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Collective emotion regulation in an organisation – a plural agency with cognition and affect

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Abstract

Purpose – While emotions and feelings arise in the singular personality, they may also develop a normative dimensionality in a plural agency. The authors identify the cybernetic systemic principles of how emotions might be normatively regulated and affect plural agency performance. The purpose of this paper is to develop a generic cultural socio-cognitive trait theory of plural affective agency (the emotional organization), involving interactive cognitive and affective traits, and these play a role within the contexts of Mergers and Acquisitions (M&A).

Design/methodology/approach – The authors integrate James Gross' model of emotion regulation with the earlier work on normative personality in the context of Mindset Agency Theory. The agency is a socio-cognitive entity with attitude, and operates through traits that control thinking and decision making. These traits are epistemically independent and operate on a bipolar scale; with the alternate poles having an auxiliary function to each other – where the traits may take intermediary "balanced" states between the poles.

Findings – Processes of affect regulation are supposed to go through three stages: first, identification (affective situation awareness); second, elaboration of affect is constituted through schemas of emotional feeling, which include emotion ideologies generating emotional responses to distinct contextual situations; third, execution: in the operative system primary emotions are assessed through operative intelligence for any adaptive information and the capacity to organize action; and turned into action, i.e. responses, through cultural feeling rules and socio-cultural display rules, conforming to emotion ideologies.

Research limitations/implications – This new theory provides guidance for framing multilevel interaction where smaller collectives (as social systems) are embedded into larger social systems with a culture, an emotional climate and institutions. Thus, it is providing a generic theoretical frame for M&A analyses, where a smaller social unit (the acquired) is to be integrated into a larger social unit (the acquirer).

Practical implications – Understanding interdependencies between cognition and emotion regulation is a prerequisite of managerial intelligence, which is at demand during M&A processes. While managerial intelligence may be grossly defined as the capacity of management to find an appropriate and fruitful balance between action and learning orientation of an organization, its affective equivalent is the capacity of management to find a fruitful balance between established emotion expression and learning alternate forms of emotion expression.

Social implications – Understanding interdependencies between cognition and emotion is a prerequisite of social, cultural and emotional intelligence. The provided theory can be easily linked with empirical work on the emergence of a cultural climate of fear within societies. Thus, "Affective Agency Theory" also has a bearing for political systems' analysis, what, however, is beyond the scope of this paper.

Introduction

A cultural agent is a dynamic, adaptive, self-organizing, proactive, self-regulating, socio-cognitive autonomous plural actor that interacts with its social environments. Cognitive theory accepts that thoughts are determinants for patterns of behaviour that develop from personality, and where normative personality is the result of a culturally derived "collective mind" (Yolles, 2009) which has both cognitive and affective states, uses information to guide thinking and actions, and is able to monitor and discriminate its own and others' feelings/emotions. In extension of the latter attribute, affective cultural agency theory is a theory of the cultural agent which has collective emotion regulation, strategy deployment through figurative intelligence and emergent patterns of behaviour through operative intelligence. It is a development of cultural cognitive agency theory, this arising with Yolles (2006), and centres on cognition/thinking and behaviour within a framework defined by Schwarz's (1994) complex dynamic "living systems" theory. This framework maintains a number of generic principles that are broadly accepted as being true, a notion we shall return to shortly. Cultural agency theory is concerned with multilevel research, where lower level agencies are embedded into higher level agencies and the same generic principles are valid for nested social wholes, a need suggested for instance by Ashkanasy (2003a, b). One can easily imagine such system hierarchies. For instance there may be a few individuals as members of a team, the team as part of a department, the department as part of a division, the division as part of a subsidiary. This in turn is nested into a larger social system of an international corporation and dependent on the headquarters, and the headquarters nested into a national economy. This in turn is an integral part of an international integration area like the European Union.

With respect to Mergers and Acquisitions (M&As), a distinction between within-culture (domestic) takeovers and cross-cultural (cross-border) takeovers seemingly would be appropriate. Studies like Dauber (2011), show that national as well as organizational culture, substantially affect organizational members' perception of differences, which become particularly obvious to them on the operational level, i.e. differences in working styles. These differences are often the source of misunderstandings and conflicts, leading to emotional responses to change and resistance. Obviously, within-culture takeovers take place within the same society, i.e. a larger social whole with regulating institutions. Within-culture merger conflicts emerge due to interest conflicts, power differences, and not least within society cultural variation. Such conflicts are raising emotions and through emotions feed-back to behaviours. The way emotions are expressed is influenced by national culture characteristics. Thus, emotions may be expressed differently across cultures than within a single culture.

"Cultural agency theory" is an epistemic systemic theory that has integrated and developed principles of social/psychology and personality. This is the obverse of other approaches to agency (like that of Bandura, 1986, 1999; Piaget, 1950, 1971; and Vygotsky, 1978) which adopt social/psychology approaches with systemic attributes.

Cultural agency theory has migrated social/psychology principles from Piaget's (1950) theory of development, which initially centred on children and was then extended to social collectives. Piaget was fundamentally a systems thinker who "saw the child, like us all, as psychologically involved in a dynamic system of understanding wherein what counts as knowledge can change and change again through an ongoing process of construction" (Leman, 1998, p. 42). Piaget (1971) saw social/psychological development as a prime function that relates to the cognized operational environment of the agency and its capacity for adaptation. More particular, Piaget's (1950) work on developmental "intelligence" constituted an unrecognized for-runner for what many now acclaim as the important "autopoiesis" principle of the living systems as conceptualized by Maturana and Varela (1980).

