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COGNITION, POWER, EMOTION & COMMUNICATION AND THEIR COMBINED EFFECTS ON STRATEGIC INERTIA

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INTRODUCTION

Top management teams often fail to take purposeful actions to adapt the strategic route of their organizations to changing competitive conditions, but rather reinforce past courses of actions, a phenomenon known as strategic inertia (Hodgkinson & Wright, 2002; Hopkins, Mallete & Hopkins, 2013).

Determinants of strategic inertia span over multiple levels, such as industry (Hannan & Freeman, 1984), organization (Tripsas & Gavetti, 2000), group/team (Hodgkinson & Wright, 2002), and individual (Eggers & Kaplan, 2009). At the team and individual levels, three main determinants have been examined: cognitions, power (disputes), and emotions; however, the field still lacks an integrated analysis of the interplay of these possible causes, which have frequently been investigated separately. Besides, organizational communication plays a critical role in how cognitions are framed, power is manifested, and emotions emerge. Nevertheless, the role of communication (Kwon, Clarke, & Wodak, 2014) as a catalyst of strategic inertia has been virtually neglected.

We draw from the literature in order to briefly present how each of these constructs (cognitions, power, and emotions) can individually influence top management team's strategic inertia, and then we discuss their (pairwise) interaction. We contribute to the literature on the determinants of strategic inertia by discussing how organizational communication affects (and is affect by) the manifestations of each of those determinants and thereby influences strategic inertia. Finally, we advance a tentative model of the interactions, which shall benefit from more conceptual refinement and empirical scrutiny, and hopefully might inspire future research.

IMPACT OF COGNITION

Top managers have a duty to interpret the internal and external aspects of their organizations (Kaplan, 2011). They need to absorb, process and disseminate information about environments that are extremely complex and ambiguous (Walsh, 1995). They are responsible to initiate, shape and direct strategic reorientations when confronted with new competitive forces (Tushman & Romanelli, 1985). Overall, the way they comprehend the competitive environment influences the strategic recommendations to their companies (Daft & Weick, 1984). While some companies successfully navigate challenging scenarios, others fail to respond properly. The recurrent paralysis of top managers to correct the route of their organizations underscores the importance of examining their cognition and in particular the consequent strategic inertia.

Researchers in the strategic management literature have acknowledged that top managers are bounded rational (Cyert & March, 1963; Simon, 1947). They inherently have information-processing limitations that restrict the range of strategic options available and the assessment of threats and of potential opportunities. They construct simplified mental models when dealing with complex problems; under complex situations, such mental models (also known as schemas or cognitive frames) only approximate rationality (Schwenk, 1988). When they address pressing problems, top managers tend to scan only their local environment, and then adopt solutions that seldom challenge de status quo (Gavetti, Greve, Levinthal & Ocasio, 2012). Gavetti (2012) used the expression "behavioral failures" to refer to the mental impediments of strategic leaders that limit the ability of companies to react to threats and to seize opportunities.

Examples in the literature are abundant. One of the pioneering studies on managerial cognition was the assessment of Scottish knitwear manufacturers' competitive boundaries, conducted by Porac, Thomas and Baden-Fuller (1989). They interviewed top managers and

surprisingly found that their competitive spectrum encompassed only other similar Scottish manufactures. Current and potential competitors from other countries and other parts of the UK that produced similar products were totally or substantially ignored. The study indicated that this reduced competitive boundary was the result of top managers' shared mental models, which limited their vision of the marketplace and reinforced their already biased strategic beliefs and decisions-making processes.

Hodgkinson (1997) ran a longitudinal field study about how the mental models of senior managers working in the UK residential real estate industry, at the time characterized by high volatility, remained stable or else changed little over time. Findings suggested that senior managers were experiencing cognitive inertia, which manifests when individuals become excessively dependent on their established mental models that they fail to notice or act on changes in fundamental circumstances of their business environments until the organization's capacity for successful adaptation has been seriously impaired (Hodgkinson,1997; Hodgkinson & Wright, 2002). The article provided evidence that senior managers' (shared) mental models remained unchanged, collectively and individually, despite a significant downturn in the real estate market coupled with changing circumstances confronting the industry.

One of the effects of cognitive inertia in TMT's is the fixation on a particular competitive boundary at a particular point in time (Porac & Thomas, 1990). This is the case unveiled by Reger and Palmer (1996) who examined the cognitive maps of top managers in the financial industry regarding competitive positioning. They found that their mental models reflected obsolete industry barriers and were not updated quickly enough to keep pace with volatile environments. The authors argued the cognitive inertia manifested by top managers could be the result of information overload, previously learned formulas, and patterns of thinking that are extremely difficult to change.

Tripsas and Gavetti (2000) explored how the cognitive inertia of Polaroid's top managers influenced their strategy making during the shift from analog to digital imaging. They concluded that the way managers modeled the new problem space and developed strategic prescriptions for a new environment were based on past representations, which constrained learning efforts and directed search processes. Top managers remained stuck with the "razor blade" business model and could not change their ingrained strategic beliefs. Such dominant logic (Prahalad & Bettis, 1986) among top managers limited the adaptative intelligence of the company.

