara et al., 2010). The literature on senior team strategizing further suggests that emotion is an important influence on senior team member interactions in their strategizing meetings (e.g., Brundin & Nordqvist, 2008; Edmondson & Smith, 2006; Mangham, 1998). Yet we know relatively little about this, and still less about the role of emotion in the construction of an organization’s strategic plan.

As discussed earlier, however, we know that emotion plays a critical part in senior team member interactions in their strategizing meetings, influencing whose opinion is accepted (Brundin & Melin, 2006; Brundin & Nordqvist, 2008; Kisfalvi & Pitcher, 2003), which discursive practices are used to persuade others (Samra-Fredericks, 2004), whether a strategist successfully attracts others’ attention to a strategic issue (Mangham, 1998), and how strategic issues are discussed (Liu & Maitlis, forthcoming). In this dissertation, I therefore focus on how the emotional dynamics generated in board member interactions relate to the talk of board meetings to produce changes in the content of the organization’s strategic plan over 2 years’ time.

2.8. Research questions

In order to address the above discussed gaps in the literature, I address the following two research questions:

- How do emotional dynamics displayed by senior team members during their meetings shape the strategizing process?
- How do a senior team’s strategizing activities in its regular meetings, as influenced by members’ displayed emotional dynamics, shape the construction of an organization’s strategic plan over time?
Case 1 addresses the first research question and Case 2 addresses both of the research questions.
3. Overarching Research Methodology

In this section, I discuss the overarching research strategy that this dissertation employs - an inductive, qualitative research approach. It includes a general discussion that explains the purpose of using in-depth case studies and justifies the use of non-participant real time observation as the data collection method and the use of audio- and video-recording to enhance data quality and to facilitate data analysis in both of the cases. Micro-ethnography (Streek & Mehus, 2005) and discourse analysis (Potter & Wetherell, 1987), the two major data analysis methods used in the case studies, will be explained in detail later when analysing each case in its specific context. Finally, at the end of this section I discuss ethical and reflexivity issues.

3.1. Research strategy

Strategizing involves dynamic, complex, and intense human interactions (Johnson et al., 2007), and displayed emotion is often fleeting (Barsade & Gibson, 2007; Elfenbein, 2007). Moreover, our understanding of the relationship between emotion and strategizing is still relatively undeveloped. Because of this, and in order to capture these phenomena in-vivo, I employed an inductive, qualitative research approach which uses two case studies to address these research questions in real time (Yin, 2003; 2009; Stake, 1995). I used non-participant observation (Adler & Adler, 1994; Gold, 1958) as the main research data collection method, and used microethnography (Streek & Mehus, 2005) and discourse analysis (Cornut et al., 2012; Palli et al., 2009) as data analysis methods in both cases.
3.2. Research design: In-depth qualitative case studies

The case study is a method of empirical enquiry that investigates a complex contemporary phenomenon within its real-life context by relying on multiple sources of evidence (Yin, 2003, pp.13-14). It can capture the richness of human activities (Weick, 2007) and offer insights into complex social processes (Eisenhardt & Graebner, 2007). Therefore, the case study is said to be particularly suited for inductive theory building (Eisenhardt, 1989a; Eisenhardt & Graebner, 2007; Siggelkow, 2007).

I have chosen one top management team case and one board team case since both groups are critical in strategizing (Jarzabkowski, 2005; 2008) but play different roles and engage in the activity of strategizing in different ways. Top management teams have been found to play a major role in an organization’s strategy formation and implementation processes (Finkelstein et al., 2009; Hambrick & Mason, 1984). In addition to governing executives’ performance, which is important to strategy implementation, boards of directors are more and more actively engaged in an organization’s strategic choice, such as mergers and acquisitions and strategic change (Finkelstein & Mooney, 2003; Monks & Minow, 2004). Together, these two cases will add to our knowledge of senior team strategizing from two different perspectives.

These two cases also served different theory building purposes. I used the first case as an exploratory study to develop a method with which to investigate emotional dynamics in a very fine-grained manner in a relatively small number of strategizing meetings. The second case is a longitudinal one, with data collected over 2 years, allowing me to address broader emotional dynamics and strategizing activities over time and in relationship to an important strategic outcome. In addition to investigating the
presence of those emotional dynamics identified in the first case, I identified further
dynamics specific to the second case. Furthermore, the longitudinal case study design and
additional data sources enabled me to become more familiar with the people and the
organizational context and therefore have a more in-depth and contextualized
understanding of the complexities of the emotional dynamics and strategizing activities
(Court, 2010; Leonard-Barton, 1990; Siggelkow, 2007). Moreover, longitudinal research
is a powerful tool to appreciate how change plays out over time (Court, 2010; Pettigrew,
1990; Siggelkow, 2007), which allowed me to investigate how the emotional dynamics
between senior team members during strategizing discussions influence changes to the
organization’s strategic plan over time.

3.3. Data collection: Real time nonparticipant observation and audio- video- recording

For both cases, video recording of senior team meetings is the primary data source
that was collected through nonparticipant observation. Data for the first case was
collected by Professor Maitlis and data for the second case was collected by me
independently. Non-participant observation is used extensively in case study research in
which the researcher enters a social system to observe events, activities, and interactions
with the aim of gaining a direct understanding of a phenomenon in its natural context
(Gold, 1958; Lofland, Snow, Anderson, & Lofland, 2005). As a non-participant observer,
I did not participate directly in any of the board’s activities.

There have been repeated calls for real-time observation in the strategizing
literature, to “literally and directly” (Johnson et al., 2007, p.3) observe what strategists do
(e.g., Jarzabkowski, 2003; 2005; 2008; Johnson et al., 2007; Mantere & Vaara, 2008;
Samra-Fredericks, 2004; Vaara et al., 2004). For example, Johnson and colleagues
(Johnson et al., 2007) argue that much previous Strategy-as-Practice research relies on interviews as the main data collection method; therefore, micro behaviours and interactions, which are the “stuff” of strategy practice, are not captured (p.68). They recommend using \textit{in vivo} observations to advance understanding of strategizing, and those who have used observation methods have demonstrated the power of this method to gain insightful understanding of the micro processes of strategizing (e.g., Gioia & Chittipeddi 1991; Jarzabkowski, 2005; 2008; Samra-Fredericks 2003).

Using real-time observation to collect data has several advantages. First, it allowed me to gain an intimate understanding of board members’ actions and their underlying meanings that would have been hard to grasp without having an ongoing presence in the settings (Barley, 1990). By doing so, I captured the dynamics of senior team members’ interactions with each other and observed the processes as they unfold. In addition, real-time observation also captures participants’ emotion expressions \textit{in vivo}, which is not possible using other methods, such as surveys. This helped me contribute to the study of emotions in a real life work setting (Barsade & Gibson, 2007; Grandey, 2008), which is an extremely rare opportunity in a senior team context (Samra-Fredericks, 2000). Third, real-time observation reduces the reliance on participants’ memory to build accounts of events, an approach which has been challenged by Strategy-as-Practice researchers on the grounds that the practitioners are rarely fully able to articulate what they do and why (Whittington, 2006a); therefore, their accounts do not always capture what actually goes on (Johnson et al., 2003). Real-time observation alleviates this problem and the bias of post hoc justification by participants for their particular actions because of social
desirability (Leonard-Barton, 1990; Vaara et al., 2004; Vardaman, Amis, & Gondo, 2010).

In addition, audio- and video-recording enhanced the quality of the data collected by observation and facilitated later data analysis. The value of audio- video-recorded data has been highlighted by strategizing researchers for a long time but it is very difficult to gain access to video-recorded board meetings, mostly because of confidentiality issues (Brundin & Melin, 2006; Samra-Fredericks, 2003). However, the fleeting nature of emotion requires a proper tool to capture it in real-time. It is far beyond the researcher’s ability to take down the nuanced and rich emotional expression cues from facial/vocal/verbal/body movement channels when they occur; therefore, video-recording significantly enhanced the quality of the data captured because “it provides infinitely rich detail of transient events” (Cohen, 2010, p. 34).

Audio- and video-recording has been used in education, medicine, and language research for decades (e.g., Anderson & Adamsen, 2001; Armstrong & Curran, 2006). This method keeps a faithful record of the data long after the fieldwork is finished and allows repeated scrutiny of important episodes during the data analysis stage, since the data can be analyzed, reanalyzed, reviewed and shared by many researchers (Armstrong & Curran; 2006; LeBaron, 2008). In addition, strategizing activities evolve over time. The significance of some of the activities may not be apparent during my observation (Leonard-Barton, 1990), but video-recording offered the opportunity to identify significant events retrospectively and hence significantly improved my understanding of the strategizing activity.
3.4. Ethical issues

The key ethical issues relevant to this research include the informed consent of the research participants, the anonymity of the research participants, and the confidentiality of the research data (Punch, 1994). In order to address these three issues, I have taken the following steps.

First, I obtained “informed consent” from each of my participants. Before that, I sent each participant an outline of my research that explained in detail the nature of my research, their voluntary participation in this research, and their right to withdraw any time during the research process. In addition, Professor Maitlis and I did a short introduction at the first meeting that we attended, answering participants’ questions and addressing their concerns about this research.

Second, the protection of participants’ anonymity is also emphasized. The participants’ risk of loss of anonymity increases in studies using qualitative methods, such as observation (Wallace, 2009). The risk is even greater in the case of this study because who they are and what they do and say are all recorded. Therefore, we guaranteed the participants that all data gathered from this research is treated with complete confidence and used only for the purposes of this research. The organization’s and individuals’ anonymity was protected in several ways: (1) digital files given numerical identifiers; (2) participant names would not appear on any documentation or in any resulting articles, presentations or books; (3) organizational names would not be attached to specific statements or information.

Third, the confidentiality of the collected data is safeguarded by storing all collected data in locked cabinets to which only Professor Maitlis and I have access. In
addition, at the conclusion of the study, the video files, transcripts, and organizational documents will be kept in computerized, encrypted format for reference for a maximum of 5 years and will then be destroyed.

3.5. Reflexivity

Reflexivity is the process through which a researcher recognizes, examines, understands, and critiques how his or her own social background, assumptions, and biases influence all stages of the research process, including the creation of a research question, the use of specific methods, the collection and analysis of data, and the presentation of research findings (Begoray & Banister, 2010; Hesse-Biber & Leavy, 2006; Giorgi, 1986; Malterud, 2001; Macbeth, 2001; Mauthner & Doucet, 2003). It is based on the belief that there is no neutral or objective researcher and proposes that researchers must not disavow the subjectivity that they all bring to their research, rather, they should disclose it and critically engage with it by being sensitive to its effects, assessing these effects during all steps of the research process, and presenting accounts of these effects in the publication (Haraway, 1991; Harding, 1992). Thus, researchers’ subjectivity is accounted for though not eliminated (Malterud, 2001).

I recognize that as a non-participant observer in these two case studies, I bring my own background, assumptions, and feelings into the research process. Gender (Martin, 2006) and my past experience as a corporate manager seem to be two salient factors. Although I tried to stay non-participating, I developed a warm relationship with the female Executive Director during our routine face-to-face interactions before and after the board meetings, through e-mails, and in our short encounters in other organizational activities. As a career mother with four children, she always understands how difficult it
is to do my kind of longitudinal research for my Ph. D. with a baby at home. She shared her frustrations as a career mother and has always been encouraging which made me feel close to her. Therefore, I might have been “on her side” during my observations. For example, in the July 2009 meeting when the organization faced economy downturn, I empathized with her difficult situation and felt uncomfortable with the board’s evaluation of her performance during the financial crisis. At that moment during my observation, I paid special attention to the emotions that she displayed. The kind of dynamic between us is deemed to be different from a dynamic between me and a male executive director, for instance. When such circumstances occurred during my observations, I followed the recommendations of several researchers (e.g., Begoray & Banister, 2010; Hesse-Biber & Leavy, 2006) and recorded how I felt in my research memo. Therefore, when I analyze the data, I will be sensitive to how my feelings influence my interpretation of the data and will search for other plausible interpretations (Malterud, 2001).

I am also aware that participants’ reactivity to an observer’s presence, which is termed the “observer effect”, is one of the most salient issues for observation methods (Bryman, 2004). Because of this effect, the board meetings may proceed differently because they are observed. However, researchers argue that to entirely avoid researcher influence on participants is impossible (Adler & Adler, 1987; Johnson, 1975), and even that observation may be the least intrusive method of all research techniques (Phillips, 1985). In addition, researchers find that this effect usually diminishes over time during the observation period when the participants get used to the researchers’ presence (Adler & Adler, 1994). In order to address this problem, the video cameras are located as unintrusively as possible in the corners of the meeting rooms. Further, my long presence
in their meetings should allow trust to build between me and the board members, helping board members to “ignore” me and operate “as normal” (Adler & Adler, 1994).

In addition, through the whole process of this research, from defining my research question to writing up my dissertation, I have held regular meetings with my supervisor, Professor Sally Maitlis. During discussions with her, many of my assumptions have been challenged and I have been asked to demonstrate how I reach my interpretations. As a result, some of my interpretations have been supplemented or revised. Throughout this study, my reflexivity has developed.

I now describe the methods and findings of Case study 1 and 2 in sections 4 & 5 respectively. An overall discussion across these two case studies will be carried out in Section 6.
4. Case Study 1

4.1. Case Study 1 research method

4.1.1. Context

The data were collected in a medium-sized computer game company based in Western Canada. The company was structured into five independent “game” teams each led by a Producer who was responsible for the budget, profit, headcount, and the quality of games his or her team produced. Each game team had about 40 employees but this number fluctuated from 20-80 at different stages of game production. The focus of my analysis was the top management team, made up of the five Producers and the Executive Producer to whom they reported (see Table 1). The team also included two Directors responsible for technology and art resources. The team met most weeks to discuss strategic issues that included the organizational structure, the allocation of resources, game development and competitor strategies, and headcount fluctuations. In these meetings, members also exchanged information about the daily operations of their teams. The top team, excluding John, the Executive Producer, had worked together for 2 years, and had met regularly in this forum for over a year at the time of the study.

4.1.2. Data collection

The primary data collection method was non-participant observation (Gold, 1958). Over a period of three months, Professor Maitlis attended nine weekly meetings, which were all the meetings held in this period of time, as a non-participant observer. She audio and video recorded each meeting and had the audio files transcribed.
In this study I used data from seven meetings. I excluded one in which the recording technology failed, and one attended by a consultant because it was not a “normal” meeting. At the end of the observation period, Professor Maitlis also interviewed each of the team members, asking for their reflections on the team and the meetings she had attended. She also attended meetings of other teams in the organization over several months and had interviewed many of their members, which deepened my understanding of the organization and game industry more generally. My analysis focuses on the dynamics between team members in the meetings, but I drew on the interview data and Professor Maitlis’ broader knowledge of the organization in order to supplement and clarify my observational analyses.

4.1.3. Data analysis

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

Stage 1: Identifying strategic issues discussed

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

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

Stage 2: Coding displayed emotions and tracking emotional dynamics

In order to identify emotional dynamics in the data, I first developed an emotion coding scheme, then coded emotion at an utterance level, and finally tracked the emotional dynamics for each issue discussion.

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

I used the circumplex model of emotion as my organizing framework, a model in which all emotions can be arranged in a circumplex defined by two orthogonal dimensions (Russell, 1980; Russell & Feldman Barrett, 1999; Scherer, 2001). One dimension reflects hedonic valence (pleasant-unpleasant, or positive-negative). The second dimension indicates level of activation (high or low); the higher the activation level, the more intense are the emotions. This model has been used in other well-known studies of affective display in groups (Barsade, 2002; Bartel & Saavedra, 2000), and suited my purposes for several reasons. First, it captures a much wider range of emotions, including the less studied ones, than do many other models, such as the PANAS (Watson et al., 1988) and the basic emotion model (Ekman & Friesen, 1984). Second, it maps emotions spatially on the two dimensions of valence and activation, which allowed me to develop my coding scheme by considering emotions relative to one another in terms of their positivity/negativity and intensity. For example, the circumplex model maps “annoyance” as an intense negative emotion which is less intense than “anger”. To develop a coding scheme for “annoyance”, I could therefore draw on existing coding schemes for “anger”, and adjust them to capture the lower intensity of this emotion. Similarly, amusement and excitement were distinguished by amusement’s lower
activation level (Russell, 1980), and the specific verbal cues associated with it, such as joking or good-natured teasing, as well as laughter. Third, the circumplex model provided a helpful structure for me to build a holistic, multi-channel method (Russell, Bachorowski, & Fernandez-Dols, 2003) to code emotion displayed through both verbal and non-verbal cues. Facial expressions (Ekman & Friesen, 1984) and verbal expressions (Retzinger, 1991) were the clearest indicators of emotional valence, while vocal expressions (Scherer, 2005) and body movements (Harrigan, 2005) often provided the strongest data for emotional intensity. In Table 2 I provide the coding scheme that I developed.

The development of my coding scheme drew on and adapted several existing emotion coding guides (Bartel & Saavedra, 2000; Ekman & Friesen, 1984; Ekman & Rosenberg, 1997; Gottman et al, 1996; Retzinger, 1991; Roberts & Noller, 2005; Rusby, Estes, & Dishion, 1991; Scherer, 1986; Shaver, Schwartz, Kirson, & O’connor, 1987), supplemented with observations from my data. This allowed me to use a variety of facial, body, vocal, and verbal behaviors to identify the display of eight different displayed emotions: excited, amused, relaxed, angry, annoyed, frustrated, contemptuous, and neutral. While covering a wide range of emotions and including both positive and negative ones, this set of emotions clearly represents only a small subset of the possible emotions that might be expressed in the workplace. However, these emotions are consistent with those found in other studies of top team meetings (e.g., Brundin & Nordqvist, 2008; Edmondson & Smith, 2006; Mangham, 1998; Samra-Fredricks, 2004), where emotional expression is usually restricted by corporate emotion display rules (Fineman, 2000).
An emotion display was coded as “neutral” when an individual had an impassive expression, or “resting” face (i.e., with no evident emotional expression), and was speaking in a matter-of-fact, even, and flat tone of voice. In addition, a display was coded as neutral if the cues detected were not strong enough to be coded as an emotion (Gottman et al., 1996; Rusby et al., 1991). The terms “neutral” or “emotionally neutral” thus simply follow a coding convention and do not imply that a display was neutral in its effect on others or on the strategizing process.

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

Of the 12 strategic issues that were identified in stage 1, significant emotional displays were evident in the discussion of 10 of them (see Table 3). For these 10 issues, I created a coding sheet that summarized the strategic conversation about the issue, organized by the name of each speaker, the start and end time of the speaker’s utterance, the verbatim content of each utterance, and the emotion that we coded. Through this process, I identified not only individual emotions, but also sequences of emotions displayed between speaking members of the team.
**Tracking emotional dynamics.** I then tracked the emotional dynamics of each issue discussion, that is, the sequence of emotions expressed from the time an issue was raised for discussion until the close of that conversation. At the end of this stage, I had 10 coding sheets for the 10 strategic issues that were discussed in a non-neutral manner.

**Stage 3: Coding strategizing practices in strategic conversations**

To code the strategizing practices in the team meetings, I did three things. First, I sensitized myself to meeting practices discussed in the Strategy-as-Practice literature (e.g., Jarzabkowski, 2005; Jarzabkowski & Seidl, 2008; Sturdy, Schwarz, & Spicer, 2006). Second, I examined existing coding guides for top management team and other team interactions (Beck & Fisch, 2000; Currall, Hammer, Baggett, & Doniger, 1999). Examples of strategic practices from these sources included initiating an issue, proposing, counter proposing, elaborating, seeking and giving information, giving a specific suggestion, voting, agreeing, rejecting, selecting and deselecting a proposal. Third, I inductively supplemented these, based on my observations of practices in the data. Using this combination of materials, I assigned a practice code to each utterance in the data. By the end of this stage, I had completed another column of my coding sheet, “Practice”, which provided a skeleton strategizing plot (a sequence of strategizing practices) for the discussion of each issue.

**Stage 4: Analyzing the interplay between emotional dynamics and strategizing processes**

Using the coding sheet described above, I again watched the video of each emotional strategic conversation several times. I then wrote a summary narrative that described the characteristics of each conversation in terms of the emotional dynamic and
the strategizing process associated with it, as well as apparent links between the two.

Through a process of repeated comparison across the 10 conversations, I identified five kinds of emotional dynamics: the energetic exchange (4 issues), the amused encounter (3 issues), the unempathic interaction (1 issue), the recurrent confrontation (1 issue), and the depleting barrage (1 issue). I then looked for commonalities among the strategizing processes associated with a particular emotional dynamic, and differences with those associated with other dynamics, refining my descriptions of the processes until they captured as well as possible the activities I had observed. I found five strategizing processes associated with the five kinds of emotional dynamics: generative strategizing, integrative strategizing, fracturing strategizing, sticky strategizing, and curtailing strategizing respectively. By the end of this stage, I had a clear description of the characteristics of each emotional dynamic and associated strategizing process.

Stage 5: Explaining the relationships between issue type, emotional dynamic and strategizing process

In the final stage of my analysis, I sought to explain the patterns I found connecting issues, emotional dynamics, and strategizing processes. First, drawing on the strategic issue literature, I considered the influence of issue type on the emotional dynamics generated (Dutton & Dukerich, 1991; Dutton, Fahey, & Narayanan, 1983; Dutton, Stumpf, & Wagner, 1990; Schneider & De Meyer, 1991). Looking across issues discussed with the same dynamic and comparing them to those discussed with different dynamics led me to identify urgency (whether or not an issue required a decision during the meeting, as indicated by statements made to this effect) as a key distinguishing issue dimension. Specifically, four of the issues were non-urgent and these were discussed with
the same emotional dynamic (energetic exchange). Urgent issues, on the other hand, were associated with a number of different dynamics. I also considered whether issue importance, or self-relevance (Dutton, 1993) consistently distinguished between dynamics, but found that it did not. Second, drawing on the emotion literature (De Dreu et al., 2001; Fischer & Manstead, 2008; Fredrickson, 2003; Hareli & Rafaeli, 2008; Hatfield et al., 1994) and theorizing inductively from my data, I explored how the emotional dynamics shaped the strategic conversation, and proposed a core relational process through which this occurred. By the end of this fifth stage, I had organized the emotional dynamics by issue urgency (see Table 4) and had identified the emotional dynamic-strategizing process link.

Stage 6: Supplementing the analysis of the video data with data from other sources

Because my interest in this study was on emotional display and strategizing as practiced in team meetings, I decided to ground my analysis primarily in the observational data (the video/audio recordings and transcripts of the meetings). However, I drew on Professor Maitlis’ richer understanding of the team and organization to supplement the meeting coding where it could provide additional insights. For example, I deepened my understanding of the team, organization and issues under discussion by engaging in close readings of the interview transcripts and discussing with Professor Maitlis.
4.2. Case Study 1 findings

4.2.1. Emotional dynamics and strategizing processes

Case study 1 examined how emotional dynamics shape strategizing in top management team meetings. My main findings were five emotional dynamics that were associated with five strategizing processes that differed in how issues were proposed, discussed and evaluated, and whether decisions were made or postponed. In this section, I describe each pair in detail, including excerpts from the data. I conclude by identifying a key relational mechanism linking the emotional dynamics and strategizing processes, and an issue characteristic that influences how these unfold.

**Energetic Exchange and Generative Strategizing.**

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

The discussion of Project X (M117), a proposal to create a “buffer group” of developers who could be used to fill short term game development needs, provides an example of how the energetic exchange emotional dynamic and the generative strategizing process developed. This issue arose after an announcement that the independent game studio was to be acquired by a global entertainment company, making available new funds for such a proposal. The leader, John, began with an excited
statement that conveyed his enthusiasm for the proposal and his interest in hearing others’ thoughts about it. John’s initial expression of strong positive emotion triggered other members’ excited reactions. For example, Charlie said, “I love it! ... I’m on board, I think it’s a great idea.” and Tom said excitedly, “Sounds great!”