The broadly systemic approach adopted by Bandura (1999, p. 229) in his socio-cognitive agency theory was rather different to that of Piaget. Here, dynamic self-schemas of personality enable the individual/social-collective to see itself as an autonomous system that interacts dynamically with its social environments. Bandura additionally adopted systemic control theory to enhance his schema of adaptability and to further his work on cognition within both an individual and collective context.

Cultural agency theory, having reached maturity, is here being extended to affect/emotion. We shall create theory for the affective agency, explaining its connection with cognitive agency theory and how it influences cognitively derived patterns of behaviour. While it has been shown that cognitive theory is capable of anticipating patterns of behaviour for given contexts (Yolles and Fink, 2011), affective theory is needed to anticipate particular instances of behaviour since cognition and affect interact. Thus, negative and positive emotional states coexist in groups and organizations. As illustration, negative states exist like a climate of fear (Ashkanasy and Nicholson, 2003), as do positive states of mood that are a precondition for creativity (Isen, 1993). Affect also influences the content of cognition (Ashkanasy and Ashton-James, 2007). Affective agency has the experience of feeling and emotion (Hogg *et al.*, 2010) and the cognitive intentions of its personality to affect others (e.g. what might be achieved through displayed emotions as spontaneous observable action). James Gross (1998, p. 273) defined affect as a "superordinate category for valenced states", which include emotions, emotional episodes, mood, dispositional states and traits. As an extension of Gross' model, we will argue that emotions emerge from: an underlying emotional attitude, used to self-identify personality in an available range of spontaneous and un-reflected emotional reactions; and from feelings, used to self-regulate personality and its displayed repertoire of emotional expressions in the light of personal interest like strategic goals.

Methodology and principles of theory migration

For Carver (2005, p. 320) "there is potential for confusion in comparing […] [theories of personality] across literatures, due to differences in use of terms […]." Boeree (2006) supports this by saying that the field of personality gives us a plurality of theories rather than a science of personality, resulting in a confusing complexity of non-relatable terms. Already Leventhal (1980, p. 140) noted that the concept of emotion is poorly defined and research is fragmented and unintegrated. This situation is not much better today as expressed by Gross (2008, p. 497) in relation to theories of emotion regulation: "There remains an unfortunate degree of confusion about what emotion regulation is (and isn't), and what effects (if any) emotion regulation has on important outcomes." An aim of our research is to make sense of this field of study such that a coherent

theory of the affective agency can emerge, which can be linked to a theory of the cognitive agency and can model the interaction of an organization with its operative environment, but also interaction between two organizations.

To satisfy this, the chaos in the literature makes some methodological demands that can be satisfied by the selective coding method of Grounded Theory, which helps integrating and refining theories (Strauss and Corbin, 1998, p. 143; Grounded Theory [1]). For weaving various fractured concepts into a coherent set of propositions that explain the main theoretical interests, we use "Mindset Agency Theory" (Yolles and Fink, 2014a) as the "target theory", into which "source paradigms" from personality theories about affect, emotions and feelings are to be migrated. Thus, the terminology of the "target theory" remains unchanged and the terminology of the "source theories" is adapted (migrated) to fit the meanings of the target theory. If terms do not arise in the original target theory, coherent terms are chosen after comparison of meanings and parsimonious reduction of the number of terms through synonym and antonym analysis.

Operationally we compared the meanings of different terminologies with emphasis on two main aspects:

(1) Comparing the function that a particular construct has in a model. As to constructs, we had to distinguish between domains, i.e. constructs that describe states (e.g. a valid paradigm), constructs that define orientations (e.g. traits), and constructs that define processes, e.g. information flows, patterns of behaviour leading to action.

(2) Comparing the terminology for affect, emotions, feelings, and temperaments for synonyms and antonyms, and reducing the variety of expressions to a smaller number of terms through employing synonyms or, where appropriate, antonyms. From the various sources we created lists with up to 200-250 terms, which could be compared, grouped and shortened with help of internet tools like Thesaurus.com (www.thesaurus.com/browse/synonym) and Woxikon (http://synonyme.woxikon.de/) for terms in German. For example, reducing the variety of expressions like anxiety, concern, despair, dismay, dread, horror, scare, worry to the single term "fear", and its antonyms assurance, confidence, contentment, faith to the single term "trust". In this way, we generate a semantic nature for adopted terms like fear and trust that are slightly broader than might at first thought to be the case, since they embrace a number of contextual interpretations. This would also apply, for instance, to the term "angry," which can be taken to represent the spectrum of terms like annoyed, bitter, enraged, exasperated, furious, impassioned, indignant, offended and resentful.