In a case where the cognitive inertia of top managers affected the development of dynamic capabilities (Teece, 1997), Danneels (2010) explored how Smith Corona, a large manufacturer of typewriters, confronted the obsolescence of its core product category due to the arrival of personal computers. The company "tried to alter its resource base by leveraging existing resources, creating new resources, accessing external resources, and releasing resources" (Danneels, 2010, p.1-2). However, the efforts failed to materialize in viable new products because of a fundamental missing resource: cognition. Resource cognition is related to the mental models that top managers embrace to answer questions like "what are our resources?" and "what are the potential applications of our resources?" (Danneels, 2010, Eggers & Kaplan, 2013). At Smith Corona, the rigidity of top managers' mental model about the product's brand and customers' behavior contributed to the failed attempts to renew the strategy of the company.

Failing to make the necessary adjustment in top managers mental models was the source of strategic inertia as found by Barr, Stimpert and Huff (1992), who examined the strategic moves of two companies in the railroad industry. The authors suggested that delays by the top managers of one of the companies to update their mental models contributed to organizational decline by intensifying the divergence between the data available and the information processing. The attention of top managers to the changes in the environment and how they

cognitively framed it (Ocasio, 1997, 2011), directed the action of the organization and led managers to neglect or altogether disregard the external transformations that were taking place.

Overall, these examples substantiate the idea exposed by Barr and Huff (1997, p.341) that "[… the top management team of organizations must be epistemic communities of some strength […] to be viable economic units. While individuals […] have unique beliefs and interpretations, they share many beliefs and understanding with others [… so that] the resulting sharing schematic frameworks simplify a complex world and provide the basis for coordinated activity]".

Prahalad and Bettis (1986) similarly suggested that the coalition of top managers is not an abstract representation, but the result of top managers' individual schemas, described as pre-existing knowledge systems formed by their personal experiences. This collective mindset, named "dominant logic", is sustained by the dominant coalition of top managers and emerges from learned and problem-solving behaviors that are recalled for strategic decision-making purposes. The authors further explain that this stored repertoire of collective tools and preferences is assembled and reinforced by the firm's historical economic success, and consequently influences the current interpretation of strategic issues faced by the top management team. However, important changes in the competitive environment can make these interpretations inappropriate, but top managers seldom develop and negotiate a new knowledge system in a timely manner.

Also addressing how individuals' schemas collectively interact within organizations, Lyles and Schwenk (1992) proposed that decision-makers' individual schemas will lead to widespread cause-and-effect beliefs in organizational settings. While the term schema refers to individual-level knowledge, the authors explain that "knowledge structure" denotes shared beliefs at the organizational level, and the core characteristics of this structure will endure over long periods of time, with changes occurring only at a firm's peripheral features. Moreover, due to the importance that top managers have for strategic decision-making, their collective schemas have a great influence on the development of an organization's knowledge structure, a process built on consensus and political negotiation. When beliefs about cause-and-effect are not challenged, these rigid structures will continue to be extensively accepted and applied within the organization.

IMPACT OF POWER DISPUTES AND INCENTIVES

The decision-making process of top management teams is not only the result of the interplay of top managers' individual schemas and their collective interpretation of, and agreement on, an otherwise ambiguous environment, but also involves the political pursuit and negotiation of different interests among the members (Walsh, 1995; Kaplan, 2011).

Cyert and March (1963) highlighted that a firm can be defined in terms of a coalition of interests that comes to prevail over the internal conflicts, which originate from different individual goals. This settlement occurs via agreements that are institutionalized into semi-permanent arrangements. The authors further explain that "[…] organizations have memories in the form of precedents, and individuals in the coalition are strongly motivated to accept the precedents as biding" (p.33). Therefore, the bargaining of the past will influence the current allocation of resources and functions among coalition members; as a result, organizational structures, routines and informal rules are built within a political bargaining process (Cyert & March, 1963). Moreover, the settlement of these disputes brings stability to organizations and accommodates the distribution of power and politics (Hill & Rothaermel, 2003). When organizations face the problem of adapting to changing environments, coalition members will resist strategic moves that can potentially destabilize their dominant position, as these actors will try to maintain their power and influence (Hill & Rothaermel, 2003). A potential outcome of such organizational actors' play is the phenomenon of strategic inertia among top managers.

Nelson and Winter (1982) likewise addressed the tacit and political agreement among organizational parts and proposed that organizational routines implicate a "truce" in intraorganizational conflict. The authors claim that control systems play a critical but limited role in making routine operations possible, and that organizational members have significant room for behavioral discretion that is not motivated solely by the organizational mechanisms that impose the procedures. Consequently, effective routines will be arranged to suppress the effects of divergent members' interests. "There is […] a truce in the struggle for advancement, power, and perquisites among high-level executives. Nobody is trying to steer the organizational ship into a sharp turn in the hope of throwing a rival overboard – or if someone is trying, he correctly expects to be thwarted" (Nelson & Winter, 1982, L. 1545).