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

Excerpt 1 (From “Project X”) – a positive emotional peak enabling issue exploration

Charlie: When we become a cost centre with [parent company], basically you’re going to have to budget for that anyway. Each project will have a cost, but then we’ll also have to
project the cost for all of our admin costs...And that should just be all part of the money that we get from within the organization to pay for a lot of it. [Excited]
Simon: A lot of this is contingent upon exactly how the accounting works... So all those things need to get figured out first, before we actually - [Excited]
John: Yeah we’ll be talking about that. [Neutral]
Simon: And what we should be doing on that front is converting those contingencies into people prior to the acquisition... [Excited]
Tom: We crystallize the projects and people so they can’t fire them, is that what you’re saying? (Simon: Yeah). Well they could just go in and fire them. (Simon: No). That seems like a pretty underhanded, like you don’t [Neutral]....
Simon: Yeah, I think what we’re saying is $1.2 million or whatever profits we’re making – a lot of that is contingency, right? A lot of that is, “OK well let’s figure out that.” What does that mean? That means people. So you know, you figure out how much would we need. [Excited]
...
Tom: No, but seriously... He [the CEO] doesn’t like the whole cost centre structure... [Neutral]
Charlie: And then he doesn’t make money! [Amused]
John: ...I’m going like, “right now it’s always battlefield promotions and fire-fighting and somebody leaves, oh where can we get the next guy?”... That’s got to end. We’ve got to have a little bit of a buffer, a cushion, that says, “Oh, you need a programmer, OK. While you’re looking for somebody, we have this person in the Project X that is not the perfect rendering man for you, but this guy’s pretty good, here you go - it’s free!” [Excited]
Charlie: So our incentive system, the way we compensate people and bonus plan... You can’t do that [the current compensation system] and get that [Project X]. [Excited]
John: I would say my analogy...is look at the firefighting department: most of the time those people are reading or sleeping or playing with their dogs or something. ... So the city could say, “OK, let’s not waste any time, get out there with parking tickets and clean the streets and we can have them busy.” But when fire comes it’s very critical that you put the fire out so the whole town doesn’t burn down and your babies aren’t cooked. So we say [laughs] ..., “Fire department, here’s $3 million. Most of the time you’re sleeping or not doing anything valuable. But when there’s a fire, boom, you’re there, you come and you save the day, we’re all thrilled! You go back to doing nothing”... So that’s what I’m saying, we need a small department. OK if you look at it from a spreadsheet point of view you go, “Uh, this doesn’t make sense, there’s $200,000 wasted money.” OK, purely at that second... [Excited, interrupted by Tom]
Tom: I think you’re preaching to the converted. We all totally agree with this idea.... [Neutral]

**Amused Encounter and Integrative Strategizing.**

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

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

Charlie: Then the next group is going to say, “Why don’t I get it? These guys get it.” And they’re going to want it. Why don’t we send it to the whole f****** company? [Amused, mimicking the way other people talk]
All other team members: (Kathy laughs, Tom and Simon smile) [All team members Amused]
John (the team leader): [Neutral]

Excerpt 2b – excited counter-arguments that persuade the leader

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

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

Excerpt 2c – collective amusement and agreement that bond team members

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

... John: Also, by the way, I think next Monday I believe is the first Monday of October so we’ve got that monthly TD meeting, we’ll be facing this and we can ...[Excited]
Simon: Maybe we can all arrive early and all sit on one side of the table! [All team members Amused, whole team laughs]
Here we see the role of amusement in enabling team members to first challenge but then connect with their team leader, engaging in integrative strategizing to make a decision that is accepted by all.

**Unempathic Interaction and Fracturing Strategizing.**

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

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

---

**Excerpt 3 (From the “HR Roll-off Process”) - failure to empathize creating distance in team**

Victor: *If Michael doesn’t want to go to [game team 4], he doesn’t really have a choice. You know, like that’s – we’re going to sell it to him: “They asked for you, blah blah”? I’m sure, I’m pretty confident he’s going to get excited and really want to do it. But let’s use him as a case study for a second and say, OK, he says no. There’s no other roll-out – I come to you guys, there’s no other role – what the hell do we do?* [Excited]

Simon: *So then there are not many choices to him.* [Neutral]

Charlie: *Would you like a job still?* [Amused]
Victor: (Gives examples with two of his team members). What is the result? Is the result, literally, “well you know you don’t really have much of a choice”, or “your choice is there’s no job for you or you take this.” And can we say that? [Excited] Simon: To be safe, you go “look, this is where the company needs you right now. You know, we need your skills on this project; you’re the man to do the job. Obviously we’re going to try to accommodate you as much as possible. There’s two options, go to either one of these. But if it’s the one – that’s where we need you right now.” [Excited] … Kathy: … so it’s a bit of a gap-filler and there’s something else cool coming down the road. So it’s a bit of a carrot for people. [Neutral] Victor: We can sell them that we hope there’s a carrot. Even now, I can’t. [Frustrated] … Victor: I can’t even tell them if we’re doing [game name], or whatever it’s called. [Frustrated] John: On Monday I had announced that originally we were doing [game name]. [Neutral] Victor: Yesterday you asked them. Are we going to do it or not? [Annoyed]

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

**Recurrent Confrontation and Sticky Strategizing.**

In the recurrent confrontation, two team members repeatedly attacked each other’s proposals, with one displaying intensely negative emotions, and the other intensely positive emotions. This emotional battle ended up absorbing a great deal of the team’s time and energy, and resulted in a sticky strategizing process in which there was inadequate discussion of alternative solutions, and the postponement of a decision.
The recurrent confrontation arose during a discussion of whether game teams should hire interns or use existing staff (employees “rolled-off” from finished games) when extra temporary headcount was needed (M4I4). Simon and other team members supported proposal 1, to use rolled-off internal staff, but Tom considered this proposal a threat to his team’s profitability and questioned Simon in an annoyed and contemptuous manner, “But it’s not your project, is it? So you don’t care about what it does to the project?” In turn, Simon argued excitedly that proposal 2 was a threat to the profitability of other Producer teams, the company at large, and the employees who would be rolled off. Excerpt 4 below illustrates the intense bi-valenced emotional exchange characteristic of the recurrent confrontation.

---

**Excerpt 4 (From “Hiring Interns vs. Using Internal Staff”) – battle of opposing emotions**

Tom: *We need slack in the system because of the way our things don’t dovetail. You are stupid if you think you’re going to get 100% - [interrupted]. [Contemptuous]*

Simon: *I think it’s ludicrous that you’re going to get five people. Dude, I would do the same thing tomorrow – but I think it’s ludicrous that the opportunity is available for us to take five people from the outside that are not burdened... [Excited]*

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

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

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

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

---

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

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

**Depleting Barrage and Curtailing Strategizing.**

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

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

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

Excerpt 5 (From “Gangster Online Strategy”) – wearing down positive emotional displays

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

....

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

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

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

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

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

Charlie: I don’t know, this was my frustration I was expressing at the end of that day. It’s talk, and when it comes down to money they don’t do it. They don’t budge. I’ve been trying this whole project to get more money; [two senior directors] have been pushing it down there as well, all the time. It’s “no, no, no, no, no, no.” [Annoyed]
Simon: The point is, you say, “yes we can do it, I need 1.5 million bucks. End of story”. [Excited]
Charlie: So they have the same conversation at [parent company name] with [one senior director] and these guys saying, “Can you get online, can you get …” – the same conversation. And we said, “Current schedule, current budget? No we can’t.” Then it was conversation over. They didn’t even bring it up again. The next time they brought it up was up here. Then [one senior director] was all pissed off, like he was angry, because he’s just like “they’re going around us to get to you, just to try to get you to agree with it.” They don’t want to spend another penny. [Annoyed]

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

4.3. Case Study 1 discussion

Linking the Emotional Dynamics and Strategizing Processes

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

Team Relationship Dynamics as a Mechanism

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

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

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

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

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

The Impact of Issue Urgency

My data suggest another important influence on how emotional dynamics and strategizing processes unfolded: issue urgency. Urgency concerned whether a decision or action was required in the meeting, or whether the issue was simply being raised for team discussion. This was usually stated explicitly at the start, with comments such as, “I’m just asking you to think further about it, to see if this is a good idea, like a proposal but we’re not going to vote on it today” (M1I7 - Project X), or “It’s a more casual discussion. Nobody says there is any decision to be made” (M2I2 - Competitor’s Products) for issues under general discussion. This contrasted with conversations about urgent issues, which typically began with a clear proposal, such as “I propose that we make it final and just go on like this” (M1I3 - Making GAD a Permanent Role), and a request for approval or a vote. As shown in Table 4, all of the non-urgent issues – those for team discussion – were
characterized by energetic exchange dynamics. In contrast, when an issue required an immediate decision, it led to either an amused encounter dynamic, or an emotional tug of war.

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

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

4.4. Case Study 1 conclusion

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

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

Second, although my observation of seven meetings allowed me to examine the emotional dynamics associated with a considerable number and range of different issues, this doubtless represents only a subset of the possible issue types and emotional dynamics that occur in strategizing meetings.

Third, this study’s focus on meetings necessarily limits my analysis to the strategizing that occurred in such a setting. While meetings are “focal points for the strategic activities of organizational members” (Jarzabkowski & Seidl, 2008, p. 1393), there are many other opportunities for strategizing which could not be included in the present study. Moreover, meetings, as a genre of communication, to some extent structure and shape how issues are discussed (Orlikowski & Yates, 1994); the meeting context may also have limited the type and range of emotions expressed by team members. As a result, my analysis of emotion in strategizing may not extend to the full range of strategic conversations that occur in organizations. I should also note that because this study examines displayed rather than experienced emotions, it is possible that team members could have controlled or manipulated their emotional displays in order to shape the
meeting dynamics (Brundin & Melin, 2006). However, this is true of almost any emotional display; my interest lies in the effects of such displays on important team processes.

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

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

A second contribution this study makes to Strategy-as-Practice is the development of a process model of emotion and strategizing that highlights team relationship dynamics as a key mechanism through which emotional dynamics shape strategizing in top team conversations. While previous research suggests that emotion displays can powerfully affect individuals’ understandings of their status, power and intimacy with others (De Dreu et al., 2001; Hareli & Rafaeli, 2008; Keltner et al., 2003; Keltner & Haidt, 1999; Lovaglia & Hauser, 1996; Parkinson et al., 2005), the current study is one of the first to highlight how emotional dynamics generated in team meetings increase or diminish the relational distance between people, and in so doing, affect the shape and outcome of strategic conversations. This finding suggests that strategizing is influenced not only by pre-existing political positions and discursive resources (Maitlis & Lawrence, 2003; Vaara, et al., 2004), but also by more transient, dynamic relational shifts that occur through the emotions expressed in strategy discourse.
Third, this study contributes to the literature on emotion in top management teams. Research in this area has tended to regard emotion as a stable dispositional attribute of team members (Barsade et al., 2000; George, 1990) or focused specifically on conflict (Amason, 1996; Amason & Sapienza, 1997; Eisenhardt, Kahwajy, & Bourgeois, 1997), thereby providing an understanding of executive team emotion that is either static or negatively valenced. By examining both positive and negative emotions, and more and less intense emotional displays, and by mapping these over time, this study highlights the diverse and dynamic nature of emotion in a top management team, and shows how different sequences of displayed emotions shape relational dynamics to affect a critical executive process.

Finally, the study makes a methodological contribution. Previous strategizing research has tended to rely either on the fine-grained analysis of small piece of a strategic conversation (e.g., Samra-Fredericks, 2004; Watson, 1995), which makes it difficult to identify relationships between emotion and strategizing, or retrospective accounts of larger processes that cannot fully capture the dynamics of strategizing as a social process (e.g., Laine & Vaara, 2007, Mantere & Vaara, 2008). In contrast, this real-time study of the emotional dynamics of strategic team conversations answers the call for innovative research on emotional practices in strategizing research (Jarzabkowski & Spee, 2009; Langley, 2007; Samara-Fredericks, 2004) through its rare exploration of the emotional and relational aspects of Strategy-as-Practice.
5. Case Study 2

I then designed Case Study 2 to address some of the limitations of Case Study 1. For example, the first limitation of Case Study 1 is the concern that the link between certain emotional dynamics and strategizing processes, and the relational dynamic that explains this link, will not be found in other teams. Case 2 thus provides the chance to examine whether certain emotional dynamic and strategizing process pairs occur in another team in a different context. The second limitation is the relatively small number of issues that Case 1 analyzed. The board team of Case 2 discussed different kinds of issues than those discussed in Case 1. Therefore, Case 2 allows me to explore whether the link between issue type and kinds of emotional dynamic generated would hold consistent, be it similar issue type dimensions or different dimensions or whether there exists a relationship between issue type and chains of emotional dynamics developed over time. In addition, the idea of a recursive cycle between emotional dynamic and strategizing process lies beyond the scope of Case study 1. Case Study 2, which is a longitudinal study of a board team’s discussions over time across meetings, provides the chance to investigate whether self-reinforcing cycles exist; that is, whether positive emotional dynamics enable collaborative strategizing processes which further generate more positive emotional dynamics, or whether there are other kinds of patterns of how the emotional dynamic and strategizing process pairs in previous meetings shape the pairs in following meetings over time.
5.1. Case Study 2 research method

5.1.1. Context

The data were collected in a non-profit organization, Nonprofit Leadership, based in Western Canada. Its board comprised ten voluntary members who held monthly meetings to discuss strategic issues in service of governing the organization (see Table 6: NL Board Team Members’ Profiles). The Executive Director, though not an official board member, was considered part of the board team and attended all meetings. During my observation period, from September 2007 to October 2010, the organization initiated a planned strategic change from a traditional nonprofit organization to a more business-oriented model, selling training courses, programs, and consultation to leaders of the voluntary sector, such as executive directors, board chairs and members, and HR managers, to build strong organizations that could effectively engage skilled volunteers. Thus NL did not consider itself as a traditional nonprofit organization. Rather, it was a “global knowledge provider” which strove for an increasing ratio between revenue generated by these products and funding from other sources such as government and donations.

5.1.2. Gaining entry

Professor Maitlis was first invited by the Executive Director to study NL’s board team in 2007. The Executive Director knew of Professor Maitlis’ work with boards and was interested in involving her organization in research from which they might learn. However, it was necessary to get the informed consent of all board members. We first sent a written outline of the proposed research to be circulated to the board and then in September 2007, we made a presentation to the board to explain the nature of the
research, discussing the need to observe and video-record board meetings, and clearly describing the measures we would take to protect the participants’ anonymity. We also assured them that the organization could withdraw from the study at any time. We also answered many of their questions. At the end of the presentation we clarified any remaining questions. Board members were happy to be involved in the research and agreed to a one year commitment. During this year, I addressed further questions and concerns whenever they were raised. At the end of the year, Professor Maitlis and I gave a feedback presentation on how the board’s decision making process as we had observed it. Board members valued the insights they gained into their own working process and subsequently agreed to be the central case for my dissertation research, extending my access to three years.

5.1.3. Data collection

I worked as a non-participant observer (Gold, 1958; Liu & Maitlis, 2010) and attended all the meetings that the board held in this period of time: 30 monthly board meetings in which strategic issues were discussed and three strategic planning retreats in which the strategic plan was discussed and officially modified and then published afterward. I also audio- and video-recorded each meeting and had the audio files transcribed. In addition to the video-recorded meetings, I also had access to other board-related activities, and to all the documents that a “normal” board member has access to, including four versions of the organization’s strategic plan (approved in Sep. 2006, Sep. 2007, Sep. 2008, and Nov. 2009 respectively). The first plan was provided as a background document (SP0) and the second one served as a starting point for my study (Strategic Plan I, SPI). The third and fourth ones were developed during my observation
(Strategic Plan II & III, SPII & SPIII, see Table 7: NL Strategic Plans). This dissertation covers the data between September 2007, the beginning of my observation, and November 2009 when Strategic Plan III was officially published. This data includes 23 audio- and video-recorded board meetings and two full day strategic planning retreats, one of which was video-recorded. The other one was not recorded because of technology failure.

I also interviewed all the board members on two occasions: in October 2008 (Time 1) and March-April 2010 (Time 2). In the interviews at T1, I first asked general questions regarding the board members’ opinions about the relationships and interactions between them, about their perceptions of the board meetings and of the way they discuss and make decisions in these meetings (see Appendix 2: Case 2 Round 1 Interview Protocol). All the board members told me that the relationships between board members and between the board and the Executive Director were “very positive”: they were very courteous to each other; they contributed a lot of time and expertise in working with the board as volunteers; and they respected each other and appreciated each other’s input.

I also asked about their comments on significant decisions that the board had made during the first year of my observation. Not surprisingly, the team members all recalled the discussions about the investment of the IT system (because of the unusual tension generated in the discussions) and the Endowment Fund investment (because it took almost a year for the team to make this decision). Their recollection provided important information about the strategizing activities which is missing from the observed board meetings, such as the history of these specific topics and discussions about these topics in committee meetings.
At the time of T2, Tanya (the Chair), Ted, Michael, Gina, and Tom’s terms expired so that they left the board; Calvin took the position of the board Chair; and Kirk, Judy and Beth joined the board (see Table 6). Kirk is a financial expert. Judy and Beth have strong backgrounds in the nonprofit sector. In this round of interviews, all the board members again commented that the board members have very positive relationships. In addition, I specifically asked the board members with long enough tenure and the Executive Director who had been with the organization for more than 10 years to tell me their understandings of these four versions of the organization’s strategic plan. This information supplemented the observation data and enabled me to tell a more complete and coherent story about the strategizing activities in the meetings and their relationship with the strategic plan. I also asked for their opinions regarding the team’s discussions of specific topics, such as the “double in size” discussion and the discussion of the Executive Director’s performance during the economic downturn (see appendix 3: Case 2 Round 2 Interview Protocol).

5.1.4. Data analysis

Stage 1. Comparing and contrasting three versions of the strategic plan.

To analyze the three versions of NL’s strategic plan, I used discourse analysis (e.g., Cornut et al., 2012; Palli et al., 2009; Vaara et al., 2010). First, I read the then current version of the strategic plan before each board meeting. During each meeting, I took notes when the board members or the Executive Director referred to specific elements of the strategic plan and explained how what the organization did was connected with certain elements of the plan. For example, the Executive Director explicitly explained
that buying a new IT system was critical in order to achieve Goal 3 in SPI in the October 2007 meeting.

I then read existing literature on “strategic plan as a genre” paying special attention to nonprofit organizations’ strategic plans (e.g., Allison & Kaye, 2005; Cornut et al., 2012; Olsen, 2007), in order to better understand the content and function of each part of a nonprofit organization’s strategic plan. I also checked NL’s documents which explain the content of different elements of its strategic plan, for instance, the differences between Mission and Vision (doc.-2007-strategic planning background document 2007-VisionMissionValuearticle.pdf).

Third, after Strategic Plan III was published in November 2009, I put the three versions of the plan side by side to examine the major characteristics of each version and to examine the texts for substantive changes. The Vision and Mission remained unchanged across the three versions of the plan. Substantive changes occurred in the two Goals, Goal 2 & 3 (see Table 7).

Fourth, I pulled out the elements that involved major changes and put them in a separate table and highlighted the major differences (see the bold underlined text in Table 8).

Using microethnography (Streek & Mehus, 2005), I then analyzed the video data in the following six stages to examine how the team’s discussions shaped the changes to the plan.

Stage 2. Identifying topics discussed in all the meetings.

I first went through all the meetings to search for the discussions where the strategic plan was referenced and found that the board referenced the strategic plan in almost every
meeting under different topics in the meeting agenda. In addition, the team usually discussed the same topic in multiple meetings; therefore, I consider the team’s discussion of a topic on its agenda across meetings over time as one “topic” and as the unit of analysis in order to provide a holistic and coherent account of the team’s discussion. This is different from Case 1 in which “issue”, a topic on the team’s agenda that was discussed within one meeting, was used as the unit of analysis and the team’s discussions of the same topic in different meetings were considered as separate issues.

I then went through the video of each meeting to identify different topics discussed in each meeting, such as discussions about the financial situation and organizational performance evaluation. The only exception is that I put the “board’s development”, “update”, and “use of key performance indicators to evaluate organizational performance” as one topic although they were three separate topics on the board’s agenda. This decision reflected the way these three related topics were discussed: It was usually because some of the indicators did not capture what the board wanted to measure that the board decided either to develop new ones or to update the existing ones. Separating these three topics would have resulted in an isolated and misleading understanding of the discussion of each issue. Table 9 provides an overview of the 27 topics discussed in the 23 monthly board meetings, and their frequency of discussion.

Stage 3. Identifying topics that are associated with changes to the strategic plan.

I then analyzed the discussions of these 27 topics, to identify the topics that were associated with the changes to the three versions of the strategic plan. The association was indicated by the board members’ direct (“There is one goal in the strategic plan that will require some IT work…” [Topic 2, IT Investment]) or indirect reference to the
specific elements of the plan (“We need the cash to fund the growth we have planned…”) during their discussions of the topic. Columns 2 & 4 in Table 10 illustrate the five topics that connect the changes in two adjacent versions of the plan. Table 11 provides the descriptions of these five topics.

Stage 4. Developing chronologies for topics that are associated with changes to the strategic plan.

I then traced the discussion of each of the five topics that are associated with changes to the strategic plan and constructed a thickly descriptive chronological story (Jarzabkowski, 2008; Langley, 1999) for each topic. These discussions occurred between each of the two versions of the strategic plan presentation (i.e., between the presentations of SPI, 2007/10 and SPII, 2008/09; between the presentations of SPII, 2008/09 and SPIII, 2009/11).

I drew on the board’s discussions in their meetings as the primary data source and supplemented the chronological stories with the information that I collected from interviews. First, the interview data provided me with the history and context of a topic being discussed. For example, I asked Calvin, Sarah, John, and Tom, who had served on the board long enough, to comment on several versions of the strategic plan. They all commented that the plan was very much about “growth” with the new business model and “growth” was also an important aspect of the organization’s operations. Therefore, I chose to look at the data through the “growth” angle, which I will explain in stage 6 of the method section. In addition, my interview with Tom (Executive Director of a big nonprofit organization) provided me the knowledge of the then emerging trend in the nonprofit sector that the government and funding agencies tended to use quantitative,
financial measures to evaluate a nonprofit organization’s performance, which contributed to the board’s insistence on using financial measures for NL’s growth, on top of most board members’ for-profit background. Second, these interviews provided important information about the strategizing activities which was missing from the observed board meetings, such as the discussions about some topics that took place in committee meetings. For instance, Catherine commented in interview that she was fed up with providing more and more information to the Financial Sustainability Committee when the board still could not make a decision on the Endowment Fund Investment. Her comment suggested the link between the board’s discussion in the previous meeting and Catherine’s surprising behaviour of offering the board her own investment recommendation which was so different from the board’s previous decisions.

Stage 5. Coding displayed emotions and tracing emotional dynamics in each chronology.

Following the method of Case 1, I then coded all the displayed emotions in the discussions of these five issues in all the meetings using the displayed emotion coding scheme that I developed in Case 1. The proficiency in coding that I gained from analyzing Case 1 enabled me to code the displayed emotions much faster. I was able to code all the emotions except one displayed emotion identified in the April 2008 meeting. I searched the existing displayed emotion coding schemes (e.g., Ekman & Friesen, 1984) to figure out how to code this emotion. The verbal, facial, vocal, and physical cues indicated that this emotion can be coded as “surprise”. Therefore, I updated the displayed emotion coding scheme that I developed in Case 1 by adding a coding scheme for “surprise” (Table 2: Displayed Emotion Coding Scheme).
Following the method in Case 1, I then traced the emotions displayed in the team’s discussion of one topic in one meeting into one emotional dynamic. The Energetic Exchange emotional dynamic and the Amused Encounter emotional dynamic that were identified in Case 1 were also identified in Case 2. Five new emotional dynamics - amused relief, amused rejection, unexpected rebuttal, uplifting exchange and mediated contention - were identified in Case 2. The amused rejection and amused relief emotional dynamics are respectively the first and last stage of the amused encounter emotional dynamic identified in Case 1. The three emotional tugs of war emotional dynamics that were identified in Case 1 were not found in Case 2. A new emotional tug of war emotional dynamic, the mediated contention, was found in Case 2.

The discussions were emotionally neutral in seven meetings, in two of which team members displayed empathy. Empathy has been defined as a multidimensional phenomenon which includes both cognitive and emotional factors (e.g., Davis, 1983; Hakansson & Montgomery, 2003). Most definitions of empathy include the idea of imaginative thinking (cognitive dimension) and feeling (emotional dimension) oneself into the inner life of another person, that is, to put oneself in someone else’s shoes (e.g., Bohart & Greenberg, 1997; Davis, 1983; Hakansson & Montgomery, 2003). Thus it is an emotional behavior but is not itself an emotion; therefore, I decided not to count empathy as a “displayed emotion” and did not include it in the emotion coding. I call this kind of neutral discussion “Neutral Discussion Type 1” since the expression of empathy significantly affects the strategizing process. I then distinguished the other five neutral discussions into Type 2 and 3 based on their associated strategizing processes, which I will discuss in Stage 6.
Stage 6. Coding the strategizing processes in the team’s discussion of one topic in one meeting.

Following the same procedure as in Case 1, I then coded and defined the strategizing process associated with each emotional dynamic. The strategizing process captures how issues were proposed, proposals discussed and evaluated, and whether decisions were taken or postponed. As I had found in Case 1, the energetic exchange and amused encounter emotional dynamics were associated with the generative strategizing process and the integrative strategizing process respectively. The five new emotional dynamics identified in Case 2 were each associated with five strategizing processes: the uplifting emotional dynamic with the generative strategizing process; the amused relief emotional dynamic with the perfunctory strategizing process; the amused rejection emotional dynamic with the suspending strategizing process; the unexpected rebuttal emotional dynamic with the prompted strategizing process; and the mediated contention emotional dynamic with the blocking strategizing process.

Four neutral discussions (Type 1) were associated with the suspending strategizing process. Two neutral discussions in which team members expressed empathy were associated with the appreciative strategizing process (Type 2). Finally, one neutral discussion (Type 3) was an update of the team’s discussion in the previous meeting thus not associated with a specific strategizing process. Table 12: Emotional Dynamics and Strategizing Processes provides the descriptions of all the strategizing processes that are associated with the emotional dynamics that were identified in both Case 2.