Theory migration involves a process of identifying theoretical constructs in source theories, and conditioning them within a given context such that they may be manifested in a target theory in a way that does not facilitate theoretical incommensurability, hence facilitating theory coherence – a major requirement in theory development if only implied from a horizon of purpose. Illustrations of this arise with the axiomatic principles of the target theory as a "living systems theory" (Schwarz, 1994) and its elaboration (Yolles, 2006) using terminology that emerged from the work of Piaget (1950, 1971); Yolles (2009); Bandura (1986, 1999); Maturana and Varela (1980), Vygotsky (1978); and some others which are quoted in Yolles and Fink (2014a, b, c ; 2015a,b,c).

This effectively occurs as the developing of theoretical codes, which thus constitutes a process of theory building embracing new conceptual devices that delivers new strategic modelling processes. This is in contrast to inquiry that examines relationships among antecedent variables (Parkhe, 1993). As such the expected research outcome becomes a refined framework with explanatory power, where theory testing can follow. The focus of a theory-building process is not to verify established hypotheses, models, or frameworks but to improve their substance (Flynn *et al.*, 1990). Consistent with this approach, the paper will: first, structure internal processes of the affective agency explaining emotional action (displays of emotions), and agency regulative adaptive and learning processes; second, develop epistemic independent bipolar traits, which regulate the relative importance attached to the alternate "emotion action" or "emotion adaptation and learning" oriented processes.

Our methodological approach is similar to the approach pursued by Dauber *et al.* (2012) and also reflective of the "World Three – Third Level" approach of Wallis (2008, p. 83): Wallis' "World Three Theory" at level 1 includes logical arguments; at level 2 theory is constructed of specific propositions; and at level 3 theory is constructed of co-causal propositions. We thoroughly analysed causal and co-causal propositions in various sources. Just to mention one, e.g., James *et al.* (2004) review affect-creativity research, investigate into the terminologies adopted there and try to harmonize the terminology. They developed 24 propositions and numerous sub-propositions. They distinguish between emotion and mood, 17 moderators and nine mediators between affect types, task type characteristics and creative performance. Moderators are grouped into five categories: dispositions, time, self-regulation, task types/task goals, and organizational environment. Neural/cognitive mediators are grouped into: self-regulation of performance, neural arousal/attention, perceptual sensitivity, activation of creativity-generation mechanisms, risk aversiveness, and goal priorities. In the end, they distinguish between "mood, dispositional affect, and situational affect" within the broader category of emotions (James *et al.*, 2004, p. 173).

As mentioned above, James Gross (1998, p. 273) defined affect as a "superordinate category for valenced states", which include emotions, emotional episodes, mood, dispositional states and traits. Thus, in both concepts we find mood, disposition, and situation related expression of emotions (situational affect or emotional episodes). The similarity of these notions permits to relate mood (as used by Gross and James *et al.*, 2004) in our model to "emotional attitude" of an agency; disposition and dispositional affect to 'feelings' of an agency; situational affect and emotional episodes to observable expressed 'emotions' proper.

With reference to Wallis (2008a) we can assume that several of the moderator or mediator variables are not necessarily contributing to a robust theory of emotion regulation. While some of the moderating variables of James *et al.* (2004) like self-regulation and goals are closely related to the figurative domain of the mindset agency model, we nevertheless also had to seek important missing variables. Considering cultural cognitive modelling of an agency as in Yolles and Fink (2014a), in James *et al.* (2004) traits are missing. However, we can easily take up Gross' idea of "emotion related traits" and can develop an "affective trait based agency model" in which affective traits interact with a set of cognitive traits. At the same time Gross does not consider the 'organizational environment', which we find in turn in James *et al.* (2004) and which we easily include into the recursive affective agency model (Yolles and Fink, 2015a,b,c). However, in the affective agency model the environment

consists of a cultural environment with a cultural climate, and an operative environment, where agencies are interacting with counterpart agencies.

The recursive model has a normative personality embedded into a larger socio-cultural whole, from which agency cultural and operative environments are discernible. This approach satisfies what Gross (1998, p. 274) describes as the ability to "distinguish regulatory processes from the targets of regulation." The roots of processes within the normative personality are distinguished though three constructs: Emotional attitude, which resides in a cognitive systemic domain with an expression of self-identification; feelings, which reside as a strategic affective schema in the figurative systemic domain with the function of self-regulation; and emotions, which reside in the operative systemic domain and arise from spontaneous action rules that orchestrate the emotions to be displayed through self-organized processes of emotional management. The distinction between the three domains is related to the definition by Gross (1998, p. 275): "Emotion regulation refers to the processes by which individuals influence which emotions they have, when they have them, and how they experience and express their emotions."

The agency maintains external relations that involve: emotional climate (Sterelny, 2010) as a bipolar trait that influences attitudes that emotionally orient the agency's cultural environment; and affective operative orientation as the bipolar trait that influences agency emotional interaction within its operative environment.

When initially screening the literature we found it a problem laden task to create emergent coherent theory. Major issues emerge from the turmoil and apparent contradictions within the variety of affective theories in the literature, where similar or even the same constructs are labelled with different terms, or where different concepts adopt the same terminology (cf. Buck, 1990, p. 330; Gross 1998, p. 275; James *et al.*, 2004, p. 173). Thus the use of the term 'emotion' might refer to emotions proper (i.e. complex programs of actions triggered by the presence of certain stimuli which activate certain neural systems: Damasio, 2011), but also to positive or negative "mood", or to "feelings". Some use the term "emotional feelings" raising the question of what "non-emotional feelings" might be. For other authors emotion and temperament are the same thing (Bates *et al.*, 2008, p. 485). For the uninformed reader, such an overlapping terminology becomes an obstacle to broad understanding of the nature of emotions, their relationships, and their role within social systems. Thus, one of our aims is to develop a set of constructs that sit in a coherent "living" affective agency framework. This has various properties (Yolles and Fink, 2015a,b,c) including a capacity for adaptation.