Kaplan and Henderson (2005) focused on the motivational side of organizational actors by addressing incentives are context dependent and open to interpretation. Incentive systems are based on a series of historical relational contracts among managers and, consequently, are at the core of the motivational structure of a firm's truce (Nelson & Winter, 1982; Kaplan, 2015). New or ambiguous environments might trigger off confusion among organizational actors, who become unsure of what behavior will be rewarded and how to correctly measure them. In these cases, top managers avoid fracturing these implicit relational contracts and might develop new incentive systems that can be deeply anchored in existing incentives regimes, thereby fostering strategic inertia (Kaplan & Henderson, 2005).

IMPACT OF EMOTIONS

In calls to understand (and help) reduce the prevalence of strategic inertia afflicting organizations, Hodgkinson and Healey (2011, 2014) proposed that emotions perform a central role in strategic decision-making. Strategic management theorists and practitioners have overlooked the importance of emotions by focusing mostly on the bounded rationality assumption. Nevertheless, the authors point out that emotions could be the fundamental inhibitor or else the enabler of top managers' ability to respond to the challenges of inertia in strategic thinking and adaptive behavior. As Bromiley (2005) put it, "[…] people are more complex than our current bounded rationality models. Alternative studies may find it useful to modify this assumption to examine things such as the roles of emotion […]" (p.14).

In fact, emotions are at the core of what motivates individuals and prompts their actions. Barsade & Gibson (2007) maintain that affect pervades every aspect of organization life and materializes every time managers have to deal with topics that are important for them or relate to their company's performance. Elfenbein (2007) contends that all decision-making episode is an affective event, and that managers use their anticipated emotions (even if unconsciously) to guide their decisions. Managers prefer situations that lead to positive emotional experiences and tend to avoid negative ones (Loewenstein & Lerner, 2003), and certain circumstances can lead emotions to dominate deliberative thinking in judgment and decision-making (Hodgkinson & Healey, 2014). The impact of emotions, though, is rather complex, since the same type of emotion (e.g., positive or negative for that matter) can both stimulate strategic change or instill strategic inertia.

One should also notice how related terms and expressions – specifically, emotion, mood, dispositional affect (or affective traits), and affect – are used in the literature. Affect is a broad term that comprises emotions, mood and affective traits, and can be used in reference to the different feelings, short and long-lived, that individuals experience (Barsade & Gibson, 2007).

Affective traits, or dispositional affect, denote a stable personality tendency to feel and act in certain ways, "a person's affective lens on the world" (Barsade & Gibson, 2007, pg. 38). Different individuals experience some types of affect more than others. Individuals with positive affective traits tend to experience more positive moods and emotions, while individuals

with negative affective traits tend to experience more negative ones - he seems always happy; he seems always sad (Barsade & Gibson, 2007). An example of this kind of research approach was a cross-sectional analysis of the Spanish banking industry, in which Delgado-Garcia and De la Fuente-Sabaté (2010) explored how CEO's affective traits influence firm strategic and performance conformity. The results suggest that manager's negative affective traits are related to more conformist strategies and ordinary performance. Positive affective traits are likely to generate outcomes that deviate from the industry standards. Their findings support evidence that a predominantly positive dispositional affect leads to more innovative decision-making, while negative dispositional affect leads to more conservative decisions.

Moods are diffuse and take the form of a general positive or negative feeling (e.g., happy versus sad) (Elfenbein, 2007). Moods tend to persist for long periods, are not related to a specific event, object or person, and are examined by their hedonic tone (positive or negative), considering how pleasant or unpleasant the mood is (Barsade & Gibson, 2007). There is a long debate about the influence of positive and negative moods on decision-making. There is consistent evidence that positive moods lead to better decision-making by facilitating the efficient and flexible use of new information. However, depending on the context, positive moods can jeopardize productivity and promote inertia by suggesting to mangers that "all is good", thus leading to complacence or overconfidence (Ashton-James & Ashkanasy, 2008; Elfenbein, 2007). On the other hand, studies have also pointed out that negative moods can lead to better decision making by stimulating managers effortful processing and instilling a sense of urgency and call to action. Negative moods indicate that something is wrong, fostering the search for a solution (Elfenbein, 2007).