Stage 7. Visually portraying emotional dynamics and strategizing processes in the team’s discussions of the five topics over time.
I then expanded Table 9 and mapped the emotional dynamics and strategizing processes into Table 13, using one column for the team’s discussion of one topic between two adjacent versions of the strategic plan. This visual portrayal helped to show where the emotional dynamics were located in the team’s discussions across meetings (see Table 13). I call the multiple emotional dynamics generated in the team’s discussions of one topic in all the meetings between two versions of the plan an “emotional dynamic chain”. I call the multiple strategizing processes associated with a chain of emotional dynamics a “sequence of strategizing processes”.

Thus, emotional dynamic Chain 1 was generated in the team’s discussion of Topic 1 (Endowment Fund Investment) in Year 1; Chain 2 was in the team’s discussion of Topic 2 (IT Investment) in Year 1; Chain 3 was in the team’s discussion of Topic 3 in Year 1 (KPI’s); and Chain 4 was in the team’s discussion of Topic 3 in Year 2 (KPI’s). The discussion of Topic 4 (ED Performance Evaluation) in Year 2 took place in a neutral manner and was closely related to the discussion of Topic 5 (Current Financials). Both these addressed the “size of growth” question so I put both the emotional dynamics into one chain, Chain 5.

Stage 8. Analyzing the relationship between chains of emotional dynamics, associated sequences of strategizing processes, and changes to the plan.

With this map I went through an iterative process that involved reading the different versions of the plan, watching the videos of the meetings, and examining the interview transcripts, seeking to identify themes that underlay the changes to the plan and that could connect the team’s talk. Consistent with the plan’s focus on NL’s growth with the new business model, “growth” was a central theme in the team’s discussion of the
topics relating to the strategic plan. More specifically, I identified two aspects of growth on which their discussions focused: the meaning of growth, that is, whether growth meant to grow NL’s revenue, NL’s impact, the number of clients, or the impact of clients, (Topic 3, both Year 1 and Year 2) and the size of growth, that is, how much NL could grow and how to secure resources to enable growth (Topic 1 & 2, Year 1; Topic 4 & 5, Year 2).

Next, I looked at the changes in each strategic goal between two versions of the strategic plan, identifying how the goals changed with respect to either meaning or size of growth. For instance, in Year 1, I found that the changes to Goal 2 were associated with the meaning of growth; thus, I compared Goal 2 in SPI with Goal 2 in SPII in terms of “meaning of growth”. Following the same procedure, I compared the other two pairs of goals.

Looking into the literature for established dimensions on which strategic plans have been analyzed revealed the significance of ambiguity in strategic planning and led me to examine how the two aspects of growth in the strategic goals became more or less ambiguous over different versions of the plan (Benders & van Veen, 2001; Denis, Dompierre, Langley, & Rouleau, 2011; Eisenberg, 1984; Giroux, 2006; Jarzabkowski, Sillince, & Shaw, 2010; Palli et al., 2009; Putnam & Sorenson, 1982). I explained the changes around the two growth aspects (meaning and size) along the ambiguity vs. clarity dimension in Table 13.

Having explored how the plan changed over time, I then turned to examine the discursive process through which this came about. First, I examined how the emotional dynamic generated in the team’s discussion of a topic in one meeting shaped the
strategizing process in that meeting. Next, I investigated how a chain of emotional dynamics generated in the team’s discussion of one topic across meetings over time shaped the sequence of strategizing processes. I compared and contrasted these chains of emotional dynamics and associated sequences of strategizing processes, and explained the mechanisms through which these chains of emotional dynamics and sequences of strategizing processes evolve (see Figures 2, 3, & 4). Finally, I examined how these chains of emotional dynamics and sequences of strategizing processes shaped the changes to the strategic plan over two years with regards to the clarity and ambiguity of goals around the two aspects of growth.

5.2. Case Study 2 findings

The second case study set out to explore how board members’ talk in their regular meetings, as influenced by their displayed emotional dynamics, shaped the construction of an organization’s strategic plan over time. My main findings are that changes in the strategic plan over time were related to the level of agreement that team members reached in their discussions about key aspects of the organization’s planned growth. Level of agreement was in turn influenced by the emotional dynamics generated over a sequence of meetings. Certain chains of emotional dynamics enabled the team to engage in in-depth and open discussions of the related topics, leading the team to reach a high level of agreement about key aspects of the organization’s planned growth. These chains were associated with increased clarity in the relevant part of the strategic plan. Other chains of emotional dynamics enabled the sharing of opinions but impeded in-depth discussion so that the team could not reach agreement about these aspects of planned growth. These chains were associated with increased ambiguity in the relevant part of the strategic plan.
In this section, I begin by presenting a short overview of NL’s planned strategic change to provide a context for the findings. I then provide a summary of the changes to the strategic plan (Table 8) and briefly explain how discussions of related topics, addressing the two growth questions, were connected to the changes to the plan. Next I describe how the emotional dynamics influenced the team’s talk within each meeting and in multiple meetings over time, in turn producing either clearer or more ambiguous answers to the growth questions under discussion, which were reflected in the changes to the plan.

5.2.1. The planned change: From a traditional volunteer centre to a business-oriented model

Until a couple of years before the start of this study, NL had been the city’s volunteer centre, matching volunteers with voluntary opportunities. Strategic plan zero described NL’s initial planned strategic change to a business-oriented model that prioritized selling training courses, programs, and consultation to leaders of the voluntary sector in order to achieve its social objectives: “to enable every community to successfully engage citizens by building strong leaders in nonprofit organizations”, indicated by the Vision and Mission of the strategic plan. The following three versions (Strategic Plan I, II & III) were built on this plan and have the same Vision and Mission. The intention to achieve these social objectives through a business-oriented model is indicated in the Strategic Goals (see Table 7).

5.2.2. An overview of the team’s discussions that shaped the changes to the plan

The area of the plan devoted to goals contained the major changes between the three versions of the plan. It also engaged a lot of the board’s attention in its meetings.
Major changes in Strategic Plan 1 (SPI), Strategic Plan 2 (SPII), and Strategic Plan 3 (SPIII) occurred in Goal 2 and Goal 3 (see Table 8). “Growth” was the theme connecting the team’s discussions to changes in the plan. Looking across the changes in Goal 2 and Goal 3 of the plan, “to maximize the number of clients, to optimize the net operating revenue, to double in size in 3 years” and to expand geographically, all indicated NL’s intention to grow. In addition, SPII indicated growth of a bigger size than SPI, supported by a deficit budget for growth, and SPIII indicated a big step back from growth, with a balanced budget for survival.

Goals 1, 2, and 4 in SPII did not change in SPIII. The major change between these two versions of the plan was the removal of Goal 3, “double in size within 3 years”, from SPIII and the introduction of a balanced budget for survival. Together, these changes suggest that the strategic plan was transitioning from a “growth” plan to a “survival plan”.

In the team’s discussions, the team tried to understand whether the business-oriented model would enable NL to achieve its Vision and Mission, and they seemed to believe the model would be proved effective if NL grew. The team’s discussions over two years focused on two aspects of “growth”: the meaning and size of growth. The changes to each plan reflected the outcomes of the team’s discussions about these two aspects.

The team’s discussions between SPI and SPII, in the first year of my study, focused on addressing the question of “meaning of growth” while at the same time working out the resources for growth and addressing the question of “size of growth” (see Table 13, Year 1). The team’s discussions started with a relatively clear definition of growth in the
strategic plan (Goal 2, SPI, to increase the number of clients) but their discussions under “Topic 3: Development, Update, and Use of KPI’s”, in four board meetings did not reach an agreement on what growth should look like and how it should be measured – i.e., the meaning of “growth”. In turn, the related element of the strategic plan became more ambiguous regarding what “growth” meant (Goal 2, SPII, “to maximize focus on the practices...” lacks specificity and can be interpreted in different ways). In parallel, the team addressed the question of “the size of growth” under the Topics “Endowment Fund Investment” and “IT Investment” as if the meaning of growth and the size of growth were not inherently connected. The team became more confident about the aspired size of growth after they worked out the resources needed, and the related element of the strategic plan became clearer in terms of the size of growth (from Goal 3 “optimize the net operating revenue” in SPI to Goal 3 “double in size in 3 years” in SPII).

In the second year, the team’s discussions focused on Goal 3, “double in size”, and addressed the two aspects of growth in a sequential manner over time. Since the board had not worked out what growth meant to NL by the end of the first year, the team’s discussions in the second year started with different interpretations of the meaning of “double in size” and addressed the question of “what growth means” (see Table 13, Year 2). The discussion of “how big can we grow” interrupted the discussion about the meaning of growth when the team started interpreting the implications of the economic downturn for NL (see Table 13, June 2009) and reached an agreement that it was not possible to grow. Finally, in the strategic planning retreat the team discussed the question of “meaning of growth”, with the understanding that growth in revenue was not possible in the economic downturn. The team members agreed that it was neither possible to grow
revenue (size of growth) nor was it relevant (growth does not mean increasing revenue), which brought clarity to the related element of the strategic plan (from Goal 3 in SPII to its removal in SPIII).

In the following section, I explain in detail how the team’s discussions in the meetings shaped the changes in the strategic plan over the 2 years. Throughout, I show the emotional displays that accompanied the discussions, and explore how what was said and the emotional dynamics generated resulted in changes to the text of the strategic plan.

5.2.3. What does growth mean? - From clarity (Goal 2, SPI) to ambiguity (Goal 2, SPII)

The core of Goal 2 in SPI is that NL wanted to engage as many nonprofit organizations as possible to use the practices that NL advocated. There is a significant change from Goal 2 in SPI to Goal 2 in SPII. Goal 2 in SPI says “to maximize the number of organizations...” which is very clear in that growth means to increase the number of client organizations with the goal of maximizing this number. “Number” was deleted from Goal 2 in SPII which became “to maximize focus on the practices...” which makes Goal 2 in SPII more ambiguous than Goal 2 in SPI because it does not explain what “maximize focus” means.

The discussion of one topic, Topic 3: Development, Update, and the Use of KPIs, is associated with the change between Goal 2 in SPI and Goal 2 in SPII. This topic was discussed in four meetings (see Table 13, Year 1) and was fundamentally concerned with the meaning of growth.

In the September 2007 meeting the team discussed whether Goal 2 was correct and whether there existed a better strategic goal than Goal 2. Nine proposals, such as growth rate of new clients and quality of clients, were raised and Calvin’s proposal to use
“penetration rate” to replace “number of organizations” triggered Catherine’s amused reaction:

Calvin (Vice Chair): ... I would be interested in penetration rate.... [Neutral]
Catherine (Executive Director): Ha! ... Sorry.  [Laughing heavily, Amused]
Calvin: No, no. Let’s leave it in a dream, let’s dream big... [Laughing, Amused]
Catherine: [Laughing] Go for it. [Amused]
Calvin: Because at a certain point in time— We’re not going to be able to grow in the sense that there’s only X amount of people that we can reasonably get, and it’s really just expanding that reach. It’s like church. You don’t want to grow your members fast, you just want the maximum numbers of souls saved. [Excited]
Sarah: [Laughs, whole team laughs, whole team Amused ]
Tanya (Board chair): But I’d be int—
Ted: Is that how they’re doing at the church, they’ve got a sign right out front: 500 billion saved and counting. [Amused]
Calvin: Unless you’re Southern Baptist, in which there’s a limited number, right? So... [Amused]

Catherine’s laugh at the beginning indicated her strong disagreement with Calvin’s use of “penetration rate”. This disagreement was expressed with amusement, rejecting Calvin’s proposal without risking offending him. Calvin argued for his idea with amusement too. The whole team was amused by Ted and Calvin’s use of church to explain the measure of “penetration rate”. Catherine then proposed that a better Goal would be to increase the clients’ impact. She did not, however, articulate how to measure clients’ impact, which was critical for the board.

Calvin disagreed with the “impact” measure with amusement and the whole team was amused by Calvin’s comment:

Calvin:— to say I have a problem with measuring impact. Because who are we to say what impact is in the community? ... I have a problem trying to be a judge of impact. ...We are moving away from talking about volunteers in terms of number of hours and number of volunteers, we are trying to engage people at the level of ideas. One person can have an idea that affects a not for profit, affects the community in a way we never imagined. So, yet, if we talk about impact in the way I’m hearing us talk about it now, we cut it back to old paradigms. [Excited]
...
Catherine: *My judgment—rightfully, it’s a judgment, is that people posting positions on [our website] are looking for traditional volunteers.* [Neutral] [For Catherine, a higher number of these members does not indicate a better organizational performance because it drifts away from NL’s mission.]

Later, Calvin rejected the “impact” proposal with amusement:

Calvin: *I support... I think I support what you’re saying. Because what I’m hearing you saying is that “I don’t know if the impact is the relevant variable for us”.* [Smiles, Amused, all team members laugh, all Amused]

Catherine: *And I’m okay with your questioning that. Absolutely.* [Neutral]

I call this emotional dynamic “amused rejection”, in which both parties rejected the other party’s proposal with amusement. Catherine and Calvin avoided direct confrontation - both of them stopped arguing for their own proposal and neither party further approached the other for further explanation. This enabled a suspending strategizing process, in which multiple proposals regarding an issue were generated and discussed and disagreements were expressed, but serious discussion of the disagreements was not pursued. Catherine was asked to further develop Goal 2 with two board members after this meeting. Hence the question of what growth meant remained unanswered and the team moved from clarity to ambiguity around this issue.

In the second meeting (October 2007), the board discussed for the first time in NL’s history the measures against which to evaluate whether NL had achieved the strategic goals. For the second time, Catherine raised “clients’ impact” as a better goal and pointed out the problem with Goal 2 again, in a neutral manner. She told the board that quality of clients was more important than number of clients.

Catherine: *I know that there are going to be great learnings in here, I will tell you, we’ve already had one major learning, and you saw it as a little bullet in my executive director’s report, and it would have to do with one of the challenges that we’re going to have in goal two. And that was that our ED program [a training program for executive directors] did not fill this year, although we had last fall 40 people apply [number
disguised], we were able to select 20 that were good matches, and this year we made a conscious decision that it would not be high quality, therefore we wouldn’t offer it. Steve, to you, for sure, because I know quality’s always an issue, not always the numbers, so I do want to tell you that we know when we’re reporting on these goals, that there’re going to be some things that we learn, and we learn from that for certain that executive directors are still not at a place of coming to NL in the way we had hoped they would be by now, and even though the word of mouth from the ED program the year before, and even from the P group [an Executive Director group] which Tom was in was very—we certainly got lots of good feedback, and we did lots of evaluation, we’re obviously still doing something wrong there.

Instead of just telling the board that counting the number of organizations was wrong, Catherine framed it as “learnings”, which seemed to make her argument softer. Nevertheless, Catherine’s talk seemed to be ignored by the board since the following discussion did not pick up on it. In general, the board members considered this plan as “something to start with” (Steve, video-20071018) and did not engage in discussion about Goal 2 which Catherine believed wrong. Catherine did not argue further for her proposal of using “clients’ impact” either. This neutral discussion was again associated with a suspending strategizing process in which disagreement was expressed but in-depth discussion was not pursued and the ambiguity regarding meaning of growth remained.

In the third meeting (April 2008), Catherine was expected to deliver “Quarter one results” although she did not agree with Goal 2. At the beginning she tried to avoid presenting the results, explaining that the numbers were not tracked in the new IT system. It is possible that she did so because she did not want to express her different opinion, to use clients’ impact in Goal 2, which would potentially trigger the board’s disagreement since the board was dominated by members from the for-profit sector who were much more oriented towards financial returns.

Catherine: ...So all of those measures were put in place on our dashboard, and because we started in January to begin the new customer relationship management system [the
new IT system, we quit keeping track in the old way and we don’t have the new way in place yet. And at the end of the first quarter, as we were midway through March and I was asking for all these numbers, I was being told that to reconstruct, it was going to take a whole lot of time, were we okay without them? And in the end, I said yes. So bottom line, we don’t have any of those numbers for the first quarter. They are all in place now on the new system, [name of the system], which has been live internally for a few weeks now, and everyone’s getting more and more comfortable on it. And we declared our external launch will be April 29th. So that’s a week Monday, is that right? A week Tuesday, something like that, that we’re ready to go. I’ve spent a fair bit of time with [staff B] on it today. So that’s the answer on that, and I apologize – it just didn’t seem to make sense to me for people to spend a whole lot of time going back and reconstructing. [Neutral]

As the board chair pushed a bit further, Catherine tried to postpone the presentation of the results to a later date.

Tanya: So Catherine, I’m fine with that. We don’t want to spend time reconstructing. But I would like this document of data to show what our area is, what our activities are, and how we’re measuring it. [Neutral]

Catherine: And again, Michael and I worked on that, and you will see that at the end of the second quarter, which would be in July. If we’re meeting in July, you’ll see – this document will be completely updated, and you’ll see the report differently, I would say, at the end of the second quarter. [Neutral]

The chair did not want to give up and she commented that, without measuring the organization’s performance against the Goal, she worried that Catherine was working intuitively. After this comment, Catherine finally offered an additional reason why she did not present the data: that Goal 2 was not an appropriate goal. Tanya, however, wanted to at least know the activities with which the organization engaged, no matter whether the goal was appropriate or not.

Tanya: [long silence] I’m just thinking about it in a strategic planning…because you know, effectively, what we were saying here were these were the right directives, but if we’re not even, like, so that if you’re working off an intuitive sense and you say, “Do you think they’re working for us?” [Neutral]

Catherine: Um…I don’t know. Someone said ‘intuitive’ but as we come to the – and as I mentioned to you and Sarah and Calvin and Steve the other day, the issue isn’t so much in the fact that they’re working for us and being intuitive. The difficulty with it is that
they’re not worded quite correctly, that we’re measuring apples and oranges. That we’re not necessarily measuring apples all the way through in the way that we would like to. And we seem to know that without having gone to the key success factor measurement.

[Neutral]
Tanya: So I understand why you think they’re not working for us, because we don’t think that the measurements are working for us. But I don’t understand – like, I don’t understand what the activities are that have you feeling like they are not working for us. That’s what I’m saying. [Long silence, Neutral]
Catherine: Can we go through this and then ask... and then ask that question?
Tanya: Yeah.
[... The team went on to discuss the resource plan]

Her resistance and disagreement made the chair agree that Goal 2 was “to be fixed” and she asked Catherine to modify it as soon as possible after the meeting so that the board could discuss it at the strategic planning retreat one month later in May. Neither party, however, initiated a discussion about increasing clients’ impact, which Catherine strongly believed a better strategic goal.

Tanya: Well, I don’t know if that’s possible. I mean, ideally, that would be great. But that’s the first thing on our strategic planning agenda for the day, is to approve the revised directives. And we’re asking the staff to make the revisions based on their frustration. And if we got it in advance, that would be cool, but I don’t really – I think, I don’t know.
Catherine: It really does depend. I mean, I think [Staff B] will be able to look at this quite carefully, because again, when it goes live, then she just gets to deal with all the problems for the next couple of weeks after that, and hopefully it’s online. That’s our plan.

... 
Tanya: We have to get the goals right, and then we can do a better – then we can have that discussion as part of our strategic planning.
Ted: Right. And that’s where the flow of it makes perfect sense, because if the staff can’t make sense of it, then we’re going to get incorrect reporting, and it’s going to lead to bad decisions.
Catherine: And it became really clear that we just didn’t have it right around Goal 2. And it was based on probably my lack of relaying information from board to staff, and staff to board in a certain fashion.

... 
Tanya: I think this is – This isn’t any of your fault. It just needs to be updated.
Catherine: And I have let – I have certainly let the staff know that we’re talking about this and that we are going to find a way to fix Goal 2. I haven’t told them they’re going to find a way to fix Goal 2 yet, but we will. Thank you.
This neutral discussion was again associated with a suspending strategizing process in which the discussion regarding a better Goal 2 was further postponed and the meaning of growth remained ambiguous. Therefore, eight months after SPIII was published, the Executive Director had not delivered even one set of the organization’s performance data against the strategic plan. Nevertheless, at the end of the discussion the board agreed that Goal 2 was to be “fixed”. Catherine won the battle that “to maximize the number of organizations” as a strategic goal was not right. This brought temporary clarity whereby the team all agreed that Goal 2 in the plan was not correct. It did not, however, bring clarity regarding whether using quantitative goals was correct, nor did it bring clarity regarding what an appropriate measure for growth would be. Catherine did not raise her proposal of increasing “clients’ impact” which she believed an appropriate goal and which triggered some discussion in the first meeting. This may have been because she did not feel she would be able to win over the board since she did not have a way to measure impact. Hence the team’s understanding about an appropriate measure for growth remained ambiguous.

In the last meeting, the 2008 Strategic Planning Retreat in May, Catherine did not provide the board with a revised Goal 2 as she was asked to do at the end of the previous meeting. The board agreed with Catherine’s argument that quality of clients was important. The board still strongly believed, however, that a quantitative measure of the clients that used the practices NL advocated was important and more accurate. In addition, the board did not believe that a client’s impact was easy to measure, if indeed possible at all. Again, the discussion became a dead end with neither party willing to push it further. Thus the discussion for a better Goal 2 was suspended again. Nevertheless, no
matter whether growth meant to increase the “number of clients” or to increase the “impact of clients”, it was agreed that NL should promote the practices it advocated in the nonprofit organizations. Thus the board came up with a new Goal 2 - “Maximize focus on the PE practices (a set of HR practices that NL advocated) in organizations in voluntary sector” - to accommodate the different opinions from the staff and the board. This ambiguous statement reflected the board members’ different understandings of what growth meant to NL.

In summary, the team members avoided the conflict around having a social versus a commercial goal in its discussions in these five meetings. The amused rejection emotional dynamic generated in the first meeting enabled different opinions to be expressed, but it failed to engage the two parties in an in-depth discussion of the two seemingly opposing - commercial (number of clients) and social (impact of the clients) - goals. It also set the tone for avoiding this conflict in future discussions of this matter, which resulted in the postponement of any in-depth discussion. Thus in the second meeting the board ignored the Executive Director’s argument about Goal 2’s problem and her proposal for an “impact” goal. This was followed by the ED’s avoidance and attempt to postpone delivering the organization’s performance against Goal 2. Although her resistance to delivering organizational performance results against this goal made the board finally agree to change Goal 2, the “number” vs. “impact” discussion was not picked up again. As a result, the strategic plan ended up using equivocal language to gain agreement from everybody and thereby moved forward. The question of “what does growth mean” remained unanswered.
5.2.4. How big can we grow? - From ambiguity (Goal 3, SPI) to clarity (Goal 3, SPII)

The discussions of two topics, Topic 1: Endowment Fund Investment and Topic 2: IT Investment, were associated with the change between Goal 3 in SPI (“to optimize the net operating revenue”) and Goal 3 in SPII (“to double in size in 3 years”). By indicating an exact number, double size in 3 years, Goal 3 in SPII is clearer than that in SPI which uses a more ambiguous term “optimize”. The discussions of these two topics addressed the size of growth. In the following section, I describe how the emotional dynamics and team strategizing processes shaped the discussions of these two topics over time.

**Topic 1: Endowment Fund Investment**

This topic was discussed in five meetings. In the September 2007 meeting, the team discussed for the first time how to invest the 400k (number disguised) endowment fund NL received from the city. It was a complex topic which required professional knowledge such as legal, accounting, investment portfolio and risk management. The decision about how to invest the fund would influence the amount of cash available to enable the growth that SPI set for the organization. The discussion of this topic involved an energetic exchange emotional dynamic in which all team members interacted with each other in an excited way throughout the discussion, with occasional displays of amusement. The jokes and displays of collective amusement seemed to energize the team members and further engaged their interest and attention in the long and challenging discussion of the complex issue, especially when the team members became fatigued toward the end of the discussion. This was associated with a generative strategizing process in which all team members engaged in open discussion of the issue, resulting in a thorough exploration of the Financial Sustainability Committee’s (FSC) proposals. At the end of the discussion all
the board members seemed to arrive at a sufficient understanding of the recommendation and the relevant issues and agreed on one aspect of the investment - the schedule of investment: to invest in installments rather than in a lump sum. This agreement was the team’s first step toward clarity regarding the size of growth since there would be a lot of cash available to enable growth if the fund was to be invested in installments. Below I offer excerpts from the meeting data to illustrate the energetic exchange emotional dynamic and its associated generative strategizing process.