A further issue is that in some theories emotional variables take bipolar values that are epistemically dependent, where more of one means less of the other. In other theories bipolar values are epistemically independent, and can exist simultaneously. For sake of coherent theory one cannot have both. In living agency theory the alternate poles of bipolar traits are epistemically independent and have an auxiliary function to each other. Here, polar values interact immanently within a trait system to produce a dialectic process in which one or other trait values may take ascendency or balance. This process is reminiscent of the yin-yang process that is discussed by Zhang (2011) and Du *et al.* (2011).

Other attributes of agency affect are (Gross, 1998, p. 282): "emotion action" that relates to "antecedent-focused emotion regulation", and adaptation and learning processes or "response focused emotion regulation." As such Gross' interest lies in exploring emotional climate, emotional culture and attitude, feelings as activators of the figurative system, operative emotion management, and emotion display in the operative environment.

Adopting a "living" agency approach drives a need to explore three attributes: (1) feedforward processes leading to actual emotional display as an observable behaviour; feedback processes leading to emergence and amendments of a predominant set of prevailing feelings and the emergence of a specific emotional attitude; and the need to identify and relate feedforward and feedback processes in relation to agency regulatory functions. This is done in the following chapter.

The affective agency model

The affective agency model is derived from the theory of the cognitive agency and shows cognitive and affective trait interaction. The model of the cognitive agency is shown in Figure 1 (Yolles and Fink, 2015a,b,c). It is bedded on recursive principles of systemic hierarchy (Yolles, 2006), where living systems are structured as a hierarchically nested set of recursively embedded systems, one within another creating more complexity in the modelling process (Williams and Imam, 2006). The agency super-system (the larger social whole) consists of a "cultural system" (or "cultural environment"), a strategic "normative personality", and an "agency operative system." Recursively embedded within this is the normative personality super-system (as an autonomous living system and 'smaller' social whole) which has its own interconnected cognitive system, figurative system and operative system. Thus, at both levels, the "higher" agency level and the "lower" normative personality level, the same principles apply for self-identification, self-regulation, and self-organization.

The modelling approach adopted for Figure 1 can represent networks of processes at the individual and small group level, as well as their impact on the higher level social influence networks of processes and vice versa (Yolles, 2006). Complex "bottom-up" interpersonal interrelationships can be modelled through a complex multiplicity of reasons that often are taken as a principle of emergent causation, which is part of the interconnection between microscopic, mesoscopic and macroscopic processes (Yolles and Fink, 2013). Lower level interactions, i.e. countless repeated petty acts, are "causing" higher order systemic forms to emerge. Under normal circumstances, through legitimization of selected patterns of behaviour e.g. by institutions, top-down influences can constrain the nature of the interactions at the lower level. However, it is worth mentioning that constraints by (de)legitimization at the higher level may become ineffective in post-normal situations as indicated by crises situations (Dempster, 1999; Tognetti, 1999). In such cases, the lower level agency may deliberately choose to ignore higher level ruling or even act against it. Consequently, the larger system is entering into a stage of uncertainty and may be at the edge of stability.