In contrast, emotions (e.g., fear, anger, joy, pride) are discrete, intense, contextual and transitory (short-lived), and represent feelings towards an event, object or person (Barsade & Gibson, 2007). The emotion process starts with the exposition of a person to an external eliciting stimulus that provokes its registration and the experience of the affective state, with consequences for the person's attitudes and behaviors (Elfenbein, 2007). Different emotions have different embedded core action tendencies that can be related to an individual' specific behavior outcome, although the resulting behavior is also contingent on the emotion's intensity and context (Frijda, 1988; Lazarus, 1991). These action tendencies activate and prioritize the person's behavior and signal that it is necessary to respond (or not) to aspects of the environment (Fridja, 1988). Even if quickly and imperceptible, the emotion process is characterized by having a systematic arranging (Elfenbein, 2007). Organizational studies that focused on discrete emotions usually explored what kind of emotions are elicited by events that affect companies and how the elicited emotions interact with members' cognition to influence their behavior. Strategic change, technological innovation and top managers' decision making appear on the list of studies looking at consequences of discrete emotion (Kouame & Liu, 2020). Strategic change, for example, may bring high emotional load to the fore as it demands substantial modifications in structures, processes, resources distribution and managers' beliefs, (Huy, 2005). Top managers may resist changes whose outcome is unknown because of the anxiety elicited or fear of the potential consequences (Huy, 2008). Therefore, it is essential to manage emotional dynamics properly, so as to reduce organization members' resistance to change (Huy, 2005).

Exploring how emotions can elicit or hinder organizational learning (Argyris, 1976), Scherer and Tran (2001) highlight that some of the discrete emotions regularly found in organizational settings can be important sources of motivation for change or else maintenance of the status quo. The authors proposed the classification of selected discrete emotions according to their action tendencies (which could have positive or negative consequences depending on the specific intensity of the emotion experienced and the kind of situation an organizational actor is inserted in):

- Approach emotions: interest, hope, joyful anticipation;
- Achievement emotions: relief, satisfaction, contentment, joy, pride, elation;
- Deterrence emotions: anxiety, fear, distress, pessimism;
- Withdrawal emotions: sadness, resignation, shame, guilt;
- Antagonistic emotions: irritation, anger, hate, aggressiveness.

Approach emotions tend to enhance the exploration of new opportunities and encourage overcoming organizational challenges, as well as promote the search for new skills. However, when hope and joyful anticipation intensify up to the point of generating unrealistic expectations, they can produce risky and dysfunctional decision-making. *Achievement* emotions relate to the recalling of success and goal accomplishment in organizational settings, but when they are deeply rooted in past successes, they can lead to stagnation (e.g., a top manager that excessively prizes himself for his or her past achievements and as a consequence does not notice new threats or opportunities on the company's horizon). *Deterrence* emotions prevent managers from exploring new opportunities as they avoid exposing themselves or they attempt to escape from circumstances that cause these affective states. While deterrence emotions such as anxiety and fear can prevent excessive optimism and reckless decision-making, they may also induce not taking potentially attractive projects because they are deemed as risky. *Withdrawal* emotions tend to concentrate the attention and efforts of managers on internal processes rather than on the company's external environment, and thus tend to refrain the impetus to invest in new ventures. In periods where significant internal changes are necessary, such as restructuring, these emotions can help focus managers' energy on internal matters. Finally, if on the one hand, *antagonistic* emotions can drive managers to fight for their personal and professional objectives, on the other, they can have deleterious consequences on top managers' agreement about the best strategic route.

Overall, theoretical and empirical research by multiple authors advises that the effects of discrete emotions on strategic inertia can vary significantly. As a result, we selected some discrete emotions for the purpose of this work and elaborated Table 1, which indicates how these emotions can augment or reduce top managers' strategic inertia, depending on the general circumstances top managers are involved in and must decide upon.

Table 1 - Possible Effects of Selected Discrete Emotions on Strategic Inertia

Emotion	**Emotion family***	**+ Strategic Inertia**	**- Strategic Inertia**
Fear	Deterrence emotions	Escape, avoid exploration of new opportunities, paralysis	Ignite action to avoid the worst, detailed analysis of alternatives
Anxiety	Deterrence emotions	Escape, avoid exploration of new opportunities, paralysis	Ignite action to avoid the worst, detailed analysis of alternatives
Anger	Antagonistic emotions	General disagreement and lack of direction	Overcome challenges and obstacles
Envy	Antagonistic emotions	Sabotage and intrigue among team members	Strategic reorientation needed aligned with personal interests
Jealousy	Antagonistic emotions	Sabotage and intrigue among team members	Strategic reorientation needed aligned with personal interests
Hope	Approach emotions	Unrealistic expectations, double bet on current strategy	Exploration of new opportunities and alternatives
Pride	Achievement emotions	Status quo maintenance ("we are the best")	Moral maintenance in the face of difficulties
Joy	Achievement emotions	Status quo maintenance ("all is good")	Openness and energy to adapt and explore

** Source: Scherer and Tran (2001)*

The management literature frequently claims that positive emotions are advantageous for organizations, disregarding the fact that both positive and negative emotions result from the same registration process and both develop along each other, and negative emotions can have important roles in organizational settings (Elfenbein, 2007). The combination of feelings in terms of their hedonic tone as positive and negative reduces the perspectives to comprehend the antecedents, subjective experience, and behavioral consequences that each discrete emotion presents (Lazarus & Cohen-Charash, 2001). Additionally, the differences among discrete emotions can be more assertive for the understanding of adaptative problems of individuals and, consequently, organizations, since each emotion has its own characteristics and behavioral tendencies. In the words of Lazarus and Cohen-Charash (2001), "[…] if the dominant emotion is anger, we are dealing with a different kind of recurring adaptational drama than would be the case if the dominant emotion were, say, anxiety, guilt, shame, envy, jealousy, and so forth" (p. 52).