Tanya: But the question was still the same, then, to the—I mean, I get it’s more nuanced, using your language, Calvin, than what I originally understood, but it sounds like we need some more discussion around how we might stage that payment, but if we took only the $40,000 [number disguised] and put it, allocated it, to either our own fund or the city fund, do we feel like we’re meeting our financial obligation to the city? That still feels, to me, like the first question. Am I wrong?... Does everybody feel that, at least, one, that gets us there, that’s the right structure, and two, it seems to be that it needs some more discussion around... [Excited] Ted: And I think that’s where, maybe, the legal, and the tax, and all of that advice comes into play, because they’ll say, “You know what? It really should be, from day one, the 40 going into a joint account with the city.” And start along that path. As opposed to, “You know what? Split it 50-50, or put nothing into a city joint account,” but have a strategy, like you described, where it’s in your bank account and you’re going to move it over at some point... What if the funding environment changed. What if government changes? What if this organization grows rapidly, and you suddenly find yourself in a situation where you’re either trying to hire, you’re having people - you’re not able to keep people, you’re having to scale back operations, and you’ve got a $300,000 investment account, and you’re going, “We can’t touch it. And if we could, we could be successful, or we could be continuing.” It becomes this moral question that we need to, I think, decide upon at some point, knowing all of those legal, tax, accounting implications. [Excited] Tanya: Right, but 5 years from now, also, we shouldn’t have zero in that, because in fact, we have free rent for that time, so we have some obligation to not walk away without that, as well, right? [Excited] Ted: We need to find what – and that’s where, I think, the spirit comes into it. If the city were to look at it 5 years from now, they’re going, “NL’s not really stepping up, here. And we’re not liking that.” Whereas, if we start along a path with something, and you can show the government, “Well, this is what we need to get.” And they’ll look at it and they’ll go, “Great. Keep doing what you’re doing. You’re doing what any prudent person would do.” [Excited] Steve: So it’s a matter of educating them throughout and keeping them posted during... [Excited]
Sarah: So, I would – and going back to your first question, Tanya, and along that same line Calvin raised, so, annual monitoring of “how are we doing?” We made some estimates based on historical return rates, but who knows that that’s accurate, and do we need to set—I’m not sure if I’m even, as a member of the committee, ready to answer your question, saying that, “Do we think $40,000 enough?” It is, with an appropriate level of governance. That says there is a review process that potentially also directs that that review process has to have a top up if we’re not meeting what our goals would be. That goes to a little bit of my own feelings around the spirit. It’s 40,000, but if all of a sudden we find that operating costs have gone through the roof and what we really need is more than that, or vice versa, that $40,000 isn’t getting us the return that we wanted and therefore not meeting the 1.1, what do we do then? We were talking about really needing some governance set up front that says, “This is the spirit of what we’ve tried to create.” We’ve said $40,000 is the number because we feel it meets our commitment, so we need some governance around making sure that, if the commitment changes, or if the ability to meet that commitment changes, that we, actually, are setting some governance now, so a board 5 years from now, or 10 years from now, isn’t changing what we intended. [Excited]

Tanya: Right. [Neutral]

Calvin: And so, one of the suggestions would be to make sure that our report policy manual has a specific section that deals with the obligation of the board, every so often, to... [Excited]

During the intervals of these excited discussions, especially after a team member’s long monologue or several board members’ conversation regarding some complicated aspects of the issue, team members usually joked and there were collective displays of amusement which seemed to inject some energy into the board members and further engage them in the somewhat challenging discussion [adjusting their sitting positions, asking questions, and contributing to the discussion]. For instance:

When the Executive Director gave her presentation of the preliminary investment recommendation from the FSC and the questions that the FSC asked in order to give a more accurate recommendation, the whole team worked to try to take in this vast amount of information. Steve, who did not have much finance knowledge, raised his hand to ask about the allocation of funds but before that he joked about one volunteer’s qualification, as an investment banker, in giving the investment recommendation.
Steve: *The allocation of money for program expansion, the IT funds, etc. Obviously, those columns were just working scenarios. Actually, my first question is, is Jason qualified to... to give the ultimate recommendation? Just taking our first goal, here. We engage the skilled volunteer...* [Amused]
Sarah: *He’s an investment banker. He does this every day at his job. [Laughs, team laughs, whole team Amused]*
Calvin: *He’s an investment banker, and also Kirk, who’s on the FSC is the present CEO of [a financial institute]. [Amused]*
Tanya: *And they might work with bigger numbers. [Laughs, team laughs, Amused]*
Sarah: *Yeah! [Laughs, Amused]*

All the board members seemed to understand the “40k annual investment for 20 years will generate enough money to fulfill the agreement with the city” part; however, Tanya (the Chair), Steve, and Yasmin did not seem to understand the “structure with the city” part of the discussion since they had not been involved in the conversation with the city, nor did they have the legal knowledge to understand the agreement. Calvin, a lawyer, and Sarah, a financial consultant, provided another long, excited explanation that the structure and the amount of the investment were two separate aspects of the issue.

The chair seemed to think hard [head leans on arm, a bit low energy] and Steve seemed to be confused [frowning, hand supports head, fingers scratch forehead]. Calvin used children’s RESP’s as an analogy for the “moral obligation” with the city which is critical to determine the structure of the investment and the team laughed.

Calvin: *It’s the same kind of decision—I’m sorry, the same kind of decision when you want to save for your kid’s RESP. Do you put it in your own bank account? But in your head, you’re saying, “Some of that is gonna be for my kids”. [Laughs, Amused]*
Catherine: [laughing, Amused]
Calvin: *Right? And have a moral obligation, when the time comes to give it to your kids. Or, do you put it into an RESP, and you’ve locked yourself, and your commit—you cannot touch that, it belongs to your kids. That’s the decision. [Neutral]*
Ted: *Sure. And with option B, if you walk by the Porsche dealership and they’re having a blow-up sale, you’re not going to be able to buy it. [Amused, team laughs, team Amused]*
Tanya became excited to articulate her understanding of the amount and structure of the investment decision, which triggered Ted’s long elaboration of the structure of the investment and Sarah’s long explanation that NL needed to establish a policy to monitor the performance of the fund in the 20 years’ time. When Tanya asked who would like to put nothing into the joint account, Steve joked about other options to “put more spirit in the agreement”, Tanya became very excited and the whole team laughed and became amused.

Steve: But right now, there’s no advantage in doing B or C. There’s no advantage to us, we would simply be... putting more spirit in the agreement?
[Team laughs, team Amused]
Tanya: [very excited, waves her hands in the air, could not hear what she said]

The board chair, Tanya, then tried to summarize what the board had decided and what kind of further information was needed to make which kind of decision. Her attempts to use the right wording to capture the content of the discussion, the decision, and further advice triggered another round of excited clarification from Calvin and Ted who both explained the two aspects of the issue again. Tanya tried four times for the specific wording during this part of the discussion, taking into account what Calvin and Ted said. She and the team members appeared to lose energy at the end of the long discussion [Tanya, volume becomes lower, speaks more slowly, hand supports forehead; Steve, frowning, hollow eyes; Ted adjusts sitting position]. When the team discussed whether to put zero dollars into the joint account with the city, the chair disagreed with laughter:

Calvin: Because there is an implicit value judgment that we have made, which is... I’m hearing on the table now, that we’re not okay with putting zero into the fund. That implies a certain relationship with the city. [Neutral]
Tanya: I’m not okay with that. [Neutral]
Calvin: Okay. I just want to make sure, because we haven’t really said that, but I just… okay. [Neutral]

Tanya: No, I’m definitely not okay with that. Otherwise, I feel like I’m freeloadling. I think we just move out to the sidewalk and hold this meeting on the sidewalk. [Tanya laughs, becomes animated, Excited]

Calvin: I agree. I, personally, agree, but I’m just concerned, because it is a major value judgment, a normative call that we’re making around the board table, that we haven’t really talked about, so I just want to make sure we’re okay with that. [Neutral]

Steve: So we could ask the question, “Would anybody prefer that we went for 0?” [Neutral]

Calvin: Because there are legitimate arguments for going that way, too. Fewer legal fiduciary obligations for the organization… [Neutral]

Tanya: Is anybody wanting the $0 approach? [Neutral]

Steve: I like a little spirit in my approach. [Amused, whole team laughs, team Amused]

After another round of wordsmithing the motion, all the team members finally seemed to be satisfied with its content. Calvin pretended to rush to move the motion, using exaggerated arm postures and tone, and all the team members laughed. Gina, who was on the phone, also agreed with the motion and the whole team laughed again.

Tanya: Okay. Who would like to…

Calvin: So move! [Laughs, being excited, whole team laughs, Amused]

Tanya: Seconded. Yasmin? All in favour? Game done. Oh, Gina [who is on the phone]? [Neutral]

Gina: My hand’s up. [Neutral]

Tanya: Oh, thank God. ’Cause I was gonna hang up on you if it wasn’t. [Whole team laughs, team Amused]

After these jokes and collective amusement, the team members seemed to be recharged with energy. They adjusted their sitting positions, smiled, leaned forward, and moved to the second part of the discussion, NL’s risk tolerance, about which a decision was quickly made.

In the second meeting (October 2007), the team held a neutral discussion in which they ruminated about the FSC’s recommendation. The discussion was largely a repeat of the previous month’s since Calvin and Ted tried to explain everything to the board members who had been absent from the previous meeting. Thus, this discussion brought
all the team members onto the same page about the complex topic. The team also confirmed the annual instalment principle and provided the staff with a deadline for reporting back an investment recommendation. Thus the team was clearer about the resources available to enable growth.

Catherine was asked to provide more information to the FSC, which was led by three board members, Calvin, Sarah, and Ted, “the finance people”. The FSC, however, still could not make a decision about an investment plan. Catherine said, in an interview, that she was frustrated and she interpreted the board spending a lot of time asking her to collect more information as a lack of trust in her. In addition, she did not like the board getting too involved with a decision that she thought belonged to the staff, that is, one related to “operational issues”:

“They are digging way too deep down in a good deal of time... I think the underlying piece for me is it translates sometimes into a lack of trust in the staff because the Board has to have those conversations, which they’ve never had before... Why are they doing that? So does that mean they don’t think we know how to do our job?...They have to make some of these decisions, but the cloudiness is in which decisions belong to the Board and which decisions belong to the staff...My frustration there has been no decision on that because they were judging me on it. It was very frustrating to me”. (int-2008/10-Catherine)

Catherine seemed to deliberately ignite the board members at the April 2008 meeting. In an interview some time after this meeting, she recalled: “I gave you something else and you had to decide between A and B” (int-2008/10-Catherine).

In the meeting, she recommended investing in a lump sum, which was critically different from the agreed-upon principle of “annual instalments, not lump sum”. The two board members, Ted and Sarah, who were two core members of the FSC, felt “uncomfortable”, were surprised about Catherine’s recommendation, and displayed excitement when they asked the board to reconsider the FSC’s original recommendation
to invest in annual instalments. Catherine, in contrast, appeared calm and explained the logic behind her recommendation in a neutral manner. As a result, the board decided to “put our heads together to have a FSC meeting to make a decision about the investment in May”.

Catherine: ...I think the longer we do that [sit on the money], the more irresponsible it is of us, ... I just sort of wanted everyone to have a look at it, because this may be very different than what people were thinking they were going to see. [Neutral]

Ted: I remember... that we were going to start off with, we needed the X amount of dollars per year to be put in... And so this almost takes a little bit of a tack, a different type, in saying, we’re going to dump it in upfront and we’re going to start to grow it. [Surprised]

Ted: I didn’t think we were going to need to make that upfront capital contribution to a fund, based upon all of the historical data and the risk tolerance that we had laid out. We’d suddenly have a pool of money that would allow us to say, we can grow ourselves internally. [Excited]

Sarah: That’s where I came back to see those [numbers], and I’m like, “Whoa, where did that come from?” And then [numbers] is 50 percent of our available cash. And I went, “Whoa,” you know, that was starting to make me feel uncomfortable, especially knowing that we were moving into a time frame that likely was going to need cash... [Surprised]

I call this emotional dynamic “unexpected rebuttal”, in which Catherine’s use of a “straw man” recommendation triggered surprise and excitement in the board members. This was associated with a prompted strategizing process in which she drew the board’s attention back to an issue that had been long delayed and moved it towards an imminent decision, although some tension was built between the team members (Int-2008, Calvin, Sarah, & Ted).

Viewing the tension between the team members, the board decided to move the discussion to committee meetings. The FSC met after this meeting and made the decision to recommend the board to invest $40k annually for 20 years (numbers disguised).

Although this recommendation was not yet officially approved in the board meeting, it became the underlying assumption for the board’s discussion in its strategic planning.
retreat held in May. The timing of the decision was critical since the strategic planning meeting, in which the board would revise the strategic plan officially, was scheduled in May; therefore, the board’s decision to invest in installments would leave a large amount of cash to enable NL’s growth.

In this retreat, all the board members were very confident that NL would be able to grow fast in the coming 3 years with a lot of cash available in NL’s account as a result of the decision to invest in instalments. In the discussion, they reached an ambitious growth target to double in size in 3 years (discussed and written down as a revenue measure in this meeting) and they specified the resources that NL had to support the growth. Hence, the team became clearer about the size of growth, which was captured in Goal 3 in SPII.

In the last meeting (June 2008), the board went through the formality of approving the recommendation from the FSC which had been made in the FSC meeting. The recommendation was short and there was not much discussion. All the board members except Tom, the Executive Director of a large nonprofit organization, agreed with the recommendation. The whole team laughed and joked about Tom’s comment that, years later, if the investment failed, he would be the one to say “I’ve warned you on that day! [Laughing, Amused, Team Amused]”. The intense displays of amusement and excitement lasted for about a minute. I call this emotional dynamic “amused relief” - the last part of the amused encounter emotional dynamic, in which team members display intense collective amusement and excitement. This was associated with the perfunctory strategizing process in which the board went through the formality of officially approving a decision that had been made unofficially before the meeting without much discussion. The amused relief emotional dynamic, in which board members laughed together, served
the function of releasing the tension that had been built in the previous meeting, rather than substantively discussing the investment issue. The final decision - an annual installment - provided cash for NL’s growth. Finally, the team made the last move toward clarity about the size of growth, together with the decision made regarding the IT investment that I will discuss in the following section, and so brought clarity to the strategic plan.

In summary, after the energetic emotional dynamic which enabled the team members to develop many proposals, identify related issues, and make a preliminary decision on the investment, in the second meeting the team members reviewed this discussion and sought to bring all the board members to the same understanding. The decision making slowed down because the board requested a lot of information in order to make a decision. The unexpected rebuttal emotional dynamic led to renewed attention from the board, thus expediting the decision making process, but it also triggered tension between the team members. Thus the board moved the discussion to committee meeting and made a preliminary decision there. In the last meeting, team members’ displays of amusement and excitement released the tension built in the previous meeting and repaired the relationship between the team members, thus they agreed upon the final decision. Therefore, the team finally reached the clarity that they had secured the cash resource to enable NL’s growth and the strategic plan became clearer, that is, “to double in size in 3 years”. When it was written, as I will explain in the following section, the team agreed that this growth meant to “double our revenue”.
Topic 2: IT Investment

The second topic, discussed in two meetings, that is related to the change between Goal 3 in SPI and Goal 3 in SPII is Topic 2: IT investment. In the first meeting (October 2007), Catherine and John (the board member who led the IT Committee and the Vice President of IT at a national fast food chain) presented the IT committee’s proposal for a specific new IT system. Catherine and John wanted the board to approve a $150k (number disguised) budget range; whereas the vice chair, Calvin, and other board members wanted more details from the IT committee before they could make such a decision. The discussion started with everybody displaying emotional neutrality. As Steve became excited, requesting more details of the proposed system, John became frustrated and refused to provide more details. For Catherine and John, this was the “very same thing as the endowment fund investment discussion”- that the board got involved in “too much operational detail” (int-2008/10-Catherine). Thus John did not provide sufficient information about the new system and became frustrated when pushed by Steve. Catherine tried to smooth the interaction by apologizing whenever John became too confrontational and she explained to Steve that the IT Committee could provide a very detailed report for the proposed system. Nevertheless, Steve’s questions clearly stated his reasons for disagreeing with the proposal, for instance, the board needed to have several quotes to compare and needed to know the function and the benefit of the system, the return on investment, and so on. These questions stemmed from his experience of choosing a suitable IT system for his own company and his friends’ bad experiences of making poor decisions on IT systems (Int-2008-Steve).

Steve: It seems a higher proportion of cost for an install that’s relatively cheap. [Neutral] John:“I don’t know the details of it because we never saw it... [Frustrated]
Catherine: We do have the detail on it. Steve, I’m happy to forward to you. We have the detail. [Neutral]

Steve: So I have some familiarity with it, but I just need to feel that we are on solid ground here before we start to make this commitment. I’m reluctant to commit to spending the money without knowing what the benefit is, and committing to spending the money when really, we should be able to get some free quotes, but again, I’m speaking, obviously, at the end of a big cycle. It’s learning. And I don’t know how much consulting work has gone on to produce this, and maybe I should stop worrying, but I, personally, feel I could use a little more information on the return investment benefits. [Neutral]
John: Well…it’s very difficult to come up with a return on investment. [Frustrated]

Steve: Can we sniff around to see whomever of the world can do this, and then decide the kind of a price range? [Neutral]
John: I was not involved in the detail analysis, the study of the different options. [Frustrated]
Steve: To come up with number, somebody must have already got the quotes, and maybe that’s where I’m a little behind the ball here, thinking, “We need to get some quotes”, but maybe those are the quotes, and then the next step really is a scoping study for which we have to have some money available. [Excited]
John: My understanding is we talked to the companies, got information from their websites or whatever to come up with these costs. [Neutral]
Catherine: And there is a very lengthy report behind this report. [Neutral]

John: These were software companies that provided solutions for not for profit organizations, and that’s why, to the IT Committee, pretty damn cheap. I’ve gotta go, but I think we should...[Neutral]
Steve: …this is from the sky, as far as I’m concerned. To be going yes to this amount of money seems a big drop without me having any knowledge of where this has come from. I don’t know if anybody else feels that amount of discomfort right now… or maybe people are being partial to this has been coming and that really we should just move ahead with this. I like the idea of having a system, I feel it’s important to have one that’s gonna enable growth, so I’m behind the idea entirely, I just feel like my back’s against the wall here to say yes because there’s no chance to say no right now. [Excited]
Catherine: I apologize for that. The board wasn’t aware that we’d been in this long process. That would be my fault, Steve.[Neutral]

Steve: [sighs] Broadly, I guess I also have another concern. I know the numbers they obviously want to jump on, but we don’t know if this is going to work. We take the leap of faith that whoever we choose is going to make this customized and working for what we need—[Excited]
John: We also don’t know that whatever Kirk recommends for investment will turn out to be proper, either, but I go back to putting some faith in the endowment fund investment?[Excited]
Steve: Yup. But there seems to be a bit more predictability in financial markets than IT, maybe not. I’m not disagreeing that it’s a leap of faith. Maybe those numbers are
reasonably accurate. I’m just not sure… tell me again what the motion is, tonight? Maybe I’m making more of this than it needs to be. What’s the motion on the table or the decision we need to make right now, please? [Neutral]
Calvin: I’m trying to find that right now. [Neutral]
John: Perhaps the motion is to proceed with getting a finalized cost estimate, quote, with the expectation or possibility that the cost will be under $100,000 for the solution. We’re moving ahead. We got that it could cost up to that, and if proven that’s worth it, we will proceed, but we’ve gotta go the next step in order to come up with some of those numbers that Steve was asking for about the ROI, what’s the implementation cost, what’s it gonna cost for staff training and stuff like that? We don’t know that until you test drive the car. [Excited]

Calvin: I’d actually like to simplify to give more discretion, because what I’m hearing is the board needs more information, so I’d like to propose, even though it may cost us the scoping fee, the board authorizes the executive director to perform a formal scoping study for the implementation of a CRM and present that to the board, because we’re not going to be able to avoid this process. I can just tell. No one is comfortable without seeing the numbers but wants to move ahead. I— [Neutral]

Steve continued to explain that he understood scoping differently from the way John had described it and asked for more information about the system. John wanted to leave the meeting earlier for another commitment. He stood up and put on his coat but Steve could not see this since he was on the phone. Steve kept on talking about the difference between “scoping” and “quoting”.

Steve: So, Calvin, my point is if we’re going to make a motion about scoping, that’s another question altogether, and we need to be careful of the words we use when we speak of IT matters to IT people. [Neutral]
John: Let’s make a motion. It doesn’t have to be unanimous, does it? [Frustrated]
Tom: Well, we have a motion, do we not? [Neutral]
Catherine: The quorum has to leave, Steve. [Neutral]
Steve: Oh, really? [Neutral]
Catherine: Yeah. John has to go, so we have to decide this so we can vote, or we don’t have a quorum any longer. [Neutral]
Steve: Okay. [Neutral]
Catherine: Ted, what’s the motion? [Neutral]
Ted: At last that the board instructs the Executive Director to perform a formal scoping study to implement a CRM with the goal of obtaining the finalized costs estimate and quote…Taking into account the recommendations of the IT Committee. [Neutral]

…
Steve: I... [sigh] I’m still worried about the word “scoping” in there, but I will go with the flow, and I will vote yes.[Frustrated]

Steve’s seemingly reasonable questions did not receive adequate answers from John. John seemed to be offended by other board members’ questions, especially those of Steve. He believed that the board should not ask too many unnecessary detailed questions regarding this recommendation since the committee was made up of top IT people in the city and the team had worked for 2 years to give this recommendation; therefore the board should be confident with the IT committee’s proposal (Int-2008-John). The Executive Director tried to calm Steve down, telling him that there was a detailed report supporting the recommendation. Finally the decision making was postponed to later meetings because the board requested further information. Catherine’s mediation between John and Steve seemed to tell John that she did not want to offend other board members too much since NL did need the system as soon as possible. Because of this, John stayed in the discussion, although unwillingly. It also calmed down Steve and so the contention between John and Steve did not explode.

I call this emotional dynamic “mediated contention” in which one board member’s questions caused frustration in another board member, causing the first to push excitedly for explanation but eventually express frustration. A third member intervened to calm the two confronting board members, preventing the contention from exploding. This was associated with a blocking strategizing process in which one board member was engaged in the discussion unwillingly and thus failed to provide details to support a proposal, preventing the board from gaining a full understanding and resulting in the postponement of a decision.
In the second meeting (January 2008), Catherine told the board that she had made the decision with the IT committee and had purchased an IT system before the end of 2007. Catherine explained to the board that she had called in Tom and Steve, who had the most questions in the previous meeting regarding the IT committee’s proposal, to provide them the details they requested. Working with these board members outside the board meeting allowed the decision to be made by providing sufficient information to them, hence easing their anxiety (int-2008-catherine). Team members were aware, however, of the tension that had built in the previous meeting between John and other board members, especially Steve (int-2008-Catherine, Steve, John, Calvin). The amused relief emotional dynamic in which board members joked about what they had done in the IT committee meeting helped the team members release the tension built in the mediated contention in the previous meeting and repaired the relationship.

At the beginning of this meeting, the vice chair, Calvin, described the discussion in the previous meeting as “important, deep, intensive conversation”. John commented that there was a sense of “frustration” and all the team members laughed at his comments.

Calvin: …how did you find your experience on that IT Committee, because we had a fairly important and deep but intensive conversation in the October meeting that I recall, and I just sensed this sense of— [Neutral]
John: Frustration…[outburst of laughs, all team members amused]

And then Catherine joked:

Catherine: Calvin, you chaired that meeting! [Outburst of laughter, team Amused]

The chair commented on the communication between the board and the committee:

Tanya: Because we’re gonna have exactly the same discussion that we had and we’re gonna say—we’ve made an iterative step in this, right? In terms of our last discussion. So really, what was the tax advice we were looking for? Really, what was the accounting advice we were looking for? Really what was the investment advice? And so I think when
we have those big decisions, we have to have a process of breaking it down and having more information go back and forth, not just “let’s talk about it again next April... So we can put it up to committee to figure out. [Outburst of team laughter, team Amused]

These jokes and amusement seemed to relieve the tension built in the previous meeting. Then the ED announced that she and the committee had made the decision to purchase a certain kind of IT system. The board members said they “grilled” one staff asking her to explain why she chose the system. The board members all burst into laughter.

Catherine: On the IT, back to that long discussion, what happened—the way we resolved that was the board tasked us with going away and gaining more information and being more clear about exactly how much it was gonna cost to do what we need to do. We went away and did that investigation, and it became really clear that there was a best option for us, so we called in John, and Steve, and Tom, because they were the people who had asked lots of questions at the IT discussion, and they met with the program directors, at which time we presented the option to them, and I have all of that information if you’d like to see it. I have one copy of it here, I can send it to you electronically, and it falls within the budget for 2008, so we determined that it probably did not need to come back to the board, that all of that had happened, that we had the money for it, and it was considerably less money than the $150,000 that we asked for. In fact, the issue will be the ongoing amount which they estimate at being in the vicinity of $15,000 a year, and the start up cost is about the same. So about another $15,000 a year. So we actually have purchased the system and we are in the process of [staff name]’s working very, very hard on all the data entry, which she’s doing more than anyone else, so that’s an update on IT. And I’ll be happy to answer any questions on that or listen if you think that our process fell out of line at some point.

John: I grilled [staff B] yesterday or the day before about what’s the right system. She’s very well prepared I have no doubt—[all laughs]. I continue to be a beast. [Team laughs, team Amused]
Tanya: “I’m impressed that you’re not doing data entry if you grilled her, John.” [Everybody laughs, team Amused]

Tom: Yeah. John’s not in any hurry. [Everybody laughs, team Amused]
Catherine: Steve really grilled her on the process she’s gone through to make the decision, as well. So I think we passed on that one, and I have no idea... we made all of these decisions because they offered us a really good deal by the end of the year, and all kinds of things happened, but I loved John’s question to her most of all. He said, “If I were gonna write you a check right now for any amount, which system would you pick?” And she said, “This one.” So that, I felt—that she really thought about it and said, “This one.” [Laughing] I was waiting for you to pull out your check book, John. [Amused]

John: She didn’t ask for a check. [Everybody laughs, Team Amused]
Catherine: *Truly, I’m happy to send you any of the information any of you would like to see, so... [Neutral]*

This was again associated with a perfunctory strategizing process as in the last meeting discussing the Endowment Fund Investment. Thus, the board members were informed about the decision without much discussion. This new system provided the technology NL needed to deliver programs online and to manage its clients more efficiently. This decision brought clarity that NL would be able to grow big and fast with the new IT system.