The generic model represents a plural agency that is durable (with a more or less stable culture), and embraces learning and development through its cybernetic processes, with a normative agency personality, an operative capacity, and an environment. The agency operates through intelligences (cultural, figurative and operative intelligence), adapts to changing situations, and creates and implements its own policies. It enables specific relationships to be introduced within and across systemic domains, as necessary and according to the logical processes that may be proposed within socio/economic/political situations. For the cognitive part of the model, the cultural orientation trait orients agency behaviour towards cultural norms of the cultural environment, which can be followed or neglected; and the social orientation trait towards the social environment (agency operative system) within which the agency interacts with other agencies. Here, the countless repeated petty acts are performed, which in the end constitute cultural practices within an environment.
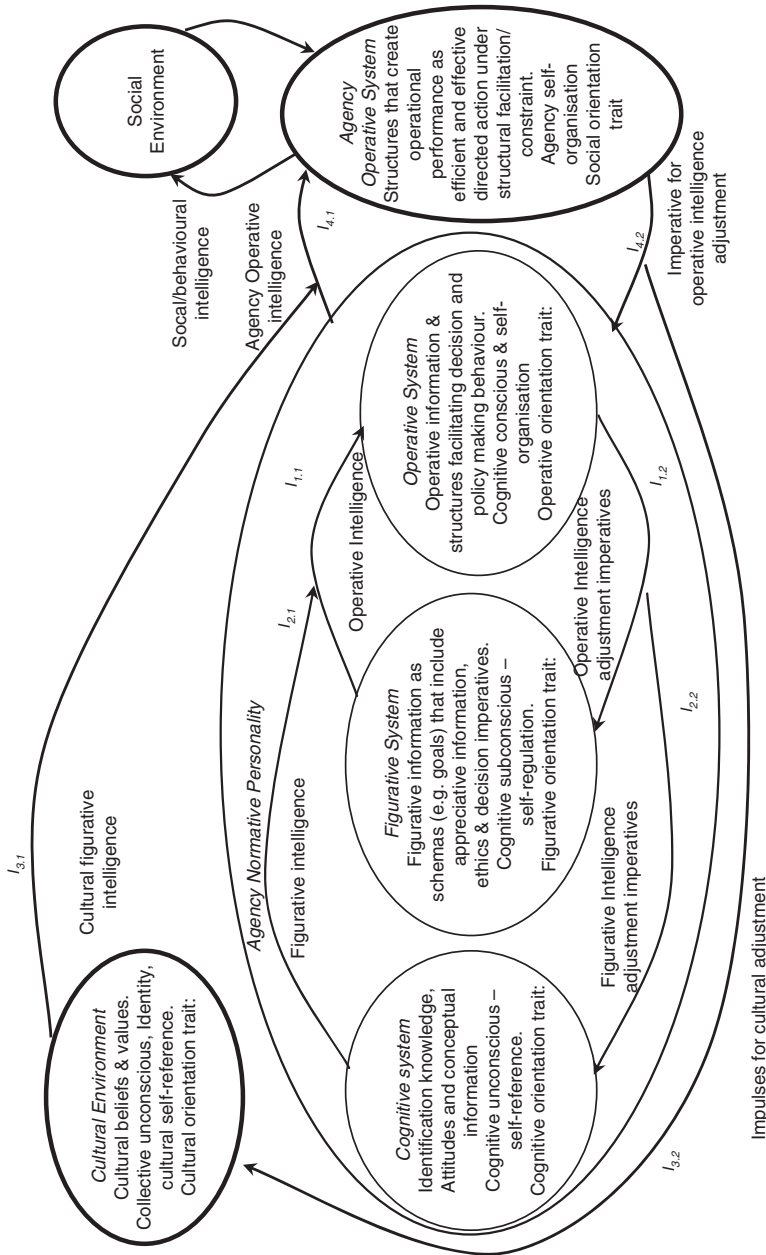
Notes: The model is dynamic through its intelligences which connect the systemic domains. Intelligences Ii,j, order $i=1,4$ have feedforward/feedback $j=1,2$

Source: Adapted from Yolles and Fink (2015a,b,c)

Figure 1.
Generic
cognitive agency
'supersystem'-model

The cognitive system is concerned with self-identification and identification knowledge, i.e. the creation of patterns of recognition connected with cognitive significance, which can be related to a given context. In complex situations agencies respond to a large number of events that sometimes unfold rapidly and often unexpectedly. Time constraints may be tight, and there may be an urgent need to identify aspects of a situational context that need to be prioritized. Identification is definitive in that it holds normative characteristics that influence the plural agency overall. It relates to situation awareness (from which arise cognitive interests), required controls that may in due course be applied repeatedly in tactical settings. Effective identification involves recognizing a context by focusing on the particular configuration of features that are present in it. Identification information occurs as patterns that construct attitudes through a field of influence that vectors the orientation of the agency (adapted from Marshall *et al.*, 1996; Paris *et al.*, 2000).

The figurative system is concerned with self-regulation and elaboration knowledge, i.e. development of schemas relating to a particular figurative purposes determined by a given context. Agencies need to elaborate their understanding and interpretation of a context and the development of regulations. In so doing they call on experience that is manifested from the cognitive system to assist in the creation of new schemas (e.g. executable strategies) in a given context. Some of this elaboration may be related to critical thinking skills (Cohen and Thompson, 2001), and some to case-based reasoning (Kolodner, 1993). Elaboration enables the summarization of experiences. Effective elaboration enables reliable and acceptable hypotheses to be formulated with regard to the operative purposes for the given context. Elaboration creates personal agency information schemas (like ideological, ethical and self) which strategically anticipate operative processes of decision making (adapted from Marshall *et al.*, 1995; Paris *et al.*, 2000).

The operative system is concerned with self-organization and execution knowledge, i.e. development of operative structures like role assignment and operative processes, and for emotional display. The operative system contains execution of action related information that results in conscious decisions from which behaviours are likely to result. Execution centres on the nature of operative implementation from the schemas developed in the figurative system. It includes distribution of knowledge, specifications of needed operative activities and structures operative processes through roles and rules – which may be required to guide operative processes. Effective execution requires sufficient follow-through by an agency to satisfy its purposes and interests (adapted from Marshall *et al.*, 1995; Paris *et al.*, 2000).

For the normative personality we distinguish three traits, which are empirically identified by Sagiv and Schwartz (2007) and are a perfect fit of the independently developed normative agency model by Yolles and Fink (2014a):

(1) Cognitive domain: embeddedness vs intellectual autonomy:

- Embeddedness: people are viewed as entities embedded in the plural agency. Meaning in life comes through social relationships, identifying with the group, participating in its shared way of life and striving towards its shared goals.

- Intellectual autonomy: people are seen as autonomous and find meaning in their own uniqueness in independently pursuing their own ideas and intellectual directions.

(2) Figurative domain: mastery and affective autonomy vs harmony:

- Mastery: encourages active self-assertion to attain group or personal goals and to master, direct and change the natural and social environment. The affective autonomy aspect encourages the pursuit of affectively positive experiences.