THE COMPOUNDING EFFECT OF THE INTERACTION BETWEEN DETERMINANTS OF STRATEGIC INERTIA

The above-mentioned determinants of strategic inertia – cognitions, power, and emotions – also interact between one another in complex ways that influence the behavior of strategic decision-makers.

POWER AND COGNITION

Strategy making under ambiguous scenarios can produce divergent interpretations about the best course of action, and this frequently competing views will be resolved by the political arrangement of the actors involved (Kaplan, 2008). This arrangement will include not only managers' personal interests, but also the cognitive frames applied to the situation at hand. Interests and cognitive frames are interrelated and reciprocally affect each other. Managers will pursue the strategic choice that best fit both their interests and cognitive frames and will try to coopt other managers towards they intended strategic direction. Decisions are postponed until this contest for a prevailing frame among different coalitions does not find a common ground (Kaplan, 2008). Eventually actors manage to turn their own (purposefully built) cognitive frames into the organization's predominant frame; in fact, a collective frame can be viewed as a truce that stabilizes the governing coalition (Kaplan, 2008, 2015).

Besides, as managers sense the consequences to their political position in the organization that might result if certain pieces of information are dealt with in the decision-making channels, they may (usually deliberately, but sometimes also unconsciously) adjust their focus of attention (Ocasio, 1997, 2011) and then filter the information that will feed their "rational and analytical" processing, by retaining and increasing the importance of the favorable (to their personal goals) pieces and ignoring or outright discarding others.

Therefore, managerial cognition is influenced by organizational politics, and strategic inertia can be the outcome of the resulting cognitive frame's rigidity, as well as of failures to establish a new frame due to managers' internal political practices, derived from unresolved dissonance (between the objective vs. the construed reality) and deferred decisions (Kaplan, 2008).

EMOTION AND COGNITON

An important contribution of neuroeconomics to organizational studies has been to expose the circumstances that can lead emotions to dominate deliberative thinking in judgment and decision-making (Hodgkinson & Healey, 2011; 2014). There is evidence that top managers frequently act based on the emotions they experience at the time of choice, in reaction to their mental images of expected outcomes and of disconfirming evidence of their engrained beliefs,

not on rational probabilities or accounts of reality (Loewenstein & Lerner, 2003). When affect and rational reasoning conflict, the former can outweigh the latter to govern behavior (Loeweinstein, Rick & Cohen, 2008). Nevertheless, while emotions have been considered an obstruction to rationality, newer work has highlighted its adaptative nature (Elfenbein, 2007). Researchers who investigate the interaction of cognition and emotions demonstrate it would be unfruitful to describe human thought or behavior without addressing emotions (Ashkanasy, 2003).

In fact, perceived changes in the external environment, such as economic events or other conditions, can be important emotional elicitors (Brief & Weiss, 2002). Positive emotions will be elicited by events that satisfy an individual's goals, while negative emotions will be elicited by events that harm or threaten those objectives (Frijda, 1988; Lazarus, 1991). Furthermore, organizations have idiosyncratic features and dynamics with the potential to provoke a variety of emotions in top managers, collectively and individually (Lazarus, Cohen-Charash, 2001). External changing environments that impose significant adaptational challenges to organizations, for example, can place emotional burdens in top managers that potentially increase their resistance to revising their assumptions, beliefs, values, routines, incentives, or privileges (Huy, 2008). On the other hand, specific emotions can also function as relevance detectors that warn and focus the attention of top managers on relevant environmental changes, encouraging the search for an appropriate strategic answer (Scherer & Tran, 2001).

Ashton-James and Ashkanasy (2008) highlighted, for example, that the negative emotions of anger, fear and anxiety, and the positive emotions of joy and happiness, have each a different impact on top managers' cognition and decision-making. Anger arouses the action tendency to react against an event or object in the environment that is perceived to cause harm, hence it can be a force to overcome organizational difficulties. Yet, it might also lead to impulsive behavior and excessive risk taking. Fear and anxiety share the action tendency to escape but might also produce more vigilant monitoring (although anxiety, differently from fear, does not have a clear object or event that acts as an emotion elicitor). Joy and happiness arise out of goal achievement (or anticipation of future good results), but when in excess can lead to impulsive and over-confident decision-making. The authors concluded by suggesting that anger and joy/happiness tend to promote increased risk taking, while fear and anxiety are related to risk-averse behavior.