In the May 2008 strategic planning retreat, therefore, the board was very confident that the organization would be able to grow quickly in the coming 3 years with a huge amount of cash available and a new IT system to deliver services worldwide. Everybody agreed that to “double our size in 3 years” was achievable. While most of the board members believed that “double in size” was a revenue measure, however, the Executive Director and one board member (Jade, an HR consultant in local government) proposed that revenue might not be a good measure for a nonprofit organization’s performance. Instead, they proposed it should be to “double our impact”, similar to Catherine’s “increase clients’ impact” argument at the beginning of the study. Their voices were, however, ignored by the chair and other board members because “we don’t know how to measure our impact” (Tanya, Memo-2008SPRetreat). Therefore, at the end of the meeting, “double in size” was predominantly agreed upon by the board as a “revenue” measure. Thus “double in size in 3 years” was written into the strategic plan and Goal 3 in SPII became clearer than Goal 3 in SPI in terms of size of growth.
In summary, in this discussion, as in the discussion of the endowment fund investment, the team members proactively managed the conflict about whether the board or the staff should be in charge of the decisions. In the first meeting, although the mediated contention emotional dynamic created tension between team members, it also allowed different opinions to be expressed regarding the IT committee’s proposal. Aware of the tension built between team members, the board decided to move the discussion to an offline meeting as they did in the endowment fund investment discussion. This provided more time and space for the team to debate different ideas, and so, to make a preliminary decision. In the second meeting, the amused relief emotional dynamic released the tension that was built in the previous board meeting among all the members and repaired the relationships between them. The information given in a joking fashion informed the board members about the work that had been done in order to make a decision. Thus the board members simply accepted the fact that the decision had already been made. The new IT system, together with the endowment fund, provided the board the confidence to generate more revenue in the coming years and so the strategic plan became clearer in terms of the size of growth. The clearer Goal 3 in SPII reflected the outcomes of the discussion on the two topics.

5.2.5. What does growth mean? - From ambiguity to clarity (from Goal 3, SPII, “double in size”, to its removal from SPIII)

The team continued to address the question of meaning of growth in Year 2 under Topic 3: Development, Update, and Use of Key Performance Indicators. Now, instead of disagreeing on whether to grow meant to increase the number of clients or the impact of clients, the team disagreed on whether growth meant to increase revenue or to increase
NL’s impact. This again reflected the conflict between social and commercial goals. At the beginning, the team’s discussions followed the same pattern as in the first year, that is, they evaded this conflict: An amused rejection emotional dynamic was generated in the first meeting, followed by neutral discussion in the second meeting. In both of the meetings the team postponed in-depth discussion. In the last meeting, however, the strategic planning retreat, the team engaged in a heated debate involving an amused encounter emotional dynamic about whether revenue was an appropriate goal for NL and they made a decision that growing in revenue was not relevant to NL. This abrupt change in the strategic planning retreat could only be understood by taking into consideration what had occurred in the three prior board meetings where “size of growth” was discussed and which I will discuss in the next section.

In the first meeting (November 2008), the Executive Director delivered NL’s Quarter 3 performance results. When the board asked her whether there was growth in programs or training services, they touched on the question of what “double in size” meant.

Sarah: Remind me about that... over the 3 year period, we want to double in size? [Neutral]
Catherine: Double in size. It wasn’t... the words were “double in impact” as I recall... [Neutral]
Tanya: I think it has to be double in size. We didn’t have any measure of our impact, so you wouldn’t have any way to figure that out, right? [Neutral but very firm tone]
Catherine: I can figure it out, yes. [Catherine chuckles, Amused; all others are Neutral.]

Here, “to increase NL’s revenue” was the board’s understanding of what growth meant. Catherine amusedly noted her understanding of “double in size” in terms of NL’s impact, but she quickly gave up when the board chair firmly pushed back.
This was again an amused rejection emotional dynamic between the Executive Director and the board members in which she rejected a commercial goal and reiterated a social goal, with amusement. It was again associated with a suspending strategizing process: different ideas were expressed but serious discussion was not pursued. Thus the meaning of growth remained ambiguous at the end of this meeting.

In this meeting and several meetings after, the board became aware of the economic downturn and started to feel “uncomfortable” about a $200k loss due to investment into new products and the loss of one major fund. In the second meeting (March 2009), the Vice Chair, Calvin, raised the question of whether revenue was a legitimate performance measure at the organizational level. Sarah, the treasurer, retained that “double in size” meant to double the revenue. Tom, who was an executive director of a big nonprofit organization, commented that it seemed unrealistic to double NL’s revenue and nobody would care if NL did or not provided it achieved its vision. Tom and Catherine further argued that, when Goal 3 was developed, it was not a revenue measure; however, Tanya firmly argued that she could “clearly remember that was doubling in size in a total revenue position” and she did not think this was a topic for this meeting. This was an emotionally neutral discussion although everybody used a firm tone. After the chair reiterated her point of view, everybody just went silent. This was associated with a suspending strategizing process. Therefore, the question of what growth meant was raised but not discussed. “Double in size” stayed on the strategic plan with two controversial interpretations.

After this meeting, the board discussed Topic 4: ED performance evaluation and Topic 5: Current Financials in three meetings and agreed that growing NL’s revenue was
not possible. Having established that growth was not possible, in the 2009 strategic planning retreat (November 2009), the team again addressed whether growing revenue was relevant to achieve NL’s mission/vision. The discussion of “double in size” in this meeting involved an amused encounter emotional dynamic in which the Executive Director initially used amusement to show her disagreement with the “growth in revenue” strategic goal.

Steve: ... *Growth in your mind really means higher revenue, more revenue coming in the door.* [Neutral]
Calvin: Yeah. [Neutral]
Catherine: It always did. I always knew that’s what Calvin meant, but everybody else on the board didn’t necessarily mean that. [Team laughs, all Amused]

... Calvin: When I look at our Goals, I think they’re all consistent with what I’m thinking of except for number 3... Number 3 has always been problematic for us. [Neutral]
Catherine: Well, and you moved us into it completely for the second half of the year! [Amused]
Calvin: [Laughing] It’s true. It’s true. I own that. I own that. But 3 brings in cash, right? [Amused]

John, Beth and Judy then argued, in an excited manner, that growth in a revenue sense was irrelevant, no matter whether it was realistic or not, provided that NL was on track to achieve its mission.

Judy: Yeah, I think when I think of growth, I think that it can be chimed out. I think we’re on track for our mission, but I start to wonder whether we’re being a little bit, um, the definition of success needs to be revisited. [Excited]
John: ... doubling in 3 years, whatever that meant. That’s the flaw. [Excited]

... Beth: ... It comes back to the point of saying I quite frankly don’t care whether we double in size or not. To me, it’s about how do we extend the reach of the work that we’re trying to do in an efficient and meaningful way?...The size of this organization, to me personally, doesn’t matter as long as we’re doing the job that we’re committed to doing. [Excited]

Judy and Beth had extensive experience in the nonprofit sector and were very much respected by the board members. Their strong, excited counter-argument ultimately
persuaded Calvin, the strongest supporter of the “revenue” interpretation. He finally agreed with the other board members’ argument that “double in size in revenue” was not an appropriate Goal for NL. He laughed with the team members:

Catherine: And when we said double in size, I interpreted that – because we did never clarify that, I interpreted that we were going to double our impact. So that was how I felt. I knew Calvin was thinking money, but I was thinking impact. [Laughing, Amused] Calvin: And Tanya (the previous board chair)! Don’t put it all on me! [Everybody laughs, team Amused]

After a short discussion about what “new success” would look like, Calvin agreed that it did not make sense to “grow for growth’s sake”. Thus finally the team agreed that growth did not mean to grow in revenue.

In summary, in Year 2, the team initially avoided the conflict between social and commercial goals and did not discuss much; they did not figure out the meaning of growth. With the agreement that to double revenue was not possible, the amused encounter emotional dynamic enabled the team members to debate openly and agree that “growing revenue” was irrelevant, a topic that they had avoided discussing since the beginning of Year 2. Goal 3 was therefore removed from the plan and the plan became clearer in terms of the meaning of growth - growing NL’s revenue, one of the two contradictory meanings of growth, was considered irrelevant.

5.2.6. How big can we grow? - Clarity achieved (It was not possible to grow)

The discussions of two topics, Topic 4: Current Financials and Topic 5: ED Performance Evaluation, addressed the size of growth in Year 2. The board did not plan to address this question but the economic downturn triggered the discussion unexpectedly.
The financial situation of NL, presented and discussed under the issue of “Current Financials”, had not engaged much discussion until the June 2009 meeting; they had been working within the budget and no one expressed any concerns about the future. By June 2009, the economic crisis had become more severe and the board spent a lot of its meeting time on this topic. Instead of driving the staff to continue growing NL’s revenue as indicated in the strategic plan, board members got involved in an “uplifting exchange” emotional dynamic in which all board members engaged in a serious discussion of the adverse situation of the organization in a neutral manner but occasionally used jokes and displayed amusement which kept the morale of the team high. For instance, when the team tried to find innovative ways to cut staff costs:

Steve: ...the cuts we’re making are likely to come from people, rather than delivery of programs, right? [Catherine: Right]. So is there any creative way around this? If somebody wants to go on leave for 9 months? Or ... [Smiles, Amused]
Beth: Say nine months. [Team Amused, laughs]
Catherine: Nine months. That’s an unusual number. [Team Amused, laughter]

This uplifting exchange dynamic was associated with a generative strategizing process in which the board members asked many questions, generated many potential solutions, and thoroughly discussed the three recommendations from Catherine. By the end, all the board members started recognizing that to grow to double the size in a revenue sense was unrealistic.

Catherine: So to look at doubling in size in 3 years [Sarah laughs, Amused] is pretty far-fetched at the moment... [Catherine laughs, Amused] [Talking together and laugh, Catherine, laughs, Yasmin smiles, Beth smiles, Team Amused]
Finally, Steve joked that there was no holiday for the board that summer since the board decided to have an extra meeting to discuss the implications to NL of the financial downturn.

Steve: *No more holidays for the board, that’s what I say.* [Everybody laughs, Team Amused]

Calvin: *OK* ... [Amused]

Catherine: *And watch, we’re going to cut your pay too!* [Amused, team laughs, team Amused]

After the “round table” discussion, Catherine and the vice chair thanked each other, expressing appreciation. All the other board members looked at them, nodding.

Catherine: *Thank you all very much for this discussion today ’cause I do, I have stressed over this a lot and I am not joking when I say that I have been losing sleep but I feel very fortunate to have a board that is really taking it seriously and we looking at what could happen, I very much appreciate all of your input. And I am lucky to have staff A and B to work with me on this as well.* [Neutral]

Steve: *Thank you for sticking with it.* [Neutral]

The July 2009 meeting was designated for the discussion of the financial situation of the organization. In this meeting the board members expressed empathy for the difficult situation that Catherine was going through. NL lost one major fund because of government budget cutting and the new programs that were launched recently did not attract as many clients as expected; thus NL faced a large deficit. The team members were concerned about Catherine’s motivation and feelings. For instance, John said:

“*...The book was really in supporting our mission and initiatives, but we’re talking about reviewing that and then scaling back...We are preaching one thing, but we’re doing another thing because we can’t afford to do what we’re preaching. I’m sure that you probably don’t feel good about postponing the book; it’s very near and dear to your heart.*” [Neutral and expression of empathy to Catherine]

The Executive Director, on the other hand, expressed her understanding of the board members’ concerns to sustain the organization so she agreed to delay the book-
writing and to focus on the business that could bring NL cash. This was a big compromise since the book, which would articulate NL’s philosophy and the practices it advocated, was what she really loved and what she believed would significantly enhance NL’s impact in the community. At the end of the discussion, the board clearly understood that to “double in size in 3 years” in a revenue sense was not possible and decided to scale back from its intended growth.

In the September 2009 meeting, when the board evaluated the ED’s performance, members expressed their empathy for the pain that Catherine was going through and decided to lower their expectations for NL’s performance.

Judy: I’d like to know if she personally feels a little bit de-motivated. She’s got the book on hold and that was a passion of hers. Being team members, we should know what she personally is going through… her favorite stuff is kind of being moved back, we are pulling the favorite touch… it’s pretty hard. [Neutral and expression of empathy]

John: I think it ties into the board retreat. We have to be conscious that we don’t expect or demand too much, because it could add more pressure on her… [Neutral and expression of empathy]

In this neutral discussion, the board members empathized with the difficult situation that the Executive Director was going through, expressing concern about the Executive Director’s personal well-being and motivation. In my interviews with the board members, several board members, such as John, Sarah, Calvin, Beth, and Judy, all told me that they had experienced similar situations in their full time jobs and they felt for Catherine about the tough situation that she was in (int-2010- John, Sarah, Calvin, Beth, Judy). To show their concern and appreciation for the Executive Director’s efforts for the organization during the hard time, the board decided to lower their expectations for organizational performance, believing they should not ask too much of the Executive Director (to grow
into “double size” in 3 years) and to simply focus on sustaining the organization in the difficult time. I call this an appreciative strategizing process.

In summary, the uplifting exchange emotional dynamic in the first meeting enabled the board to have a thorough discussion of many possible solutions; however, none seemed viable. In the following two meetings, the expressions of empathy drew the team members close together and the board decided to lower their performance expectations with the Executive Director. The board reached an agreement on the size of growth: that it was impossible to grow. The removal of Goal 3, “double in size”, from SPIII reflected the clarity reached regarding size of growth.

5.3. Case Study 2 discussion: The cumulative effect of emotional dynamics, strategizing processes & changes to the strategic plan

In this study, I set out to investigate the connection between talk and text, two major aspects of the practice of strategy, by examining the cumulative effects of the emotional dynamics and the strategizing processes in a board team’s regular meetings over time, and on the strategic plans that were produced. First, I found that the strategic plan changed around two aspects of the organization’s “growth”: the size and the meaning of growth for the organization over a two year period. Second, I showed how changes to the plan were reflections of both the processes and outcomes of the team’s discussions over time: If the team reached an agreement about an answer concerning growth, the corresponding element of the plan became clearer when the team officially updated the plan; if they did not reach agreement in their discussions, it became more ambiguous. Third, I found that the chains of emotional dynamics - multiple emotional dynamics generated in the team’s discussion of one topic across meetings between two
versions of the strategic plan - influenced whether and how the team members reached an agreement. Some emotional dynamics enabled team members to have in-depth discussions of the growth question being addressed; others did not encourage such discussion.

In this section, I explain the two fundamental conflicts that underlay these strategic topics. I investigate how the team’s avoiding, managing to overcome, or engaging and resolving these conflicts triggered different kinds of emotional dynamic chains. I further argue that team level of psychological safety contributed to the different ways they managed the conflicts, which then shaped and were shaped by how the chains of emotional dynamics developed over time.

5.3.1. Meaning of growth (SPI- SPII): From clarity to ambiguity - avoiding conflict & reinforcing the sense of danger around the topic

The first kind of emotional dynamic chain (see Chain 3: KPI’s, Table 13 & Figure 2) involves the amused rejection emotional dynamic followed by multiple neutral discussions. This chain occurred when the team discussed Goal 2, whether “to increase number of client organizations” was an appropriate goal, which addressed the “meaning of growth” question in the first year between SPI and SPII. The characteristic of this emotional dynamic chain is that team members avoided each other with light amusement so that I call it a “light-hearted avoiding” chain. It was associated with a sequence of strategizing processes that is procrastinating in nature: in multiple meetings the team members shared opinions but did not engage in in-depth discussions; therefore, the team failed to reach agreement regarding the meaning of growth and the relevant element of the plan became more ambiguous.
As noted previously, during my observation NL underwent the planned change from a traditional nonprofit organization to a more business-oriented organization, as reflected in its commercial and quantitative strategic goals which were concerned with achieving social vision through “growth”. The fundamental tension between the social values that NL advocated and the commercial strategic goals against which NL’s performance was measured underlay the team’s discussions of the question of “what does growth mean”. Recent studies identify this tension as a major source of conflict in nonprofit organizations since there is a risk of “mission-drift” (Cooney, 2006, p. 144) if they adopt commercial, quantitative strategic goals - goals that are becoming popular in the nonprofit sector (see also, Bull, 2008; Parker, 2007; Young, Jung, & Aranson, 2009). This was the case at NL.

NL’s board members held opposing opinions regarding whether it was appropriate to use commercial strategic goals. The majority of NL’s board members came from the for-profit sector with backgrounds in finance, accounting, law, and marketing, and strongly believed in financial measures in numbers which could provide the comfort of tracking the performance of an organization. The board members coming from the nonprofit sector recognized this trend in the sector but believed a nonprofit organization’s performance could not be accurately captured by quantitative, financial measures only; however, they recognized it would be difficult to persuade the other board members. Thus, there existed an ideological faultline which came from their different functional backgrounds and divide the board members into two subgroups (Dyck & Starke, 1999; Kahn, 1990; Lau & Murnighan, 1998; 2005; Tuggle, Schnatterly, & Johnson, 2010). The Executive Director liked the fact that the board agreed to her initiative to sell the training
programs and services but she did not like the idea of being measured against financial, quantitative strategic goals. Nevertheless, she could not articulate how to measure NL’s performance against the qualitative “impact” strategic goal that she advocated. These different positions regarding Goal 2 made it a very sensitive topic. In addition, since this was the first time in the board’s history to try to develop and use some measures against which to evaluate NL’s performance, the team members did not know what kind of interaction such a conflict-laden topic would trigger. Thus the team members’ first reaction was that they wanted to avoid the conflict by avoiding direct confrontation with each other.

This reluctance to take part in a difficult discussion may also be because of the low psychological safety in the team. Psychological safety is defined as a shared belief that the team is safe for interpersonal risk taking (Edmondson, 1999) and usually occurs in teams with strong fault lines (Dyck & Starke, 1999; Lau & Murnighan, 2005). Low psychological safety was indicated by the fact that the team members could not bring up the conflict directly, speak openly about it and engage it constructively; rather, they let it fester (Edmondson, 1999; 2002; Kostopoulos, 2012). It seems that this low psychological safety worked as the backdrop against which the team’s initial emotional reactions and conflict-avoiding behaviors occurred.

The strategic issue diagnosis literature suggests that senior team members’ perception of an issue as threat or opportunity triggers negative or positive emotions respectively in a team (Dutton et al., 1983). In this team, however, this conflict-laden topic triggered an amused rejection emotional dynamic in the first meeting when two different standpoints were expressed, that is, the preferences for commercial, quantitative
goals vs. social and qualitative goals. This emotional dynamic maintained the relationships between the team members while fundamentally different opinions were expressed, since this was a milder and less threatening way to do so (Griffiths, 1998). By avoiding the conflict that might arise through the frank exchange of different opinions, team members maintained their relationships (Canary, Stafford, Hause, & Wallace, 1993). This is consistent with the findings that, in general, positive displayed emotions enhance cooperation between interacting parties (e.g., Hareli & Rafaeli, 2008; Keltner & Haidt, 2001; Van Kleef, 2010). Focusing too much on cooperation and maintaining relationships, however, prevented any one position becoming dominant and led to a suspending strategizing process and postponed decision making.

What occurred in the first meeting set the tone for later meetings, suggesting that in order to avoid conflict and maintain the relationship between the team members, they should avoid debating Goal 2 in the meetings. The brief neutral discussions in later meetings scratched the surface of the topic but failed to engage the team members in a deep discussion, which was repeatedly suspended for later. Therefore, I observed a recursive process in which the danger of discussing this topic was reinforced over a period of one year - the more they worked to maintain their relationship, the more they avoided discussing the issue in-depth and delayed it to later meetings. It seemed as though the discussion of the meaning of growth became something of a danger zone into which everybody avoided stepping. This is similar to the danger zone identified by Maitlis and Ozcelik (2004) in which the team members all tried to avoid effortful, potentially unpleasant discussions which could move the discussion forward and force a decision on what would constitute an appropriate goal. It is different, however, in that the
danger zone in their study was created through the organizational members’ feelings of fear and anxiety; whereas in NL’s team it was triggered by the amused rejection emotional dynamic that only involved positive emotions. This is probably because the topic discussed by the NL board team was neither as personal nor as threatening as the topic handled in their study. In addition, in their study, the organizational members distanced themselves from the topic by avoiding the topic totally; whereas NL’s team superficially engaged with the topic when they had to discuss it, which was shown by the non-emotionality of their discussions in later meetings. As a result, substantive discussion of the question was never pursued, the indecision was escalated over time (cf. Denis et al., 2011; Edmondson, 2002), and the team could not reach an agreement on what growth meant to NL. Hence, the relevant element of the plan became more ambiguous.

5.3.2. Size of growth (SPI- SPII): From ambiguity to clarity - managing to overcome conflict & building a buffering zone

The second kind includes two emotional dynamic chains: Chain 1: Endowment fund and Chain 2: IT investment. I call this type “colliding and reconciling” and features of this pattern are: the conflicts between team members were spelled out with expressions of intensely positive and/or negative emotions thus some tension was built between team members (the unexpected rebuttal in Chain 1 and the mediated contention in Chain 2); the amused relief emotional dynamic at the end of each chain repaired the relationships between the team members at the end of the overall discussions. This kind of emotional dynamic chain is associated with a sequence of strategizing processes that is circumventing in nature- instead of having head-on fight, the team members moved the discussion of a conflictual topic to offline committee meetings where they had in-depth
discussions and made decisions and then an official decision was made in the last meeting. Therefore, the relevant elements of the plan became clearer (“size of growth”, between SPI & SPII. see Table 13, Chain 1& Chain 2; Figure 3).

The fundamental conflict that underlay the discussions of “size of growth” was the long-lasting conflict between the team members regarding how much operational detail the board should get into on decisions that the staff believed fell into their own territory. This kind of conflict is fairly common in nonprofit boards (e.g., Forbes & Milliken, 1999; Oster, 1995). John and Gina openly supported the Executive Director’s (Catherine) argument that the board should not get into much detail; whereas Tanya (chair), Calvin (vice chair then became chair in Year 2), Sarah (treasurer), and Ted (previous treasurer) always wanted to get into more detail in the major decision making processes. So the board members in the latter group were also the ones who argued for commercial strategic goals; therefore, there existed a strong fault line between the team members.

In contrast to the team members’ avoidance of the conflict between their opinions regarding social and commercial strategic goals, the team members were fairly open about this conflict in the board meetings and when they were interviewed. Some board members, especially John, even stopped the team’s discussion when it went into operational detail several times in the board meetings and in the strategic planning retreats. It is probably the team’s familiarity with this conflict that reduced their concerns of openly talking about it; however, they had never tried to resolve the conflict- whenever the conflict became spelled out, the team moved the discussions to offline meetings and overcame it there. Again, this was probably because of the low psychological safety in the team - the team members were concerned about the potential interpersonal risk if they
discussed these conflict-laden topics in the meetings (Edmondson, 1999, 2002); therefore, they preferred to discuss these topics in offline meetings in which team members who wanted to ask more detailed questions would not meet those who considered it unnecessary. By doing so they managed to overcome the conflict between the two groups of team members instead of resolving it.

The unexpected rebuttal emotional dynamic, the 3rd emotional dynamic in Chain 1 (Endowment fund investment), was triggered by Catherine’s proposal which overthrew the team’s previous discussion and her push for a decision. When the team members disagreed with Catherine’s proposal, the intensely positive emotions involved in this emotional dynamic - excitement and surprise - indicated that this proposal was very important to them (Frijda, 1986; Scherer, 2000). The fact that it did not trigger intensely negative emotions in the team was probably due to the lack of urgency in Catherine’s request that the board should make a decision in the next meeting rather than right in that meeting. Nevertheless, the conflict regarding whether the board should get into too much detail in making this decision became salient and some tension was built between the team members.

In the mediated contention emotional dynamic, the first emotional dynamic triggered in Chain 2 (IT Investment), there was a wrestle between intensely positive emotions (excitement) and negative emotions (frustration). The energy carried in one team member’s excited, repeated, and well-reasoned argument, persistently pushing for more details, alerted other team members without the expertise to understand the proposal to the fact that more information was needed before the board could make an informed decision. At the same time, the other team member’s repeated displays of frustration, in
the face of seemingly reasonable requests and a counterproposal, suggested his inability to counter the first team member’s argument. Catherine’s mediation between these two team members and her promise that there was a “lengthy report” behind the first team member’s proposal seemed to smooth the confrontation so that the discussion did not explode - as what occurred in Case 1. Thus the conflict was spelled out and tension was built between team members.

In these two cases, the team members then moved the discussion to offline committee meetings which served as a “buffering zone” that provided more time and space for the staff to provide more information regarding the decision to be made to the board members who had asked for more details in the board meetings. They could therefore agree upon preliminary decisions before the discussions went back to the board meetings. The tension built between team members was partly absorbed by this buffering zone but the fundamental conflict between team members regarding whether the board should get into much operational detail when making such decisions, although overcome when they handled this specific issue, was not resolved.