- Harmony: basically pluralistic and trying to understand and appreciate rather than to direct or exploit: goals are "unity with nature", "protecting the environment", and "world at peace".

(3) Operative domain: hierarchy vs egalitarianism:

- Hierarchy is connected with power and power processes. Unequal distribution of power, roles and resources is legitimate and hierarchical distribution of roles is taken for granted as well as the obligation to comply with the rules attached to roles.

- Egalitarianism: people recognize one another as moral equals who share basic interests as human beings. People are socialized to internalize a commitment to co-operate and to feel concern for everyone's welfare.

The strategic agency normative personality has two environments that determine how it interacts socially, i.e. its external relations, and these are cultural and social. Each have their own trait (see Yolles and Fink, 2014a):

(1) Cultural environment: sensate vs ideational orientation (Sorokin, pp. 1937-42):

- Sensate: reality is sensory and material, pragmatism is normal; there is an interest in becoming rather than being, and happiness is paramount.

- Ideational: reality is super-sensory, morality is unconditional, and tradition is of importance. There is a tendency towards creation and examination of one's self.

(2) Social or operative environment: dramatist vs patterner (Shotwell *et al.*, 1980):

- Dramatist: goal formation is for the individual benefit. Self-centred agencies are operating through social contracts between the 'rational wills' of its individual members. Communication and individual relationships to others are important, constructed as sequences of interpersonal events.

- Patterner: importance is attached to symmetry, pattern, balance, and the dynamics of social relationships. Goal seeking should be for collective benefit, and collective goal formation takes precedence over personal goal formation. There is persistent curiosity about configurations which are important in social relationships.

A living systems model of the affective agency has to be built on the same principles as the cognitive agency model. Cognitive traits and interacting affective traits are housed together in a given system. Since the cognitive model has five epistemic independent bipolar traits, where the alternate poles have an auxiliary function for each other, the same conditions apply to the affective agency model. The interactive relationship between the affective and cognitive traits of the agency is shown in Figure 2, where the affective and cognitive component are both autonomous sub-personality interactive models (Lazarus, 1982; Swann *et al.*, 1987; LeDoux, 1989). The model in Figure 2 supports the proposition that the affective and cognitive sub-personality interactions occur between the affective and cognitive sub-personalities.
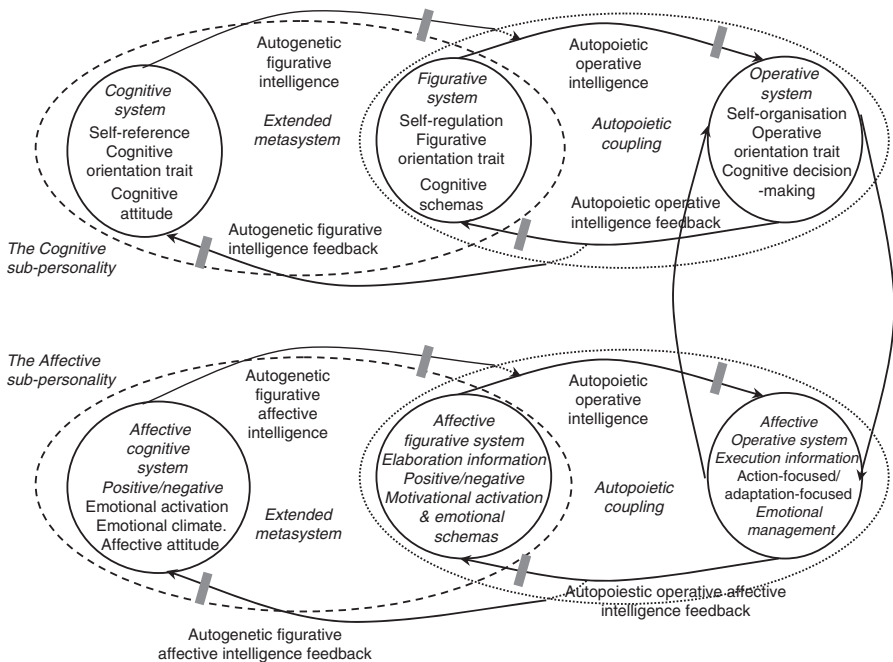
Figure 2.
Interaction between
affective and
cognitive sub-
personalities as
autonomous bodies

This is a necessity since higher orders of metasystem (e.g. the figurative and cognitive systems) of one subsystem are not accessible to the other (Yolles and Fink, 2015a, b, c). As such interaction only occurs through the operative systems of each sub-personality. Emotion management and cognitive decision processes can be influenced by that interaction, since the outcome of action is fed back into the affective sub-personality to the figurative system influencing motivational activation, and further to the affective cognitive system influencing affective attitude and emotional activation. Similarly, in the cognitive personality the outcome of action and impact of emotion is fed back into the cognitive system, influencing the selection of goals, ideologies, ethical images and self-schemas which should be motivated. Further, cognitive attitudes may also be influenced. The affective sub-personality traits do not directly interact with the cognitive sub-personality traits, but these traits do interact through the operative system interactions with the systemic content, where information flows along the network of intelligence processes. Thus for instance, affective motivational activation may influence goal, ideology or self-schemas in the cognitive sub-personality, so that for instance particular goals may be assigned higher levels of motivation. Similarly, the figurative orientation trait in the cognitive sub-personality may influence the emotional schemas (Izard, 1992; Carver, 2004). An example of a figurative schema for the affective sub-personality is the matrix of possible feelings available to a personality.