Moreover, how top managers frame the arrival of an external innovation, named "emotional framing", would significantly affect their perception towards innovation opportunities (Raffaelli, Glynn & Tushman, 2019). Accordingly, top managers should foster routines and procedures that improve internal emotional dynamics by assisting members' emotions with the purpose of facilitating strategic renewal (Huy, 2005). These emotion-based dynamic capabilities would help organizations manage the emotions naturally elicited by the uncertainty involved in the exploration of new strategies, reducing organization members' resistance to change (Huy, 2005). Huy, Corley & Kraatz (2014) explored how top managers' failure to adequately manage these internal emotional dynamics can hinder strategic change. The study indicated how the transformation from emotionally positive assessment, based on heuristic processing, to emotionally negative assessment, based on detailed and analytical processing, climaxed in strong resistances to change among middle managers involved in a change project. The initial positive emotions present during the formulation phase of the change project, characterized by energy, excitement and feelings of calm, were taken over by disappointment, anxiety, anger and lost hope during the implementation phase.

Finally, one should also recognize that several strategic choices submit decision-makers to ambivalence, that is, "the simultaneous experience of positive and negative emotional or cognitive orientations toward a person, situation, object, task, or goal" (Rothman, Pratt, Rees & Vogus, 2017, p. 33). Such state can induce opposing reactions, leading either to cognitive

inflexibility (e.g., response amplification, reduced ability to decide, confirmation bias, or confirmatory order perception) or else to cognitive flexibility (e.g., expansion of the cognitive breadth or of the scope of attention or amplified motivation to engage in balanced consideration of multiple perspectives); much by the same token, ambivalence can provoke behavioral inflexibility (e.g., paralysis or resistance to change) or behavioral flexibility (e.g., openness to change, reduced escalation of commitment or interpersonal and collective adaptability) (Rothman et al., 2017).

EMOTION AND POWER

Shifts in the environment can trigger emotional responses in top managers, and consequently their interpretation and consideration, individually and collectively, of the new strategic issue (Huy, 2008). Individuals tend to resist changes whose outcome is unknown because of the anxiety elicited or fear of the potential consequences. A relevant strategic issue with the potential to jeopardize the stable distribution of power and resources in an organization will probably have the same effect on top managers (Huy, 2005). Positive emotions might also prevent changes. Pride and joy, for example, might be so pervasive among the top management team that the negative emotions elicited by a threatening environmental shift may not have the necessary steam to disturb the equilibrium of the coalition, as the strategic issue is judged as unimportant or outright ignored (Scherer & Tran, 2001).

Additionally, emotions frequently found in organizations can also interfere with the internal coalition functioning. Envy is elicited when a co-worker gains something one wants but does not have (raise, promotion, recognition, etc.), with a possible loss of relative social status (Fisher, 2019). Envious organizational actors tend to hurt or sabotage colleagues and are less inclined to help and cooperate with them, since they are more suspicious of their peers and might try to improve their internal ranking by maneuvering new coalitions (Lazarus & Cohen-Charash, 2001). Similarly, jealousy is felt when a co-worker takes something that is valued by the other party, such as a favored relationship with a customer or a manager (Fisher, 2019). Lazarus and Cohen-Charash (2001) highlighted that one of jealousy symptoms relates to a professional that holds a better position compared to other peers and does not concede space to change the status quo, covering his or her current position. A jealous manager can work to block the advancement of colleagues or interfere in the equal distribution of incentives. On the positive side, the authors add, envy and jealousy can eventually lead actors to double their efforts for career advancement in ways that benefit their organizations, despite the side effects of their maneuvers against other members.

Accordingly, power games among top managers will inevitably elicit different emotions (Brundin and Nordqvist, 2008), as the maneuvers of individuals and coalitions to gain or preserve prestige, power and resources might affect other co-workers, who will defend their positions, or plan to counterattack (Pettigrew, 1973). Top managers playing this political game will be immersed in a vast array of positive and negative emotions, the intensity and frequency of which will depend on both how well positioned they are in the "organization's battlefield", and the level of political activity within the firm (Eisenhardt & Bourgeois, 1988).

ORGANIZATION COMMUNICATION

Managers express their cognitive understandings, power and emotions through communication. Moreover, communication has a key role in an organization's attention structures, as well as in strategic change and renewal (Ocasio, Laamanen & Vaara, 2017). Several researchers (Hodgkinson et al., 2006; Jarzabkowski & Seidl, 2008; Johnson et al., 2010; Kwon et al., 2014) have noted that companies are resorting ever more to informal discussions, rather than formal tools and techniques, to formulate their strategy, among which are several communication (besides communicating) and coordination instruments (e.g., meeting,

workshops, PowerPoint presentations); therefore, there is a need to deepen the nature, characteristics and influence of the communication channels and tools used by organizations (Ocasio et al., 2017; Vaara & Whittington, 2012).