Finally, in the last meetings of these two chains, when almost all the board members were present, the amused relief emotional dynamics resolved the tension built in the previous meeting (Lynch, 2002) and enhanced cohesion between team members (Shiota, Campos, Keltner, & Hertenstein, 2004). This enabled a perfunctory strategizing process in which the team members just went through the formality of approving the decision that had been made. Therefore, the team managed to reach agreements regarding size of growth and so the corresponding elements of the plan became clearer.
To overcome the conflict in a buffering zone and reach an agreement was more proactive than avoiding the conflict all together. It is possibly because the history of this conflict with this team - what occurred in previous meetings when the team discussed similar topics and the extent to which the team was familiar with this tension - influenced the emotional dynamics generated and the way they managed the conflict.

In summary, in the first year, the team members’ different understandings about what growth meant - to increase the number of clients or to have clients that are of high impact - did not prevent them from working together to figure out the resources needed to enable growth. This is probably because the different interpretations of growth had similar action implications, that is, to figure out resources such as cash and a new IT system. This situation of “equifinality”, (Beer, 1959; Donnellon, Gray, & Bougon, 1986) describes a situation where organizational members have different reasons for undertaking an action and different interpretations of the action’s potential outcomes, but they nonetheless act in an organized manner. This “equifinal meaning” served as a backdrop for the team’s discussions; therefore, the team members discussed the two aspects of the growth issue in parallel as if they were separate issues.

The clarity reached regarding “size of growth” without figuring out an agreed upon “meaning of growth” was problematic since they were two interdependent aspects of the growth issue. Thus the ambiguous Goal 2, leaving the meaning of growth unsettled but using equivocal language to enable the team to move forward temporarily, was not able to suppress the conflict between the social and commercial goals; rather, it simply prolonged the pain (cf. Denis et al., 2011). This situation foreshadowed the inevitable repeated discussion on meaning of growth in the second year.
5.3.3. Meaning of growth (SPII- SPIII): From ambiguity to clarity - From avoiding to engaging conflict & developing trust

The third kind of chain was Chain 4 (which occurred when the team addressed the “meaning of growth” question), which contained Chain 5 (which occurred when the team addressed the “size of growth” question) embedded within it (Chain 4: KPI’s & Chain 5: ED evaluation and current financials). Chain 4, with its embedded Chain 5, were characterized by “growing enthusiasm” in which team members displayed more instances of and more intensely positive emotions toward the middle and end of the chain (for example, collective amusement and excitement) than they did at the beginning of the chain where they displayed light amusement. This kind of chain was associated with a sequence of strategizing processes that is progressive in nature- the team members avoided discussing a conflict-laden topic at the beginning and then became gradually engaged in in-depth discussions toward the end. Therefore, the team members reached agreements on both the meaning and size of growth and the relevant element of the plan became clearer (see Table 13, Year 2, and Figure 4).

The first part of Chain 4 followed exactly the same pattern as Chain 1- the amused rejection emotional dynamic followed by a neutral discussion enabled the team members to avoid the conflict between social and commercial goals and so the team could not agree upon whether the strategic goal meant to “double revenue” or to “double NL’s impact” in 5 months’ time.

Chain 5, which was generated when the team addressed the “size of growth” question, then came into play. It involved an uplifting emotional dynamic at the beginning and neutral discussions, during which empathy was expressed, at the end. In
the uplifting emotional dynamic, the collective laughter and amusement made the difficult situation seem more manageable by showing that the difficulties were not so overwhelming as to be out of control (Burke, 1984; Meyer, 2000); this kept the morale of the team high. At the same time, this positive emotional dynamic enabled all the team members to actively contribute to the discussion, providing many solutions to a critical problem that the organization faced. As discussed in Case 1, it did this through emotional contagion (Hatfield et al., 1994) which created a positive affective tone in the team (George, 1996) and was associated with collaborative strategizing processes in which team members developed multiple possible solutions to the critical problem faced by the organization (Bramesfeld & Gasper, 2008).

Although no solution seemed to work and the team reached an agreement that it was not possible to grow, what occurred in this meeting set a positive tone for the following two meetings in which the board members expressed empathy toward the Executive Director’s difficult situation in the economic down turn. Expressions of empathy have been found to be critical in building trust between team members (e.g., Joireman, Needham, Cummings, 2002; Jones & George, 1998), and this is what occurred in this team. The board members’ similar experiences in their past or current full time jobs made it possible for them to take the Executive Director’s perspective, understand her difficulty and be concerned about her feelings - all parts of their expression of empathy (Davis, 1980; Hakansson & Montgomery, 2003; Hoffman, 2000). This may have made the Executive Director feel supported by the board team, making it easier for her to disclose her vulnerability and stress to the board and ask for their help (Redmond, 1989; Suchman, Markakis, Beckman, & Frankel, 1997). In turn, the board’s help in
investigating possible solutions and their further expressions of empathy contributed to building strong trust not only between the board and the Executive Director but also among all the team members (Joireman, Needham, Comings, 2002; Jones & George, 1998; Redmond, 1989; Lewicki & Bunker, 1996; Shapiro, Sheppard, & Cheraskin, 1992); thus the team members were closely bonded (Knapp, 1984; Redmond, 1989).

Building trust between team members is an important ingredient in enhancing team psychological safety because the team members’ sense of confidence that others will not embarrass, reject, or punish someone for speaking up stems from mutual trust (Edmondson, 1999). Thus, in three board meetings over 5 months, the displays of empathy and understanding built trust between team members that may have increased the level of psychological safety. As a result, the team members proactively engaged and resolved the conflict between the social and commercial goals through an amused encounter emotional dynamic generated in the very last meeting: the strategic planning meeting 2010. The amused encounter emotional dynamic developed in the same pattern as it occurred in Case 1. It involved intensely positive emotions such as excitement and collective amusement and was associated with an integrative strategizing process in which different opinions were thoroughly debated and the team finally reached an agreement on the meaning of growth.

In summary, over 13 months, the team was eventually comfortable having a heated debate about whether “growing revenue” - one of the two seemingly contradictory meanings of growth and a topic that they had avoided discussing for so long - was relevant to NL. The change from avoiding to engaging and resolving the conflict may have come partly from the gradually enhanced psychological safety in the team which
was developed through expressions of empathy and the building of trust between team members. As a result the team members agreed upon the two aspects of growth in the second year and the corresponding element of the plan became clearer.

5.4. Case Study 2 conclusion

In this study, I set out to investigate how a board team’s strategizing activities, as influenced by board members’ emotional dynamics, shaped the construction of an organization’s strategic plan. I found that the strategic plan changed around visions for the organization’s growth and, in particular, two interdependent aspects of growth: size and meaning. These changes to the plan emerged from the team’s discussions about topics that embodied two fundamental conflicts between team members - the conflict between their different preferences for social and commercial strategic goals and the conflict regarding how much operational detail the board should get into on certain decisions.

I identified three distinct kinds of emotional dynamic chains. Two kinds of chain, the “colliding and reconciling” and “growing enthusiasm” chains, enabled sequences of strategizing processes (the “circumventing” and the “progressive” strategizing) that led to agreement, and resulted in greater clarity in the corresponding element of the strategic plan. The other kind did not enable such discussion and agreement, and resulted in more ambiguity in the corresponding element of the strategic plan (the “light-hearted avoiding” and “procrastinating strategizing” pair). I explained that the different approaches - avoiding, overcoming, and engaging and resolving - which the team members managed
the conflicts inherent to the topics influenced and were influenced by how the emotional
dynamic chains evolved over time. In addition I explained that team psychological safety
also contributed to the kind of emotional dynamic chain triggered and developed. Finally,
the level of the team’s familiarity with the conflict also contributed to the kind of
emotional dynamic triggered (see Figures 2, 3, &4).

This study necessarily has limitations. First, the detailed analysis was carried out in
the meetings of a single board team and so the generalizability of my findings remains to
be explored. For example, the different emotional dynamics may have been triggered and
the different strategizing processes may have emerged more because of the particular
personalities and relational histories of these team members than through the different
kinds of topic and the types of emotional dynamic respectively. However, the findings
that some emotional dynamic and strategizing process pairs identified in Case 1 were also
identified in this study and that they unfolded in the same way do indicate that they may
be generalized to other senior teams’ strategizing activities.

Second, although my analysis of 23 meetings allowed me to examine the team’s
overall discussions of five topics around one strategic issue over time, these meetings
nevertheless represented only a very small subset of the possible types of topic and kinds
of strategic issue and emotional dynamic that occur in senior team strategizing meetings.
Future research could valuably build on my contribution by analyzing more kinds of topic
and strategic issue. Third, the organization is a nonprofit, the sort of organization known
for its equivocal and difficult-to-measure outputs (Bull, 2008; Cooney, 2006; Dutton et
al., 2006; Young et al., 2009). As a result, the institutional norms and values that typify
this kind of organization may limit the generalizability of these findings to other kinds of organization.

Despite its limitations, this study makes some important contributions to the study of strategy as practice and to research on emotions in senior teams. My first contribution to the strategy as practice literature comes from the finding that emotional dynamics influenced a senior team’s strategizing processes as they were played out between different team members over extended discussions within a meeting and over repeated discussions in meetings held over months or even years. It shows a process in which an emotional dynamic shaped the strategizing process in one meeting which in turn created the emotional context for the following meeting’s discussion. This study thus extends research that highlights the importance of emotion in strategizing meetings but has not explored its influence across several team members over a longer time frame and so provides a somewhat isolated snapshot of emotion’s role in senior team strategizing (e.g. Brundin & Nordqvist, 2008; Edmondson & Smith, 2006; Mangham, 1998; Samra-Fredericks, 2004).

Second, this study responds to the repeated calls for strategy as practice research to develop and substantiate outcomes, especially at the organizational level (Jarzabkowski & Spee, 2009; Jarzabkowski et al., 2007; Johnson et al., 2007; Whittington, 2007), and to link strategizing activities across different levels (e.g., Laine & Vaara, 2007). It does so by examining individuals’ displayed emotions, emotional dynamics between team members, team strategizing processes and changes to the strategic plan, and shows that these different elements are powerfully connected. It illustrates how the processes and outcomes of discussions, as influenced by the chains of emotional dynamics, were
connected to the changes to the strategic plan along the clarity vs. ambiguity dimension. Further, it identifies team psychological safety (Edmondson, 1999; 2002) and the team’s different conflict management styles as important in influencing how chains of emotional dynamics evolved over time. Therefore, this study illuminates some important mechanisms that connect strategizing activities across levels and proposes an organization’s strategic plan as an organizational level strategy outcome. Future research should look into similar lines in terms of mechanisms and outcomes.

This study’s third contribution to the strategy as practice literature is that it connects talk and text, two major aspects of the practice of strategy. The limited previous research has highlighted the importance of the connection between the two either by investigating how senior team members’ talk and their interactions in formal strategic planning meetings shaped the content and structure of small pieces of the strategic plan (e.g., Palli et al., 2009) or by focusing on the talk and change to just a couple of strategic missions over time (Spee & Jarzabkowski, 2011). It thus overlooks how senior team’s talk is connected to interrelated multiple changes to the core content of a comprehensive strategic plan. This study extends this literature by highlighting the fact that the seemingly unrelated strategic goals were actually interdependent and it was only through carefully analyzing conversations held over extended periods of time that one could identify how and why interdependent elements of a strategic plan change over time. Therefore, future research should take into consideration the interconnectedness of multiple changes to the strategy text and explore how these changes came into being through team’s talk over time, which may provide a more nuanced account, or even different accounts, as to why and how the content and structure of a strategic plan change.
Fourth, this study also contributes to the strategic ambiguity literature. Extant literature portrays strategic ambiguity either as a complex problem for generating collective action (e.g., Alvesson & Sveningsson, 2003; Denis et al., 1996, 2011; Vaara, 2003) or as a valuable political and discursive resource in ambiguous contexts because it mobilizes collective action and change even when organizational members hold different interests (e.g., Davenport & Leitch, 2005; Eisenberg, 1984; Jarzabkowski et al., 2010; Sillince, Jarzabkowski, & Shaw, 2012). This longitudinal study bridges these two apparently contradictory points of view by showing that, in the short term, an ambiguous strategic goal can promote collective action and facilitate change when organizational members hold different interests. The ambiguity became problematic over the long run, however, since the conflict between the different interests that underlay the ambiguity was suppressed temporarily rather than being resolved and so would trigger further debate when similar issues came up in the future. Thus the pain of resolving such conflict was prolonged. Therefore, it is critical to evaluate the benefits and drawbacks of strategic ambiguity in a longer time frame.

More importantly, the extant research focuses on a single ambiguous strategic goal in an organization (e.g., Denis et al., 2011; Jarzabkowski et al., 2010; Sillince et al., 2012). It thus overlooks the possibility that ambiguous and clear strategic goals may co-exist in the organization at the same time and that these goals may change in different directions along the ambiguity vs. clarity dimension. As this study shows, when one clear strategic goal became more ambiguous over a year, the other interdependent goal became clearer in the same time frame. My study thus extends this literature by showing the complex and dynamic nature of strategic ambiguity. In addition, it also reveals that
certain kinds of emotional dynamic chains enabled the senior team to initiate and maintain strategic ambiguity and others drove the team toward strategic clarity. Therefore, future research can explore how multiple strategic goals change along the ambiguity vs. clarity dimension at the same time, the emotional qualities of team interactions accompanying these changes, and their implications on strategy implementation.

Fifth, this study contributes to the top management team decision making and board governance literature. This literature uses proxies for senior team interactions, such as the team members’ demographic factors and functional backgrounds, and implicitly assumes that the way members interact plays a role in mediating the relationship between these factors and senior team decision making processes and outcomes (e.g., Baysinger et al., 1991; Hill & Snell, 1988; Wiersema & Bantel, 1992). Thus it does not really attend to the important interpersonal processes, not to mention the emotional qualities of these processes. My study extends this literature by revealing the micro interpersonal processes involved when a board team makes strategic decisions and explains how team member backgrounds (for profit vs. nonprofit) influence their interactions and the kind of strategy they chose. In addition, this study depicts diverse emotions, both positive and negative, when senior team members handle conflicts in decision making, thus shifting our impression that senior team decision making predominately involves negative emotions (e.g., Allison, 1971; Amason, 1996; Barsade et al., 2000; Edmondson & Smith, 2006; Eisenhardt & Bourgeois, 1988; Mangham, 1998). Further, it extends Eisenhardt’s findings that intensely negative displayed emotions slow down the speed of senior team decision making whereas positive displayed emotions speed up decision closure (Eisenhardt, 1989b; Eisenhardt & Bourgeois, 1988) by showing that, in contrast, certain
chains of emotional dynamics that involve amusement and neutral discussions enabled the team members to avoid conflict and so continuously put off decision making. In addition, I found that it is chains of displayed emotions, rather than individual displayed emotions, that influenced the speed of decision making. Therefore, future research can look into the characteristics of chains of displayed emotions and examine their implications for speed of strategic decision making.

Six, this study contributes to the psychological safety literature. Extant literature has identified a set of predictors that affect the psychological safety in a team, such as leadership style (Carmeli, Reiter-Palmon, & Ziv, 2010) and quality of relationship (Carmeli & Gittell, 2009), and the consequences of team psychological safety, such as team learning behaviour (Edmondson, 2002; Carmeli & Gittell, 2009) and voicing behaviour (Liang, Farh, & Farh, 2012; Walumbwa & Schaubroeck, 2009). Yet we still know very little about the process through which psychological safety develops or erodes in real teams over time (Edmondson, 1999). This study contributes to this literature by showing how, through expressing empathy and thus building trust, the team’s psychological safety was enhanced over a 6 month period and how this enhanced team psychological safety helped the team to openly debate a topic they had avoided for a long time.

Finally, by exploring the emotional dynamics in senior team members’ interactions across meetings over time, this study contributes to the study of displayed emotion in organizations in general. Most existing research examines a unidirectional process; that is, how an individual’s displayed emotions influence an observer’s emotions, thoughts, and behaviour in different relationship contexts (e.g., Barger & Grandey, 2006; Sy et al.,
2005; Tiedens, 2001; Van Kleef et al., 2009). It fails to capture the reciprocal or even cyclical effects of displayed emotion between dyads or a group of people. This study is one of the first that shows how the emotionality inherent in senior team strategizing extends well beyond individuals’ initial reactions to an issue or to one another, revealing how individuals’ responses to strategic issues and to each other in the course of team meetings generated dynamic sequences of emotions which not only shaped the team’s discussion in one meeting but also influenced the emotional dynamics in later meetings in a recursive manner. In this way I offer a new approach to the study of emotion which provides fresh insight into the nature and role of emotion in organizations.
6. Concluding Chapter: Learnings from the Two Case Studies and Their Contributions to Extant Literature

In this dissertation I set out to investigate the role displayed emotion plays in senior team strategizing by addressing the following two research questions using two in-depth case studies:

Research Question 1:

How do emotional dynamics displayed by senior team members during their meetings shape the strategizing process?

Research Question 2:

How do a senior team’s strategizing activities in its regular meetings, as influenced by members’ displayed emotional dynamics, shape the construction of an organization’s strategic plan over time?

I used the first case as an exploratory study to develop a method with which to investigate seven top management team meetings of a computer game company. In this case study I identified distinct pairs of emotional dynamics and strategizing processes in the team’s discussions of strategic issues in single meetings and explained that team member relationship dynamics, the transient, moment by moment changes in team members’ relationships when they discussed strategic issues, was the mechanism that connects emotional dynamics and strategizing processes. I also explained how the urgency of an issue contributed to the kind of emotion triggered and how this continued
to influence the development of the emotional dynamic and the team’s discussion in a meeting.

The second case is a longitudinal one, with data collected over 2 years in a nonprofit organization. It allowed me to address a greater variety of emotional dynamics (including the ones that were identified in Case 1 but also others) and their associated strategizing processes, in relationship to the changes to the organization’s strategic plan. I found that the changes to the plan emerged from the team’s discussions about conflict-laden strategic topics. I identified three distinct kinds of emotional dynamic chains in the team’s discussions. Two kinds enabled strategizing processes that led to agreement, and resulted in greater clarity in the corresponding element of the strategic plan. The other kind did not enable such discussion and agreement, and resulted in more ambiguity in the corresponding element of the strategic plan. I explained that the different ways in which the conflicts inherent in the topics were managed - avoiding, overcoming, and engaging and resolving conflict - both influenced and were influenced by how the emotional dynamic chains evolved over time. I also examined the influences of team psychological safety and the level of the team’s familiarity with the conflicts on the kinds of emotional dynamic triggered and developed over time.

In this chapter I compare the findings of these two case studies and explain the similarities and differences between them so as to illustrate the role displayed emotion plays in strategizing and then I discuss the contributions of the two case studies and suggest directions for future research.
6.1. Learnings from the two case studies

6.1.1. The link between emotional dynamics and strategizing processes

In both of the case studies, I identified distinct pairs of emotional dynamics and strategizing processes. An emotional dynamic is defined as the sequence of emotions expressed from the time an issue was raised for discussion until the close of that conversation in a single meeting. Strategizing processes are shaped by the emotional dynamics that unfold among team members in the discussion of strategic issues. Thus emotional dynamics influence how strategic issues are raised, proposals made, discussed and evaluated, and whether decisions are taken or postponed in single meetings. In Case 2, looking at chains of emotional dynamics that occur in the discussion of an issue over several meetings, reveals that these emotional dynamic chains influenced whether the team members were able to have in-depth discussions about the issue at hand, which in turn was associated with their reaching agreement about that issue. The other chain of emotional dynamics enabled the sharing of opinions but impeded in-depth discussion, and seems to prevent the team from reaching agreement.

Across these two cases, I identified 12 pairs of strategizing processes (differing in terms of how issue was raised, proposal made and evaluated, decision made or postponed) and emotional dynamics (varying in terms of the kind of emotions displayed, their sequencing, and overall form). Among these 12 pairs, there are two different emotional dynamic pairings for the generative strategizing process. Some of the emotional dynamics, such as the energetic exchange and the amused encounter, occurred in both teams; others occurred in just one team. These strategizing processes can be broadly categorized into collaborative strategizing and unreconciled strategizing which
are associated with two types of emotional dynamics: positive emotional dynamics and emotional-tug-of-war emotional dynamics respectively.

Compared with Case 2, Case 1 provided something of a “snapshot” or an isolated view of emotional dynamic and strategizing process pairs in the context of individual meetings. Case 2 showed that emotional dynamics can occur in sequences across meetings and that “timing” is one of the important features of emotional dynamics in senior team strategizing activities. By “timing” I mean that a certain emotional dynamic arose at a certain time in a chain of emotional dynamics generated in the team’s overall discussion of a topic across meetings. For instance, in Case 2, the amused rejection and energetic exchange emotional dynamics all occurred at the very beginning of the team’s discussions of a topic. As I explained earlier, these emotional dynamics were the team’s first reactions to the topics under discussion. At this very early stage, lacking the pressure to make a decision, these emotional dynamics enabled the team to leave the topics open either after a thorough discussion (the energetic exchange and generative strategizing pair) or simply by putting the different opinions on the table without much discussion (amused rejection and suspending strategizing). This was also the case for the energetic exchange emotional dynamic in Case 1. Although Case 1 did not provide the chance to observe the team’s overall discussions of issues over time, the comments the team members made, such as “this is just an idea I am asking you to further think about” and “I just need your comments on this”, indicated that the discussions were at an early stage. Another example is that, in Case 2, the two amused relief emotional dynamics and the amused encounter emotional dynamic all occurred when the team wrapped up a topic that they discussed over time. The commonality in these two emotional dynamics is their
focus on repairing relationships between the team members that had become strained after extended discussion of an issue. In Case 1, the three amused encounter emotional dynamics also seemed to occur at the end of the team’s whole discussions of a topic over time, as indicated by comments such as “we have gone back and forth on this issue” and “I have talked to different people about this”.

However, it is possible that the same emotional dynamic and strategizing process pair may arise at different places in the team’s overall discussion of a strategic topic, serving different functions. For example, an energetic exchange and its associated generative strategizing process could occur in the middle of a team’s discussion when a team decided to brainstorm and generate more ideas, having failed to find a solution in multiple previous meetings. Therefore, future research should look into how specific sequencing of the emotional dynamics in a chain shapes the process and outcome of a senior team’s strategic discussions of diverse issues in multiple meetings over time.

6.1.2. How emotional dynamics work to shape strategizing processes: Creating shifts in team relationships

In both of the cases, the emotional dynamic generated in a single meeting seems to shape the strategizing process in that meeting through its impact on the relationships among team members. That is, very briefly, the positive emotional dynamics drew the team members together and enabled strategizing processes that are collaborative in nature whereas the emotional-tug-of-war emotional dynamics drove the team members apart and resulted in strategizing processes that are unreconciled in nature.
6.1.3. The link between chains of emotional dynamics, sequences of strategizing processes and changes in the strategic plan

Examining the changes between different versions of the strategic plan requires an understanding of the cumulative effect of chains of emotional dynamics and their associated sequences of strategizing processes over time. By “cumulative effect” I mean that each meeting provided the emotional context of the one(s) that followed it - the meaning of a certain emotional dynamic and its associated strategizing process can only be fully appreciated when put into context. In Case 2, looking at strategizing over longer periods of time and in the context of issues that embodied conflicts deeply rooted in the organization, I argued that the team members’ feelings of psychological safety appeared to influence the emotional dynamics initially triggered by the issue and that unfolded during the issue’s discussion over several months. When a conflict-laden issue came up for discussion, the team members either engaged in positive emotional dynamics and neutrality to avoid the issue or reacted to an emotional dynamic that involved intensely positive and negative emotions by moving to deal with the issue outside of formal meetings. As a result, the low psychological safety in the team remained unchanged over time. In a third instance, members used empathy to build trust and generate feelings of safety over a few months which in turn allowed them to discuss a threatening issue openly and constructively in the last meeting. Therefore, Case 2 identified team psychological safety as the long term mechanism that connects chains of emotional dynamics and sequences of strategizing processes. In addition, the effects of multiple emotional dynamics in a chain, put together, affect whether and how the team members could reach agreement about an issue. In short, when members reached agreement about
an issue, the relevant part of a subsequent version of the plan became clearer; when
members did not reach agreement about an issue, the relevant part of a subsequent
version of the plan became more ambiguous. Future research should explore other
plausible mechanisms that could explain the cumulative effect of emotional dynamics
generated over time on other important strategizing outcomes.

6.1.4. The impact of issue type on emotional dynamics

In both of the case studies, I found that emotional dynamics are influenced in part
by the nature of the strategic issue under discussion. My research thus shows the
importance of issue urgency in triggering initial emotion displayed and in shaping how an
emotional dynamic develops in single meetings. It also shows the significance of conflict-
laden issues both in a team’s initial emotional reaction and in shaping how that discussion
unfolds over a period of months or years. Therefore, the findings of these two case
studies indicate that issue attributes are important in both shorter and longer episodes of
strategizing activities. Future research should examine other issue attributes that could be
important in terms of the kinds of emotion triggered and the types of chains of emotional
dynamics developed.

6.1.5. The influence of organizational context

The comparison between the two teams shows that team contexts not only
influenced the amount and intensity of negative emotions generated but also the kind of
emotional-tugs-of-war emotional dynamics generated in the two teams.