The affective traits are labelled by the functions they have within the agency: emotional climate of the cultural environment, emotional attitude of the cognitive system, affective activation of feelings of the figurative system, emotion management of the operative system. The affective sub-personality also has an affective operative orientation in its operative system indicated as action-focused or adaptation focused trait values. In the following we will describe and discuss each of these functions in the

light of extant literature and will show how affective traits are integrated with the cognitive system. We still represent the transitive pathologies that lie along the intelligences, since when they function inefficaciously, the transfer of information around the personality may become corrupted, resulting in changes the can be represented a dysfunctional personality performances.

The presented affective agency model does not deal with the idea that particular emotions might directly enhance or de-enhance specific cognitive processes. Its focus is rather on emotional display development (action orientation) and on experience with emotional display, as a particular form of observable action. As with any other action, if an action (be it rational or emotional) does not deliver the desired performance, there is reason to adapt operative behaviour, and/or strategies (i.e. goals) and or values/attitudes (cf. Gross' (1998) 'response-focused emotion regulation'). Thus, if emotional display does not deliver desired results, then there is feedback into feelings (which might need adaptation) and perhaps further into emotional attitude. Among other things, performance of emotional display will find its observable expression in the emotional display of the counterparts. Thus, if a boss, who believes that he might control others with choleric behaviour, meets with a melancholic, he may have to change his emotional display methods, finding another way to make the subordinate comply with his intentions.

The cultural system

We shall now consider the emotion attributes of the cultural system through the related theories of emotional culture and emotional climate, where both are connected with emotional atmospheres (de Rivera, 1992). An emotional atmosphere is a collective mood for instance when a crowd becomes a mob. An emotional climate represents the collective behaviour that an agency may manifest when it relates to a common event, as opposed to the emotional relationships between members of the agency. Emotional climate is more lasting than a local emotional atmosphere and does not simply refer to collective feeling and behaviour but to how the people of a society emotionally relate to one another – for example, whether they care for one another or are afraid of each other. Climates tend to be dependent on context, for instance as might be created by political, religious, economic and educational factors which may change within, say a single generation. In contrast, emotional culture is dynamically stable and is usually held in place by a network of socialization practices that only normally changes when a culture is transformed, perhaps over several generations. Emotional atmospheres, climates and cultures interact and influence each other, where emotional climates depend on underlying emotional culture, and both influence, and are affected by, emotional atmosphere.

Emotional culture

Emotional culture provides a basis for normative standards of feelings and emotions (Gordon, 1989, p. 116; Hochschild, 1983). The self-referential cognitive system identifies those sets of feelings and emotions which are assigned as a potential for influencing activity and the adaptive/learning orientation of the agency. Different orientations constitute distinct types of emotional culture.

Emotional culture types are temperaments that can be seen in parallel to mindset types (cf. Yolles and Fink, 2014a, b, c, d). Emotional culture creates an attraction field in the affective orientation for the whole affective agency. Different temperaments (emotional culture types) are constituted by distinguishable different sets of emotional attitudes, related dominant sets of feelings, and inclination towards displaying specific patterns of observable spontaneous reactions to external stimuli (emotional display).

Feedback links in the affective agency model are labelled 'cultural figurative intelligence imperatives' which correspond to the suggested aggregation mechanisms the purpose of which are to scale up emotions, as suggested by Huy (2012a, b). In contrast the feedforward link of 'cultural figurative intelligence' refers to the processes how collective emotion, through emotion contagion processes, lead to the emergence of 'emotion-based organizational routines' (Huy, 2012a, b, p. 244). The interaction between these feedforward and feedback networks of processes represents emotional dynamics, as described for instance by Huy (1999, 2012a, b). This influences emotional display and empathy, processes which in the generic affective agency theory are labelled: "imperative for action as a reflection of behaviour" (for the action orientated feedforward processes): and "imperative for reaction through cognitive adjustment" (inducing the feedback back processes of strategy adjustment and organizational learning as mentioned by Huy, 1999).

Following cybernetic principles, the normative personality of the agency has three domains, a cognitive domain, a figurative domain and an operative domain. Emotional attitudes, which reside in the cognitive domain, influence (guide) the nature of emotional management that occurs within the agency through the positive or negative attitudes that may be identified. The figurative system establishes regulations and the operative system establishes rules. Feelings are regulators in the figurative system. Feelings determine which rules to implement, and emotional management operationally implements those rules as patterns of emotional (re)action. In the figurative system, feelings identify lasting desirable states and also undesirable states, where goals represent desirable states or are indicative of strategies towards eliminating, avoiding or adapting to undesirable states.

Emotions reside in the operative system as action related emotive dispositions to take action depending on a situation of an experienced/perceived desirable or non-desirable state. Emotions are spontaneously available short-cut patterns of behaviour, i.e. observable displays of emotions, which are primarily activated by patterns of perception in interaction with other agencies. Emotive patterns of behaviour are activated without reflection of a situation in the figurative system.