Communication practices can emphasize several components that stimulate or inhibit the strategic agenda and decision-makers "use a range of discursive strategies and linguistic ploys to shape shared views of strategic issues and legitimate their views" (Kwon et al., 2014, p. 4). As Balogun, Jacobs, Jarzabkowski, Mantere and Vaara (2014) have put it, "[…] words, in both their spoken and their materialized forms in text, are some of the most powerful resources for making and signifying an organization's strategy." (p. 175). Talking and other communication mechanisms allow strategists and decision-makers to negotiate and establish meanings, articulate their understanding of the competitive landscape, and individually and collectively project the future pathway of the organization (Samra-Fredericks, 2003).

Additionally, organizations' internal communication practices can also be understood as predominant and widespread narratives that influence managers' frames of reference and, consequently, how individuals relate to reality (Geiger & Antonacopoulou, 2009). When internal narratives are deep-rooted in past beliefs and frames of reference that have not been properly updated to the new demands of the competitive environment, they have the potential to limit the questioning of prevailing strategic assumptions and therefore the company's adaptation to new challenges (Geiger & Antonacopoulou, 2009). On the other hand, top managers can also alter the organization's internal communication by purposefully constructing innovative narratives that positively influence the interpretation of novel situations by its members and promote strategic change (Dalpiaz & Di Stefano, 2015).

COMMUNICATION AND POWER

The context of organizational communication affects how strategy making unfolds. As Pettigrew (1973) put it, "[…] where a demand is voiced, who articulates it, who hears it, and how widely it is diffused are all crucial determinants of the way in which it is received and processed" (p. L5295). Top managers can establish and direct the strategic agenda and are an important nexus of the formal and informal communication within the organization (e.g., conversations, emails, memorandums, and reports) (Ocasio et al., 2017). They decide what issues are considered strategic and then get discussed (that is, agenda building, *cf.* Dutton, 1986), and ultimately can restrict the flow of information at the company (Eisenhardt & Bourgeois, 1988). Top managers and the dominant coalition will direct attention to issues that legitimate their power dominance (Dutton, 1986) and will try to mobilize other players in their favor (Pettigrew, 1973). Moreover, these key actors can use the available discursive resources to overlook those views that are not aligned with the preferable "strategy story" in order to stress or impose their own, thus "narrating" the organization strategic future (Balogun et al., 2014). Or they might also use discursive practices to distance themselves from strategic issues that might provoke criticism toward their performance to avoid responsibility, such as blame others for the firm's problems (Maitlis & Lawrence, 2003). Overall, communication and politics play a relevant role in engendering the firm's strategic agenda and in what is decided upon (Dutton, 1986).

COMMUNICATION AND COGNITION

Cognitive researchers have suggested that language plays a key role in shaping cognition, and consequently how people talk has a direct link to how people think (Boroditsky, 2011). In organizations, communication affects cognitions by means of the ways in which managerial attention is shaped by the organization communicative practices, language and vocabulary (Ocasio et al, 2017). These multiple communicative patterns are reproduced, translated and transformed within the organization by their respective members, and

consequently orient what strategies should be pursued by connecting their common communicative characteristics (Ocasio et al, 2017).

Moreover, firms' communication channels structure "individuals' attention engagement", described as "[…] the process of intentional, sustained allocation of cognitive resources to guide problem solving, planning, sensemaking, and decision-making" (Ocasio, 2011, p. 1288). These communication channels are the formal and informal meetings, reports and processes that focus the attention of top managers on specific threats and opportunities according to their availability and saliency (Ocasio, 1997). The company's adaptability capacity to changing environments relys on top managers directing their attention to the appropriate threats and opportunities, which in turn is also contingent on the organization's communication channels structure (Ocasio, 1997). Accordingly, these communication practices in organizations are important for how top managers comprehend their environment and can facilitate or restrain emerging strategic agendas (Ocasio et al, 2017).