In Case 1’s seven meetings, three emotional-tugs-of-war emotional dynamics were
identified - the unempathic interaction, the recurrent confrontation, and the depleting
barrage - and they involved intensely positive and negative emotions, such as excitement,
contempt, annoyance, and anger. In Case 2’s 23 meetings only one emotional-tugs-of war emotional dynamic was identified - the mediated contention emotional dynamic that involved excitement and frustration. This emotional dynamic is much less intense and less negative than the ones in Case 1. These differences highlight the importance of considering contexts - with different display rules - when examining the role of displayed emotions in senior team strategizing (Fineman, 2000).

The top management team of Case 1 was from a for-profit organization; whereas the board team of Case 2 was from a nonprofit organization. The different natures of the businesses may have influenced rules around displaying emotions and the ways that the team members handled conflict. The members of the former team tended to confront each other and display intensely negative emotions whereas the members of the latter team tended to use milder ways to manage conflict and so their interactions generated less intense negative emotions. In addition, vested interests may have been stronger in Case 1 than in Case 2 where board members were volunteers and had less personal involvement in many of the issues under discussion; therefore, fewer negative emotions were generated.

6.1.6. The influence of team composition

In these two cases, another likely influence on the kinds of emotional dynamic generated is team composition- who the team members are and the relationship histories among them. For instance, in the depleting barrage emotional dynamic in Case 1, Charlie’s intense negative emotional displays might have been fuelled partly by his greater experience in game production than those contesting his position in the discussion since technical expertise and experience are greatly valued and can be quite salient for
members of this kind of organization. In addition, in the unempathic interaction emotional dynamic in Case 1, other team members’ joking response to Victor’s appeals may have stemmed partly from their longstanding experience of him as quite forceful, causing them to deflect attention away from the concern he raised, or perhaps even reveling in his unusually vulnerable position. Further, in Case 2, it is possible that the change in the board chair might have contributed to the different kinds of emotional dynamics generated among the members when the team discussed the same topic at different times. The amused rejection emotional dynamic was triggered in the first year when the team was led by a more powerful and dominant chair with whom other team members might have avoided debate. In the second year, the new board chair, a younger and less experienced chairperson, led the discussion of the same topic, which produced the amused encounter emotional dynamic, in which team members persuaded the chair to their position. While the impact of team composition could not be systematically studied in this dissertation, and my analysis was firmly grounded in the observable meeting data, the interviews allowed a more nuanced and contextualized interpretation of the meeting processes and dynamics, including possible influences of team composition and team members’ shared histories.

6.2. Contribution of the two case studies

Despite the limitations that I mentioned at the end of each case study, this dissertation makes important contributions to the Strategy-as-Practice literature, emotion literature, intra-team conflict management literature, and literature on team processes.
6.2.1. Contribution to the Strategy-as-Practice literature

This research’s first contribution to the Strategy-as-Practice literature is that it reveals the real-time micro interpersonal processes through which senior team members’ interactions connect to their organizations’ strategies. It therefore provides strong evidence to support the Strategy-as-Practice literature’s fundamental argument that human activities, what people actually do, are important in strategic management (Jarzabkowski, 2008; Maitlis & Lawrence, 2003; Rouleau, 2005; Spee & Jarzabkowski, 2011). It is what the strategists do and say, their actions and interactions, that shapes the content of an organization’s strategy and accomplishes the organizational processes of strategy formation and change (cf. Chandler, 1962; Mintzberg et al., 1976; Pettigrew, 1977; Porter, 1980, 1985). It adds to this literature, however, by highlighting the critical role of emotional displays as key activities that shape the process and outcome of strategizing.

This research’s second contribution to the Strategy-as-Practice literature is that it provides a more holistic, and qualitatively different, picture of emotion’s role in senior team strategizing. It captures emotions displayed by multiple senior team members in their discussions over longer episodes in single meetings and across a greater number and variety of issues in multiple meetings over time. It extends the current literature on emotion and senior team strategizing by identifying distinct pairs of emotional dynamic and strategizing process and identifying team member relationships and team psychological safety as the short-term and longer-term mechanisms that connect team emotional dynamics and strategizing processes. In addition, it systematically illustrates that what occurred in earlier meetings provides the emotional context to what occurs in
later meetings; therefore it highlights the fact that one has to understand the chain of emotional dynamics generated in a team’s discussion of a strategic issue over time in order to fully appreciate the impact of each individual emotional dynamic and strategizing process pair at a certain point of time. Thus this research extends the extant literature on emotion and senior team strategizing which focuses on the emotion displayed by key strategists (e.g., Brundin & Melin, 2006; Kisfalvi & Pitcher, 2003; Samra-Fredericks, 2004), in very short strategizing episodes (e.g., Samra-Fredericks, 2004; Mangham, 1998), and limited to a few strategic issues (e.g., Edmondson & Smith, 2006).

6.2.2. Contribution to the emotion literature

This research contributes to the emotion literature by highlighting the social and dynamic nature of displayed emotion and the cumulative effect of emotional dynamics - the cyclical effects of displayed emotion between dyads or a group of people in relatively shorter and longer strategizing episodes, over months and years.

Existing emotion literature portrays emotion as an in-the-moment, short term phenomenon (e.g., Barsade & Gibson, 2007; Elfenbein, 2007; Lazarus, 1991), thus the research on displayed emotion focuses on displayed emotion’s short-term effect on the observer’s displayed and experienced emotions, thoughts, and behaviours in discrete, short events (Hareli & Rafaeli, 2008; Keltner & Haidt, 2001; Van Kleef, 2010). It is argued, however, that individuals may continuously emotionally engage with an event, or series of sub-events driven by a core theme, over time (Frijda, 1993; Weiss & Cropanzano, 1996). For instance, a worker may talk to different people about a potential layoff (the event, the coherent theme that triggers the sequence of emotions) in the
organization and may experience both positive and negative emotions at different times (Weiss & Cropanzano, 1996). I would argue that multiple organizational members may display different emotions at different times when they discuss the layoff issue with each other. Therefore, it is valuable to understand the ebb and flow of the variety of emotions triggered in different people by an event or a series of connected sub-events over time.

Case 2 is one of the first studies to explore the cumulative effect of the variety of emotions displayed by multiple members triggered by an issue over time. It shows that it is the different patterns of emotions displayed by multiple team members over time that influence how strategic issues are discussed and whether decisions are made or postponed, rather than individuals’ or multiple team members’ first emotional reaction to a certain event. Future research should look into the mechanisms through which an event or related sub-events trigger different kinds of emotions in organizational members in a longer time frame.

6.2.3. Contribution to literature on team processes

This research contributes to the literature on team processes by identifying the characteristic of “timing” of certain emotional dynamics that arise in a team’s discussion of a strategic issue over time. Recent research highlights the important role time plays in organizational studies (e.g., Marks, Mathieu, & Zaccaro, 2001; Mitchell & James, 2001) which argues for the importance of examining “when things happen” in organizations in order to build better theory (Mitchell & James, 2001, p. 530). More specifically, research on team processes has identified different behavioral patterns at different times when a team performs project management tasks (Gersick, 1988; Waller, Zellmer-Bruhn, & Giambatista, 2002) and bargaining tasks (Lim & Murnighan, 1994). My research extends
the research on team processes by showing that specific emotional dynamics may occur at certain times when a team discusses strategic issues. Further, different sequencings of multiple emotional dynamics in a chain may shape different kinds of strategizing processes and outcomes over time. Therefore, future research on team processes, such as leader member exchange, team decision making and team building, can build on these findings and provide a more dynamic and nuanced explanation of emotion’s role in these processes.

6.2.4. Contribution to the conflict management literature

Extant literature on intra-group conflict management acknowledges that all conflicts contain some degree of emotionality (Bodtker & Jameson, 2001; Jehn, 1997; Kolb & Putnam, 1992) and has examined emotion as the trigger of conflict, as part of the conflict process, or as the outcome of a team’s conflict process (e.g, Amason, 1996; Behfar, Peterson, Mannix & Trochim, 2008; Jehn, 1995, 1997; Johnson, Ford, Kaufman, 2000; Nair, 2008; Yang & Mossholder, 2004). This research, however, usually treats team conflict as isolated conflict episodes and focuses on a few intensely negative emotions, such as anger, resentment and frustration, as team members’ reactions to these episodes. My research extends this literature by showing that team conflict and conflict management is a more complex and dynamic process, specifically that conflict-laden issues can trigger both positive and negative emotions, and these interact recursively with the team’s approach to managing conflict. Thus, emotions displayed by team members affect the team’s way of dealing with the conflict-laden issue, which in turn influences the kinds of emotions displayed in later episodes. Therefore, this research offers a
response to the calls for a new perspective in which conflict and the reaction to conflict are viewed as dynamic and changing over time (Speakman & Ryals, 2010).

6.2.5. Practical implications

This dissertation also has several important practical implications for senior managers who often deal with recognizing, understanding, and managing own and others’ emotions in face-to-face interactions in their meetings.

The first implication stems from the finding that different kinds of emotional dynamics shape different types of strategizing processes and outcomes in two different senior teams. Thus senior team members should be aware of the prevalence of emotional displays and their influence on senior team strategizing and, rather than attempting to eliminate them, work to better understand what they reveal about, and how they influence, the strategic discussion taking place.

The second practical implication of this study is that urgent and non-urgent issues trigger different kinds of emotional dynamics in senior team’s discussions. If the goal is to engage in open, expansive, and productive discussions of a strategic issue, managers could consider framing the issue as “non-urgent”, especially in the early stages of the discussion, which may trigger excitement and energy in the team instead of intensely negative emotions. However, framing an issue as “non-urgent” may also lead the team to avoid debating potentially conflict-laden issues, and lead to procrastination over important decisions. In addition, when an issue has to be discussed in a more urgent manner, attention should be paid to the possibility that displays of intensely negative emotions may result in a team member imposing his own idea over the team or lead to postponement of decision making. Therefore, it is important for managers to balance how
to frame an issue at different stages of its discussion and to manage the kinds of emotional dynamics generated so that to move the discussion toward the desired process and outcome.

A third practical implication of the study concerns the use of off-line discussions in order to speed up decision making process. This study shows that when there was a risk that the intensely positive and negative emotions generated would slow down the decision making process, the Executive Director pulled the discussion to off-line meetings to enable longer discussions which could resolve the tension between team members and preliminary decisions before the issue went back to the formal meetings again. Therefore managers could consider off-line meetings as a buffering zone in which they address conflict-laden issues to speed up the overall decision making process.
### Tables

Table 1: Producer Team Information

<table>
<thead>
<tr>
<th>Name</th>
<th>Current Position</th>
<th>Tenure/Current Position (years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>John</td>
<td>Executive Producer /Team leader</td>
<td>1.5</td>
</tr>
<tr>
<td>Charlie</td>
<td>Producer</td>
<td>7</td>
</tr>
<tr>
<td>Kathy</td>
<td>Producer</td>
<td>7</td>
</tr>
<tr>
<td>Simon</td>
<td>Producer</td>
<td>2.5</td>
</tr>
<tr>
<td>Tom</td>
<td>Producer</td>
<td>4</td>
</tr>
<tr>
<td>Victor</td>
<td>Producer</td>
<td>2</td>
</tr>
<tr>
<td>Lisa</td>
<td>Global Art Director</td>
<td>7</td>
</tr>
<tr>
<td>Ron</td>
<td>Advanced Technical Director</td>
<td>2.5</td>
</tr>
<tr>
<td>Emotion</td>
<td>Facial Cues</td>
<td>Vocal Cues</td>
</tr>
<tr>
<td>------------</td>
<td>----------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Excited</td>
<td>1. Arched eyebrows 2. A lot of eye contact 3. May laugh or smile with teeth showing</td>
<td>1. High pitch 2. Rapid pace 3. Loud volume 4. Slightly breathless 5. Talking a lot 6. Animated intonation 7. May have hard laughter</td>
</tr>
<tr>
<td>Amused</td>
<td>Chuckle, subtle laughter, laugh</td>
<td>1. Laughter 2. Shared laughter in a group of people</td>
</tr>
<tr>
<td>Relaxed</td>
<td>1. Face may be neutral with little facial movement. 2. Mouth may be turned slightly upwards.</td>
<td>1. The individual may talk in his/her regular or slower pace, regular or lower volume and pitch. 2. The voice may be soft but with audible volume. 3. Some inflection in tone or pitch.</td>
</tr>
</tbody>
</table>

165
<table>
<thead>
<tr>
<th>Emotion</th>
<th>Facial Cues</th>
<th>Vocal Cues</th>
<th>Physical Cues</th>
<th>Verbal Cues</th>
<th>Example in my data</th>
<th>Considerations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Angry</td>
<td>1. The brows are lowered and drawn together. Vertical lines appear between the brows. 2. The eyes have a hard stare and may have a bulging appearance. 3. Sporadic eye contact 4. Hard, direct glaring. 5. The lips are in either of two basic positions; pressed firmly together, with the corners straight or down; or open, tensed in a squarish shape as if shouting. 6. The nostrils may be dilated. 7. Tight jaws and clenched teeth. 8. Flushed face.</td>
<td>1. May be very loud and with fast pace and with repeated pattern of pitch and stresses. 2. The voice may be lowered or raised beyond the limits of normal tone, pitch and volume are uneven (voice &quot;cracks&quot;). 3. Words may be biting or abrupt with one word or syllable more strongly stressed. 4. Short of breath</td>
<td>1. Poised for action, leaning forward toward others in challenging stance. 2. Highly animated hand gestures and body movements. 3. Clenched fists, waving fists, hitting motions, hand tremors 4. Nervous habits (rocking, chewing fingernails) 5. Involuntary twitches or jerks.</td>
<td>1. An explicit statement of anger (&quot;I am angry…&quot;) or complaints with angry effect such as yelling or raising the voice. 2. The speaker may sound irrational. 3. Blame other for goal-inconsistent outcome. 4. Reference to a demeaning offense against me or what I care about. 5. Reference to violation of expectation, things not working out as planned 6. The situation is illegitimate, wrong, unfair, contrary to what ought to be. 7. Challenging behaviors: A. Interruption: the act of cutting another off before he or she ends his or her turn. B. Questioning: repeating the same question over and over; a form of interrogation; C. Prescription: statements that seek to change the other’s behavior in a specific way; request, demand.</td>
<td>M412: 35:49-35:55 Charlie: &quot;And those people love SF. (Exactly). And you know what they’re all saying? (What?) &quot;Don’t f*** this up! Don’t mess with our beautiful Scarface!&quot;</td>
<td>1. &quot;Annoyed&quot; is a less activated form of &quot;Angry&quot;. 2. The person seemed to control his/her facial expression, vocal expression and body movements. 3. It is also slightly less negative than &quot;anger&quot;. 4. Need to discuss case by case if two coders cannot reach agreement to distinguish between &quot;anger&quot; and &quot;annoyed&quot;</td>
</tr>
<tr>
<td>Annoyed</td>
<td>1. Frowning. 2. Staring.</td>
<td>1. The volume is raised. 2. Pace can be fast or normal. 3. Some words or syllables may be strongly addressed.</td>
<td>1. Poised for action 2. Medium to low activation level.</td>
<td>1. There is a negative tone in the utterance. 2. The verbal cues of &quot;angry&quot; apply to &quot;annoyed&quot;.</td>
<td>M614: 1:05:53-1:06:00 Tom: &quot;You find me those three people in the months of January, February, March. It must be those months… I’m not interested in any other months. Then I’m happy. I’ll take them.&quot;</td>
<td>1. Need to discuss case by case if two coders cannot reach agreement to distinguish between &quot;anger&quot; and &quot;annoyed&quot;</td>
</tr>
<tr>
<td>Emotion</td>
<td>Facial Cues</td>
<td>Vocal Cues</td>
<td>Physical Cues</td>
<td>Verbal Cues</td>
<td>Example in my data</td>
<td>Considerations</td>
</tr>
<tr>
<td>----------</td>
<td>------------------------------------------------------------------------------</td>
<td>------------------</td>
<td>------------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Frustrated</td>
<td>1. Face may be neutral. 2. Frowning.</td>
<td>1. Average to low volume.</td>
<td>1. Defeated body gesture (e.g., from poised to action to slumped) 2. A few medium body movements</td>
<td>1. Direct expression of frustration. 2. Unable to or delayed to do something or get something because of external obstacles.</td>
<td>M4I: 25:38-25:54 Victor: &quot;We can sell them that we hope there’s a carrot. Even now, I can’t … I can’t even tell them if we’re doing TS, or whatever it’s called.&quot;</td>
<td>There is no “Anger” element in Frustrated.</td>
</tr>
<tr>
<td>Contemptuous</td>
<td>1. Standing tall and tilting or cocking the head upward at an angle so as to look down on the object or person of contempt. 2. A face full of contempt may involve a lifted brow, a lifted corner of the upper lip, or tightened mouth corners. Any one of these body or facial signals may convey contempt. 3. An eye roll is virtually always considered contempt.</td>
<td>1. Contempt can be conveyed through a singsong voice, a patronizing tone, or a mocking, condescending laugh.</td>
<td>1. There is a distance with contempt, an icy quality with a suggestion of superiority, as if looking down one’s nose at the other person. (Also Izard, 1991). 2. Insults – An active communication of disrespect for the other person through verbal cruelty. It is intended to humiliate the other person with the suggestions that the other person is foolish (Also Izard, 1991), incompetent, ugly, or otherwise without virtue. 3. Sarcasm – Derisive laughter or a ridiculing comment regarding something the other person has said. 4. Mockery – Repeating something that the other person has said with an exaggeration intended to show a lack of respect for the statement or the individual to whom the statement is attributed.</td>
<td>1. There is a distance with contempt, an icy quality with a suggestion of superiority, as if looking down one’s nose at the other person. (Also Izard, 1991). 2. Insults – An active communication of disrespect for the other person through verbal cruelty. It is intended to humiliate the other person with the suggestions that the other person is foolish (Also Izard, 1991), incompetent, ugly, or otherwise without virtue. 3. Sarcasm – Derisive laughter or a ridiculing comment regarding something the other person has said. 4. Mockery – Repeating something that the other person has said with an exaggeration intended to show a lack of respect for the statement or the individual to whom the statement is attributed.</td>
<td>M6I4: 59:17-59:24 Tom: &quot;We need slack in the system because of the way our things don’t dovetail. You are stupid if you think you’re going to get 100%…”</td>
<td>Contempt is the attempt to insult or otherwise communicate a lack of respect toward the other person.</td>
</tr>
<tr>
<td>Emotion</td>
<td>Facial Cues</td>
<td>Vocal Cues</td>
<td>Physical Cues</td>
<td>Verbal Cues</td>
<td>Example in my data</td>
<td>Considerations</td>
</tr>
<tr>
<td>----------</td>
<td>------------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Surprised</td>
<td>1. The brows are raised, so that they are curved and high. 2. The skin below</td>
<td>1. The individual may talk in a higher tone/ volume/ pace than his/her regular</td>
<td>1. Horizontal wrinkles go across the forehead. 4. They eyelids are opened; the upper lid is raised and lower lid drawn down; the white of the eye- the sclera- shows above the iris, and often below as well. 5. The jaw drops open so that the lips and teeth are parted, but there is not tension or stretching of the mouth. (Remember the FACS’s Surprise Face) 6. Mouth is in an oval shape</td>
<td>1. Direct expression of surprise. 2. Expression of “different from somebody's expectation”. 3. The “surprise” words. E.g., “wow, gee, gosh, Jesus Christ, my goodness, oh my word, och!, oh!, good gracious, oh my god, oh shit, blimey”...</td>
<td>Case 2: 20080417-35:20 Sarah: “That’s where I came back to see those 200, and I’m like, ‘Whoa, where did that come from?’ Because the discussion up till now had been it was that rent, I think, covered it. And then 200,000 is 50 percent of our available cash. And I went, “Whoa,” you know, that was starting to make me feel uncomfortable, especially knowing that we were moving into a time frame that likely was going to need cash…”</td>
<td>1. Triggered by unexpected event, idea, or comment. 2. Surprise varies in intensity from mild to extreme (startle), depending on the event itself.</td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th>Emotion</th>
<th>Facial Cues</th>
<th>Vocal Cues</th>
<th>Physical Cues</th>
<th>Verbal Cues</th>
<th>Example in my data</th>
<th>Considerations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Neutral</td>
<td>The face is neutral (be careful of wrinkles, pouches and bags that are permanent).</td>
<td>1. The voice has an even, relaxed quality, without marked stress on individual syllables and within comfortable pitch range. 2. Sometimes the person’s voice will fluctuate slightly within the neutral range. It may seem as though the person almost moves out of the neutral range, but never with enough strength to call it another affect code. 3. Pleasant, but not excited, soothing, or caring tone of voice. 4. Flat or monotone voice quality, but no trace of dejection, sternness, or sullenness.</td>
<td>1. The individual’s torso is stable, may have some small hand gestures.</td>
<td>1. Statements/Information Exchange– 2. Matter-of-fact exchange of day-to-day information. 3. Question and response exchange without positive or negative affect.</td>
<td>1. This is the dividing line between negative and positive codes. It is recognizable as being nonemotional in content and vocal tone. 2. Become familiar with a person’s resting face. She may have naturally turned down lips or other permanent features that may appear to be emotional expressions, which should not be coded.</td>
<td></td>
</tr>
</tbody>
</table>
Remarks: I use different color codes to indicate the sources of the cues.

Emotion: Doohan et al., SPAFF
Emotion: Retzinger (1991)
Emotion: Scherer (1986)
Emotion: Sillars et al. (1982)
Emotion: My own

References:


Doohan, E. M., Siler, C. E., Carrere, S., & Gottman, J. M. Specific Affect Coding System.


Table 3: Description of Strategic Issues

<table>
<thead>
<tr>
<th>Strategic Issue Type</th>
<th>Specific Issue Descriptions</th>
<th>Specific Issues Discussed</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Staffing</strong></td>
<td>Proposals to solve long-lasting staffing problems</td>
<td>M1I7 Project X</td>
</tr>
<tr>
<td><strong>Organizational structure/culture</strong></td>
<td>To create a more transparent, open organizational culture</td>
<td>M1I6 Publishing the minutes of the Producer meetings</td>
</tr>
<tr>
<td><strong>Product strategy</strong></td>
<td>Whether to move into the online game business at time when this kind of product was just starting to come onto the market</td>
<td>M2I3 Gangster online strategy</td>
</tr>
<tr>
<td><strong>Senior team compensation</strong></td>
<td>To allow all the senior organizational members to negotiate their own compensation packages in the face of an impending acquisition</td>
<td>M7I7 Bonus Plan</td>
</tr>
</tbody>
</table>

Table 4: Kinds of Strategic Issue and Associated Emotional Dynamics

<table>
<thead>
<tr>
<th>Less Urgent Issues</th>
<th>Emotional Dynamics</th>
<th>Strategizing Process</th>
<th>Urgent Issues</th>
<th>Emotional Dynamics</th>
<th>Strategizing Process</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issues (4)</td>
<td></td>
<td></td>
<td>Issues (6)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. M1I7 Project X</td>
<td>● Energetic Exchange</td>
<td>● Generative Strategizing</td>
<td>1. M1I3 Making GAD a permanent role</td>
<td>● Amused Encounter</td>
<td>● Integrative Strategizing</td>
</tr>
<tr>
<td>2. M2I2 Discussion of a competitor’s products</td>
<td>● Energetic Exchange</td>
<td>● Generative Strategizing</td>
<td>2. M1I6 Publishing the minutes of the Producer meetings</td>
<td>● Amused Encounter</td>
<td>● Integrative Strategizing</td>
</tr>
<tr>
<td>4. M7I7 Bonus Plan</td>
<td>● Energetic Exchange</td>
<td>● Generative Strategizing</td>
<td>4. M2I1 The HR roll-off process</td>
<td>● Unempathic Interaction</td>
<td>● Fracturing Strategizing</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>5. M2I3 Gangster online strategy</td>
<td>● Depleting Barrage</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>6. M4I4 Hiring interns vs. using internal staff</td>
<td>● Recurrent Confrontation</td>
<td>● Curtailing Strategizing</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>● Sticky Strategizing</td>
</tr>
<tr>
<td>Kind of Emotional Dynamic</td>
<td>Description</td>
<td>Type of Strategizing Process</td>
<td>Description</td>
<td></td>
<td></td>
</tr>
<tr>
<td>---------------------------</td>
<td>-------------</td>
<td>------------------------------</td>
<td>-------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Positive emotion</td>
<td>Energetic Exchange</td>
<td>Collaborative strategizing Process</td>
<td>A process in which all team members engage in open discussion of the issue, resulting in either multiple proposals, or the thorough exploration of a single proposal.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Amused Encounter</td>
<td>Generative Strategizing Process</td>
<td>Integrative Strategizing Process</td>
<td>A process in which team members first challenge their leader’s proposal, but then bond with the leader, resulting in a decision that is eventually accepted by all parties.</td>
<td></td>
</tr>
<tr>
<td>Emotional tugs of war</td>
<td>Unempathic Interaction</td>
<td>Unreconciled strategizing Process</td>
<td>Fracturing Strategizing Process</td>
<td>A process in which one team member becomes distanced from the others, which results in the neglect of his opinion, his disagreement with others’ proposals, disengagement from the discussion, and the postponement of a decision.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Recurrent Confrontation</td>
<td>Sticky Strategizing Process</td>
<td>A process in which two proposals absorb a lot of the team’s time and energy, resulting in the inadequate discussion of other promising proposals, poor exploration of alternative solutions, and the postponement of a decision.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Depleting Barrage</td>
<td>Curtailing Strategizing Process</td>
<td>A process in which one team member rejects two others’ efforts to engage, leading to a truncated discussion and limited exploration of counter-proposals, and results in a decision that fails to win all team members’ commitment.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Table 6: NL Board Team Members’ Profiles

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Tenure</th>
<th>Background (as of Nov. 2010)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tanya</td>
<td>Board Chair</td>
<td>Apr. 2006 - Mar. 2009</td>
<td>Was HR director of a local high-tech firm. Term as board chair extended for 1 year in 2008. Serves on Board Governance Committee and Executive Director Development Committee.</td>
</tr>
<tr>
<td>Calvin</td>
<td>Board member</td>
<td>Apr. 2003- Mar. 2006</td>
<td>Lawyer, serves as voluntary board chair and board member in several major nonprofit organizations in the city. Serves on Board Governance Committee, Executive Director Development Committee, and Financial Sustainability Committee.</td>
</tr>
<tr>
<td></td>
<td>Board Chair</td>
<td>Apr. 2009- present</td>
<td></td>
</tr>
<tr>
<td>Sarah</td>
<td>Treasurer</td>
<td>Mar. 2007- present</td>
<td>CGA, was financial director in the same high-tech firm as Tanya. Financial consultant. Serves on the Financial Sustainability Committee.</td>
</tr>
<tr>
<td>Steve</td>
<td>Board member</td>
<td>Apr. 2008- present</td>
<td>Senior director of a major national travel organization.</td>
</tr>
<tr>
<td>Michael</td>
<td>Board member</td>
<td>Apr. 2003- Mar. 2009</td>
<td>Senior director of a national marketing consulting firm. Is the &quot;measurement&quot; expert on the board.</td>
</tr>
<tr>
<td>Tom</td>
<td>Board member</td>
<td>Apr. 2004- Mar. 2010</td>
<td>Executive Director of a large non-profit organization.</td>
</tr>
<tr>
<td>John</td>
<td>Board member</td>
<td>Apr. 2005- present</td>
<td>VP at a national fast food chain. Serves on the IT Committee.</td>
</tr>
<tr>
<td>Jade</td>
<td>Board member</td>
<td>Apr. 2005- present</td>
<td>HR consultant at the local government. Serves on the Executive Director Development Committee.</td>
</tr>
<tr>
<td>Yasmin</td>
<td>Board member</td>
<td>Apr. 2006- present</td>
<td>Executive Director at a local government agency. Board secretary.</td>
</tr>
<tr>
<td>Kirk</td>
<td>Board member</td>
<td>Apr. 2009- present</td>
<td>CEO at a national financial institute.</td>
</tr>
<tr>
<td>Judy</td>
<td>Board member</td>
<td>Apr. 2009- present</td>
<td>VP corporate citizenship at a national financial institute.</td>
</tr>
<tr>
<td>Beth</td>
<td>Board member</td>
<td>Apr. 2009- present</td>
<td>Well-known consultant in the nonprofit sector in the city. Was senior director at a national nonprofit organization.</td>
</tr>
<tr>
<td>Catherine</td>
<td>Executive Director</td>
<td>May 1999- present</td>
<td>Nonprofit sector professional. Worked as the Executive Director in another major nonprofit organization in another major Canadian city before she joined NL.</td>
</tr>
</tbody>
</table>
Table 7: NL Strategic Plans

<table>
<thead>
<tr>
<th>Version of the plan</th>
<th>Strategic Plan Zero (background)</th>
<th>Strategic Plan One (SPI)</th>
<th>Strategic Plan Two (SPII)</th>
<th>Strategic Plan Three (SPIII)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Strategic plan 2007-2010 complete</td>
<td>NL goals for 2008-2011</td>
<td>Success- in three years- 2009-2011</td>
<td>Strategic plan 2010</td>
</tr>
<tr>
<td>Also known as in NL</td>
<td>The &quot;what is our new box&quot; plan</td>
<td>None</td>
<td>The growth plan</td>
<td>The survival plan</td>
</tr>
<tr>
<td>Vision</td>
<td>Every community successfully engages citizens</td>
<td>We achieve our vision through building strong leaders in the nonprofit sector</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mission</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goal 1</td>
<td>NL adopts and models the &quot;IHR&quot;* practices that it advocates to its clients.</td>
<td>NL strives to use the best practices in the &quot;PE&quot;* model (a revised version of the &quot;IHR&quot; model)</td>
<td>Similar to Goal 1 in SPI.</td>
<td>Similar to Goal 1 in SPII.</td>
</tr>
<tr>
<td>Goal 2</td>
<td>Major voluntary sector organizations who are best able to realize the full value of the &quot;IHR&quot;* model have adopted the model as part of their operations.</td>
<td>NL aspires to maximize the number of voluntary sector organizations that employ the &quot;PE&quot; practices it advocates.</td>
<td>Maximize focus on the &quot;PE&quot;* practices in organizations in the voluntary sector.</td>
<td>same as Goal 2 in SPII.</td>
</tr>
<tr>
<td>Goal 3</td>
<td>NL advocates the &quot;IHR&quot; model outside the province.</td>
<td>NL aims to optimize the net operating revenue earned from delivering services to voluntary sector organizations in Canada.</td>
<td>Double in size within three years.</td>
<td>&quot;Double in size&quot; removed.</td>
</tr>
<tr>
<td>Goal 4</td>
<td>NL seeks to develop a reputation as the Canadian source of expertise on the &quot;PE&quot; practices it advocates.</td>
<td>Develop reputation as expert in the &quot;PE&quot; practices</td>
<td>Develop reputation as expert in the &quot;PE&quot; practices</td>
<td></td>
</tr>
<tr>
<td>Budget</td>
<td>Not available</td>
<td>$55k of cash balance for deficit funding of growth over 3 years</td>
<td>Balanced budget for survival</td>
<td></td>
</tr>
</tbody>
</table>

Remarks: The content of the strategic plan which makes the organization identifiable is disguised for confidentiality reasons.
* "IHR" and "PE" model and practices are NL’s products sold to nonprofit sector organizations.
Table 8: Major Changes Between Two Adjacent Versions of the Plan

<table>
<thead>
<tr>
<th>SPI Goal 2:</th>
<th>SPII: The growth plan Goal 2:</th>
<th>SPIII: The survival plan Goal 2:</th>
</tr>
</thead>
<tbody>
<tr>
<td>NL aspires to maximize the <strong>number of voluntary sector organizations</strong> that employ the PE practices it advocates.</td>
<td><strong>Maximize focus on</strong> the PE practices in organizations in voluntary sector</td>
<td><strong>Maximize focus on</strong> the PE practices in organizations in voluntary sector</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SPI Goal 3:</th>
<th>SPII: The growth plan Goal 3:</th>
<th>SPIII: The survival plan Goal 3:</th>
</tr>
</thead>
<tbody>
<tr>
<td>NL aims to <strong>optimize the net operating revenue</strong> earned from delivering services to voluntary sector organizations in Canada.</td>
<td><strong>Double in size within three years</strong></td>
<td>1. &quot;Double in size within three years&quot; removed.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Budget</th>
<th><strong>Wrap-up</strong></th>
<th>- Balanced budget for survival</th>
</tr>
</thead>
</table>

- **Wrap-up**
  - ***$ of cash balance for deficit funding of growth over 3 years
Table 9: NL Issues 2007/09-2009/11 with Frequency (issues associated with changes to the plan highlighted in yellow)

<table>
<thead>
<tr>
<th>Topic</th>
<th>Discussed in meetings:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Monthly discussed issues</strong></td>
<td></td>
</tr>
<tr>
<td>Approval of previous month's meeting minutes</td>
<td>Discussed in all monthly board meetings observed.</td>
</tr>
<tr>
<td>Approval of current month’s meeting agenda</td>
<td>Discussed in all monthly board meetings observed.</td>
</tr>
<tr>
<td><strong>Current financials (including budgeting)</strong></td>
<td>Discussed in all monthly board meetings observed. An added meeting in July 2009 specifically designated for this issue.</td>
</tr>
<tr>
<td>ED monthly report</td>
<td>Discussed in all monthly board meetings observed.</td>
</tr>
<tr>
<td>Round table</td>
<td>In all but 2 of the 23 monthly board meetings observed.</td>
</tr>
<tr>
<td><strong>Quarternly or more frequently discussed issues</strong></td>
<td></td>
</tr>
<tr>
<td>The development, update, and use of Key performance indicators to evaluate organizational performance</td>
<td>Discussed in all monthly board meetings observed.</td>
</tr>
<tr>
<td><strong>Annually discussed issues</strong></td>
<td></td>
</tr>
<tr>
<td>Financial statement auditing</td>
<td>Discussed in 2 meetings: 2008/03, 2009/02</td>
</tr>
<tr>
<td>Strategic planning day preparation</td>
<td>Discussed in 4 meetings: 2008/04, 2008/06, 2009/09, 2009/10</td>
</tr>
<tr>
<td>Annual celebration event</td>
<td>Discussed in two meetings: 2008/03, 2009/05</td>
</tr>
<tr>
<td>Annual General Meeting planning</td>
<td>Discussed in one meeting: 2008/03</td>
</tr>
<tr>
<td><strong>Aperiodically discussed issues</strong></td>
<td></td>
</tr>
<tr>
<td>IT investment</td>
<td>Discussed in 2 meetings: 2007/10, 2008/01.</td>
</tr>
</tbody>
</table>
| HR collaboration with an HR consulting firm                         | 1. Discussed in 2 meetings: 2007/09, 2008/06  
2. Deferred for discussion in two meetings: 2007/10, 2007/11                                                                                                                                                        |
<p>| Policy Committee report                                             | Discussed in 3 meetings, 2008/02, 2008/03, 2008/11                                                                                                                                                                     |
| Financial committee report                                          | Discussed in 1 meeting: 2008/08                                                                                                                                                                                        |</p>
<table>
<thead>
<tr>
<th>Topic</th>
<th>Discussed in meetings:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board meeting schedule</td>
<td>Discussed in 2 meetings: 2007/09, 2008/01</td>
</tr>
<tr>
<td>Synopsis of MBA studies on NL</td>
<td>Discussed in 1 meeting: 2008/09</td>
</tr>
<tr>
<td>Establish rental fund</td>
<td>Discussed in 1 meeting: 2008/10</td>
</tr>
<tr>
<td>To give one senior program director the signing authority</td>
<td>Discussed in 1 meeting: 2008/11</td>
</tr>
<tr>
<td>Senior employee job description</td>
<td>Discussed in 1 meeting: 2009/05</td>
</tr>
<tr>
<td>Staff presentation of current programs and services</td>
<td>Discussed in 1 meeting : 2009/06</td>
</tr>
</tbody>
</table>
Table 10: Changes to the Plan & Links with the Discussion of the Topics

<table>
<thead>
<tr>
<th>SPI</th>
<th>Topics related</th>
<th>SPII</th>
<th>Topics related</th>
<th>SPIII</th>
<th>Topics related</th>
</tr>
</thead>
<tbody>
<tr>
<td>SPI Goal 2: NL aspires to maximize the <strong>number of voluntary sector organizations</strong> that employ the PE practices it advocates.</td>
<td>T3: Development, Update, and Use of KPI's.</td>
<td>SPII Goal 2: <strong>Maximize focus on</strong> the PE practices in organizations in voluntary sector</td>
<td>T3: Development, Update, and Use of KPI's.</td>
<td>SPIII Goal 2: <strong>Maximize focus on</strong> the PE practices in organizations in voluntary sector</td>
<td></td>
</tr>
<tr>
<td>SPI Goal 3: NL aims to <strong>optimize the net operating revenue</strong> earned from delivering services to voluntary sector organizations in Canada.</td>
<td>T1: Endowment Fund Investment T2: IT Investment</td>
<td>SPII Goal 3: 1. <strong>Double in size within three years</strong> - $$$k$$ of cash balance for deficit funding of growth over 3 years</td>
<td>T4: Executive Director Performance Review T5: Current Financials</td>
<td>SPIII Goal 3: 1. &quot;<strong>Double in size within three years</strong>&quot; deleted. - Balanced budget for survival</td>
<td></td>
</tr>
<tr>
<td>Topic</td>
<td>Profile</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-------</td>
<td>---------</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Topic 1: Endowment Fund Investment</strong></td>
<td>The local government provided NL a free office space in May 2007. The city Foundation provided NL an endowment fund of $400k, requiring NL to invest this amount of money into an account in order to generate, in 20 years’ time, 2 million dollars of cash which is enough to cover the operating cost of the office space.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Topic 2: IT Investment</strong></td>
<td>Together with the IT Committee, the ED recommended to the board that NL purchase a new IT system in order to provide better services to its clients and to manage its clients more efficiently.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Topic 3: Development, Update, and Use of Key Performance Indicators (KPI's)</strong></td>
<td>NL’s board initiated the new governing process in 2007 which was said to provide the board more confidence that the organization was fulfilling its mission and moving toward achieving its vision. The Executive Director and two board members, Michael and Steve, were asked to further develop the Goals and develop measures to evaluate the organization's performance against the Goals in the strategic plan after each plan was published. Later, these measures were frequently presented, discussed, and updated in the meetings that I observed.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Topic 4: Executive Director Performance Review</strong></td>
<td>As part of the new governing process, the Executive Director performance review process was initiated by the board in 2007. The board and the ED Development Committee developed the measures to evaluate the ED's performance. It was an annual review in 2007 and 2008 and then became a quarterly process in 2009.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Topic 5: Current Financials</strong></td>
<td>The treasurer, together with the Executive Director, reported to the board on NL's financial situation in each meeting as an information item, which means to give the board some information and to answer the board's questions but not aiming at a discussion unless there is a critical difference from the budget.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Name of Emotional Dynamic</td>
<td>Description</td>
<td>Name of Strategizing Process</td>
<td>Description</td>
<td></td>
<td></td>
</tr>
<tr>
<td>---------------------------</td>
<td>-------------</td>
<td>------------------------------</td>
<td>-------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Energetic Exchange</td>
<td>All team members interact with each other in an excited way throughout the discussion, with occasional displays of amusement.</td>
<td>Generative Strategizing Process</td>
<td>A process in which all team members engage in open discussion of the topic, resulting in either multiple proposals, or the thorough exploration of a single proposal.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Uplifting Exchange</td>
<td>All team members engaged in a neutral discussion about a difficult issue with occasional jokes and displays of amusement.</td>
<td>Generative Strategizing Process</td>
<td>A process in which all team members engage in open discussion of the topic, resulting in either multiple proposals, or the thorough exploration of a single proposal.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amused Encounter</td>
<td>One team member rejects the leader’s proposal with amusement, followed by collective amusement and excited counter-arguments by team members, ending with more collective amusement.</td>
<td>Integrative Strategizing Process</td>
<td>A process in which team members first challenge their leader’s proposal, but then bond with the leader, resulting in a decision that is eventually accepted by all parties.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amused Relief (Final stage of the amused encounter)</td>
<td>Team members display intense amusement and excitement collectively.</td>
<td>Perfunctory Strategizing Process</td>
<td>A process in which the team goes through the formality of officially approving a decision that has been made before the meeting.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unexpected Rebuttal</td>
<td>One person’s unexpected neutral proposal triggers surprise and excitement in the board members.</td>
<td>Prompted Strategizing Process</td>
<td>A process in which the board’s attention is brought to a topic that has been long delayed, moving it towards an imminent decision.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amused Rejection (front end of the Amused Encounter)</td>
<td>Either one or both parties reject the other party’s proposal with amusement.</td>
<td>Suspending Strategizing Process</td>
<td>A process in which disagreement regarding a proposal is expressed but not explored by the group, resulting in no decision.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mediated Contention</td>
<td>One board member’s questions cause frustration in another board member, causing the first to push excitedly for explanation but eventually express frustration. A third member intervenes to calm the two confronting board members preventing the contention from exploding.</td>
<td>Blocking Strategizing Process</td>
<td>A process in which one board member who is unwillingly engaged in the discussion fails to provide details to support a proposal, resulting in the postponement of a decision.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Neutral Discussion Type 1</td>
<td>Team members discuss the topic in an emotionally neutral manner.</td>
<td>Suspending Strategizing Process</td>
<td>A process in which disagreement regarding a proposal is expressed but not explored by the group, resulting in no decision.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Neutral Discussion Type 2</td>
<td>Team members discuss the topic in an emotionally neutral manner with expressions of empathy.</td>
<td>Appreciative Strategizing Process</td>
<td>A process in which team members understand one party’s difficult situation and decided to lower performance expectation.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Neutral Discussion Type 3</td>
<td>Team members discuss the topic in an emotionally neutral manner.</td>
<td>A recap of the team’s discussion in previous meetings.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Table 13: Emotional Dynamics, Strategizing Processes, Chronologies of Topics

**Year 1**

<table>
<thead>
<tr>
<th></th>
<th>Goal 2: To maximize the number of organizations... <strong>Meaning of Growth:</strong> Clear, growth means to increase the number of organizations that use NL's practices.</th>
<th>Goal 3: To optimize the net operating revenue... <strong>Size of growth:</strong> ambiguous, &quot;optimize revenue&quot; is lack of specific details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Topic 3: KPI's (Chain 3)</strong></td>
<td><strong>Emotional Dynamic</strong></td>
<td><strong>Strategizing Process</strong></td>
</tr>
<tr>
<td>Sep. 07</td>
<td>Amused Rejection</td>
<td>Suspending</td>
</tr>
<tr>
<td>Oct. 07</td>
<td>Neutral discussion (Type 1)</td>
<td>Suspending</td>
</tr>
<tr>
<td>Nov. 07</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dec. 07</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jan. 08</td>
<td>Neutral brief mention</td>
<td>Off agenda</td>
</tr>
<tr>
<td>Feb. 08</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mar. 08</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Apr. 08</td>
<td>Neutral discussion (Type 1)</td>
<td>Suspending</td>
</tr>
<tr>
<td>2008 Retreat</td>
<td>Neutral discussion (Type 1)</td>
<td>Suspending</td>
</tr>
<tr>
<td>May 08</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jun. 08</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Goal 2: To maximize focus on the practices ...</strong> <strong>Meaning of Growth:</strong> Ambiguous. &quot;maximize focus on&quot; is lack of specific details and can be interpreted in different ways.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Goal 3: To double in size within three years</strong> <strong>Size of growth:</strong> clear. To double our size (in terms of revenue when it was written) uses number and provides details; courses of action and budget explained in the BOM.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

182
<table>
<thead>
<tr>
<th>Year 2</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Goal 3: To double in size within three years</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Meaning of growth:</th>
<th>Size of growth:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ambiguous. To increase revenue vs. impact.</td>
<td>Clear. Double our size.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Topic 3: KPI's (Chain 4)</th>
<th>Topic 4: ED performance evaluation (Chain 5)</th>
<th>Topic 5: Current Financials (Chain 5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emotional Dynamic</td>
<td>Strategicizing process</td>
<td>Emotional Dynamic</td>
</tr>
<tr>
<td>Nov. 08</td>
<td>Amused Rejection</td>
<td>Suspending</td>
</tr>
<tr>
<td>Jan. 09</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Feb. 09</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mar. 09</td>
<td>Neutral discussion (Type 1)</td>
<td>Suspending</td>
</tr>
<tr>
<td>Apr. 09</td>
<td></td>
<td></td>
</tr>
<tr>
<td>May 09</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jun. 09</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jul. 09</td>
<td>Uplifting Exchange</td>
<td>Generative</td>
</tr>
<tr>
<td>Sep. 09</td>
<td>Neutral discussion (Type 2, expression of Empathy)</td>
<td>Appreciative</td>
</tr>
<tr>
<td>Oct. 09</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Relevance of Growth in revenue:** clear, irrelevant

| Nov. 09 Retreat | Amused Encounter | Integrative |

**Strategic plan III: Goal 3 Removed, a balanced budget for survival**

**Size of growth:** clear, to survive, not to grow but to survive.

**Meaning of Growth:** clear, growth in revenue is irrelevant
Figures

Figure 1: Emotional Dynamics and Strategizing Processes in Top Management Team Meetings
Figure 2: Year 1, Meaning of Growth: Light-hearted Avoiding, Procrastinating Strategizing & TPS (Team Psychological Safety)
Figure 3: Year 1, Size of Growth: Colliding & Reconciling, Circumventing Strategizing & TPS

**ED Chain: Colliding and Reconciling**

- **Ambiguous Size of Growth**
- **Issue Type:** Embodies Conflict between Board and Staff; A familiar conflict
- **Low TPS**

**SP Sequence: Circumventing Strategizing**

- **Emotional Dynamic**
- **Relationship Dynamic**
- **Strategizing Process**

**Strategic Plan I**

- **SP:** Different proposals discussed in offline meeting. Preliminary decision made.
- **Low TPS**

**Strategic Plan II**

- **Clearer Size of Growth**
- **Low TPS**

(Time)
Figure 4: Year 2, Meaning of Growth: Growing Enthusiasm, Progressive Strategizing & TPS

ED Chain: Growing Enthusiasm

SP Sequence: Progressive Strategizing
Bibliography


Moody (Eds.) Handbook of international and intercultural communication. London: Sage.


Appendices

Appendix 1: Case 1 Producer Team Interview Protocol

Background
- Name
- Job title
- Years in company
- Years as Producer
- What did you do prior to this?

General overview of experience of role
- What is your experience of being in your role – highs, lows, positives, frustrations?

Producer Team & Meetings
- What is your experience of being in the Producer team?
  [How long has this structure existed, J, the team, the meetings?]
- The meetings I’ve attended – are they typical, has my presence there affected them?
- How do you think the Producer team is working, as a team?
- Who do feel most connected to in the team?
- Who least?
- What are the dynamics that might not have been obvious in the meetings?
- How do the meetings help you?
- How could they be more useful?
- How open are you in the meetings?

The Team Leader
- What exactly is J’s role?
- How does that work for you?
- How could the relationship between you be better?
- What could he do differently?

General overview of experience of the organization
- More generally, what works well for you at Radical?
- And what would improve things for you?

Issues?
- What key issues that have been around the last few months?
- What key issues are facing you in the upcoming months?
Appendix 2: Case 2 Round 1 Interview Protocol

**General**
- How long have you been on the board?
- What made you agree to join the board?
- Are you, or have you been, a member of other boards?

**Board effectiveness**
We are interested in what your experience has been as a board member of this organization.
- What do you see as the board’s purpose?
- How well do you feel it fulfils this purpose?
- What would help the board to do its job more effectively?
- How does this board compare, in its effectiveness, to others you have sat on?

**Meeting effectiveness**
- How do you find the meetings?
- What works well, in your opinion?
- What could work better?
- In general, how many of the board meetings are you able to attend in a year?

**Own effectiveness as board member**
- How do you understand your role on the board?
- Thinking back over your time on this board, how possible has it been for you to fulfill this role?
- What could have helped you to do it more/better?
- What about other board members’ input – who do you feel makes most of a difference as a board member at this board?

**Chair effectiveness**
- How do you think of the Chair’s role?
- How well do you feel the chair has been able to fulfill this role?

**Decision making**
- Can you think of a significant decision that the board has made while you have been on it?
- How would you describe the process?
- How could it have been better?
Board-ED relationship

- How do you think of the relationship between the board and the executive director?
- What works well here?
- How could this be helped to work better?

Other board relationships

- Who do you feel closest to on the board?
- Do you have much contact outside of board meetings?
- How much contact do board members have with other members of this organization?
Appendix 3: Case 2 Round 2 Interview Protocol

1. Clearly, the organization found itself facing financial difficulties in 2009. How would you describe the interactions between board members and between the board and the ED in the meetings?
   1.1 Modified for the ED: How would you describe the dynamic between you, as an ED, and the chair?
   1.2 Modified for the chair: How would you describe the dynamic between you, as a chair, and the ED?

2. I noticed that in the September meeting when the board members discussed about the ED's performance (in-camera), it seemed that at that point in the meeting, everyone was empathic of the ED's situation. How do you remember that meeting? How were you feeling at that time?
   2.1 Modified for the ED: How did the chair deliver your 3rd quarter performance evaluation? What did he say? How did you feel?

3. In many places across quite a few meetings, the board team mentioned that "this is an exceptional board", "this board is different from other boards", "things happen here may not necessarily happen in other boards, we are a team", "high function board" and etc. In what ways is this board "different" and "exceptional"?
   3.1 Modified for the board members whom I quoted: "you said …".

4. How do you feel about the strategic planning meeting in November, 2009?

5. How do you understand the "double in size" discussion across quite a few meetings in 2009?
   5.1 Modified for the ED: I saw you disagree with the board about how to measure "double in size", one of the key success factors in your strategic plan. Why didn't you tell the board directly?

6. How do you feel about the "name change" decision making process?

7. How do you understand the two major strategic changes from 2008-2009 that the organization changed from a "growth strategy" to a "survival strategy"? (Question for the chair, the ED, and the board members who have long enough tenure on the board to comment on the organization's strategies.)

8. One extra question for the current chair: in general, how would you describe your relationship with the ED? (This question is a follow-up question for his comment on the relationship between the ED and the former chair in the previous interview with him.)