COMMUNICATION AND EMOTION

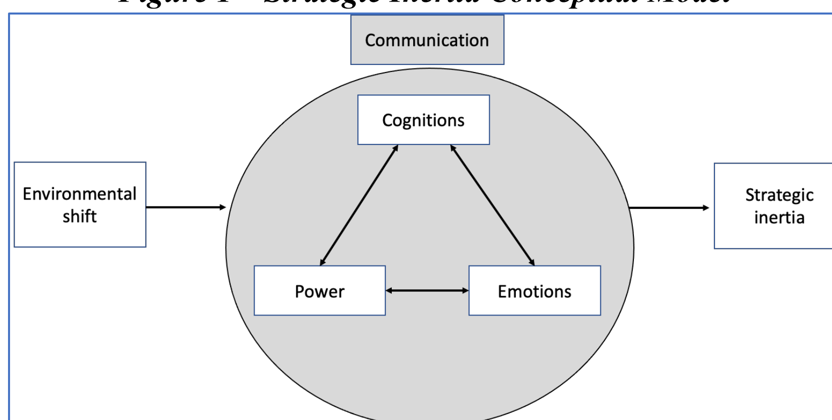
Emotional display in organizational settings, particularly among top managers, has a significant influence on strategy and decision-making (Brudin & Nordqvist, 2008). Facial expressions, voiced words, written texts and others forms of communication are regularly embedded with emotions, which are open to interpretation and meaning elaboration. Therefore, evaluating the acts of communication within organizations without considering the role of emotions can provide a limited view of the process (Liu & Maitlis, 2014). Strong negative emotions demonstrated by a top manager can contribute to strategic reorientation failures by diminishing other members participation (Kisfalvi & Pitcher, 2003), as well as emotions purposively used in rhetoric during strategic meetings can persuade other participants towards the intended objective (Samra-Fredericks, 2003; 2004). On the other hand, managers can be inserted in organizational structures whose patterns of communication limit emotion expression. The concealment of fear display, for example, can bias top and middle managers perception of their company's internal capabilities, jeopardizing innovation process with severe consequences in the long run for the overall organization (Vuori & Huy, 2016).

AN INTEGRATIVE MODEL

The realm of behavioral strategy lies in "grounding strategic management in realistic assumptions about human cognition, emotion and social interaction […] including organizational politics" (Powell et al. 2011, p. 1369). Previous empirical research has frequently presented these three causes – that is, cognition, power and emotion – in isolation or at most in pairs, as cognition and power, power and emotion, or cognition and emotion. Cognition and emotions are entangled (Elfenbein, 2007), political and power games will elicit emotions, which will also influence the interpretation and evaluation of the interests involved within the dominant coalition. Then it is suggested that isolating the variables will not account for the whole story.

Accordingly, we advance an integrative conceptual model about the strategic inertia process linking what has been exposed. Figure 1 illustrates the model and how the constructs interact, namely an environmental shift, followed by the interaction of top managers' cognition, power and politics, and emotions expressed in managerial communication. The model proposes that these three constructs – top managers' cognition, power and emotions – can lead to strategic inertia, and that their impact should be analyzed interactively, not in isolation; besides the role of communication practices in shaping (and being shaped by) those determinants should be carefully considered.

Figure 1 – Strategic Inertia Conceptual Model



Strategy formulation has been portrayed as rational, logical and analytical. However, strategy making (and strategy execution) in practice suffers from limits to human cognitive rationality and is also embedded in behavioral, power-driven, and emotion-laden contexts. Besides, interaction among top decision-makers by means of their communication practices and tools can work both ways, either reinforcing the deleterious impact of team and individual-level determinants of strategic inertia or else attenuating them.

Potential contributions and limitations of the study

Future empirical research, some of which may include in-depth case studies, will have to overcome methodological hurdles. One of them is the identification of discrete emotions themselves, vis-à-vis moods or affective traits, because emotions offer a more fine-grained perspective of affective states (Barsade & Gibson, 2007). While affective traits and moods tend to influence the likelihood of the type of emotions that a person will experience, it is the specific (discrete) emotion sensed at a moment of decision-making that will influence the decision. Special equipment and techniques (for example, fMRI - functional Magnetic Resonance Imaging) can be used to collect data on neurological and biological processes that accompany emotional reactions (Dulebohn, Conlon, Sarinopoulos, Davison & McNamara, 2009; Laureiro-Martinez, 2018) Also, how to recognize emotional contagion from individuals to the group, and from the group to individuals (Barsade, 2002) needs to be addressed. While collecting retrospective data on discrete emotions may not provide an accurate account, collecting real-time data entails challenges, such as obtaining authority for non-participant observation, identification of manifested (or perceived) vs. genuine emotions, and the potential modification of the emotional climate once the actors are aware that they are being observed. Besides, strategic decisions are often undertaken in a series of interrelated events and discussions, along which emotions change, and power games unfold; therefore, a process view would be recommended (Langley, 1999; Langley, Smallman, Tsoukas & Van de Ven, 2013). Another challenge relates to untangling the separate impacts of the determinants of strategic inertia from their interaction. Great challenges ahead with great potential rewards for our improved understanding of how strategic inertia develops.

Conclusion

There is much to be studied about the strategic inertia phenomenon, and this conceptual model certainly can be further extended and enhanced, or criticized, as empirical research raises new questions and points to new directions. The intention is to deepen and expand the debate about this extremely interesting and pervasive phenomenon. More than ever, organizations need to permanently monitor new potential competitors, substitutive technologies and

disruptive business models, to name just a few of the challenges. Accordingly, top management teams are over enormous pressure. A better understanding of the causes that lead to dysfunctional decision-making – decisions that jeopardize the long-term prospects of an organization – due to a combination of elements that are, at the same time, constitutive of human beings and organizations, such as cognition, power and emotions, will benefit the strategic management field and, more importantly, assist managers and organizations to overcome the challenges that lie ahead.

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