Emotional climate
Emotional climate may shift with contexts within a given emotional culture, explaining the movement of agency emotional traits for a given emotional culture. The argument for the existence of an emotional climate is that the social mind operates through cognitive scaffolding (Caporael, 1997; Sterelny, 2010; Wilson, 2005). Interacting agencies are embedded into a larger social whole where emotional climate is constituted as patterns of meanings embodied in symbols through which people communicate, perpetuate, and develop their knowledge about and predominant attitudes towards emotions Gordon (1989, p. 115). Consequently, Fernández-Dols *et al.* (2007) define emotional climate as being constituted as an emotional atmosphere that provides emotion accessibility caused by the priming of specific categories of emotion linked to culturally based emotional conventions. De Rivera (1992) indicates that emotional climate emerges because emotions have structures which may be specified in precise ways. The emerging structural theory of emotions provides the theoretical basis for the assumed interaction between cognitive and affective traits. For Wolff *et al.* (2006), such structure is represented by a conscious set of rules and resources, deriving from the cognitive sphere and influencing the experience and display of emotion within a plural agency.

These views have developed into Hutchins' (2010, p. 445) notion of enculturated cognition – that is ecological assemblies of human cognition that make pervasive use of cultural products which are typically assembled as on-going cultural practices. These arise as "normal" behaviours that are part of processes of interaction. Where emotion is the cultural product enhanced by interaction, emotional climate results. The idea of a "social mind" can now be extended by recognizing that a durable group with a dominant culture has the capability of collective cognitive and emotional processes (Clark, 2008; Clark and Chalmers, 1998; Theiner *et al.*, 2010), i.e. a prerequisite conceptualization for the existence of a normative/collective personality with epistemic independent, but interrelated cognitive and affective traits.

Emotions are therefore always in a society. This does not exclude that the notion of "society" may be reduced to only be two people, or even more it may even be reduced to one person and an imaginary other (De Rivera, 1992). Tran's (1998) interest in how emotional climate arises evolves and is maintained, noting that emotionality and rational thought coexist in organizational settings. While individuals have emotions they collectively create an emotional climate that in turn influences individuals. For de Rivera (1992, p. 7), emotional climate contributes to such facets as political unity and cultural identity. In a plural agency emotional structural theory (De Rivera, 1977; De Rivera and Grinkis, 1986) shows how emotions may be conceived as various sorts of attractions and repulsions between people which transform their bodies and perceptions.

Illustrations are provided of different types of climates. These illustrations appear to be manifestations of emotions as collective climatic feelings. Emotional climate is a variable that may broadly adopt one value of the (positive, negative) or (attractive, repulsive) bipolar pair (Ozcelik *et al.*, 2008, Sekerka and Fredrickson, 2008). Considering the necessary condition of epistemic independence of the poles of a bipolar trait and the auxiliary function the two poles may have, we find that distinctions made by De Rivera (1977) and De Rivera and Grinkis (1986) between a climate of security and a climate of fear are best suited to the purposes of our model. The climate of security may be constituted by trust of each other, confidence, satisfaction, solidarity, encouragement and hope; while a climate of fear comes about in certain political or economic circumstances, and where it develops significant intensity, it can isolate people from one another, is not conducive to cooperative activity, and encourages insecurity in relation to authority, when anxiety and aggression may emerge (Ashkanasy and Nicholson, 2003).

Kahn (1998) connects emotional climate with a relational systems framework. Organizations are seen as on-going systems of work relations among employees who have varying emotional attachments to each other. Such relational systems can be functional or dysfunctional depending how members of a social collective are emotionally bound to others "through experiences of feeling themselves joined, seen and felt, known, and not alone in the context of their work lives" (Kahn, 1998, p. 41). These relational systems routinely shape the interactions among organizational members and have a substantial impact on the way that organizations operate and perform.

At this point it is useful to recall that the distinction between emotional culture and climate is that the former is relatively long term and stable over human generations, while the latter is not stable over such periods, lasting up to perhaps a generation. Thus for instance, where a culture of fear exists, emotional climates may shift in their intensities of fear (ranging from say concern to horror) and this variation may continue over stable emotional cultural periods.

A climate of fear emerges under conditions of collectively perceived threat. This arises from the agency operative system as a feedback process in Figure 3 (imperatives for reaction through cognitive and emotional adjustment) and delivers context dependent imperatives for feelings of fear. Through cultural figurative intelligence this may influence the imperatives for social action. However, this is not just an instrumental process that stops in the normative personality. Emotional culture/climate "learns" by establishing symbolic patterns of reference for an emotional fear potential that may be manifested in the personality. This conditions the future, and can become responsible for novel anticipatory behaviours.

The epistemic independence between the values of fear and security suggests that their value relationship may shift, and under certain conditions a balanced climate of fear-security may also arise, where anxiety, aggression and forms of non-cooperativeness at the macro level, at an emerging micro level are ameliorated by hope, confidence, trust and solidarity.

The attractive, positive emotional "climate of security" broadens momentary thought-action repertoires which can result in the development of physical, intellectual, and social resources. It also broadens momentary thought-action repertoires which build on enduring personal resources, and hence enlarge a capacity to generate ideas, increase alternatives for action, and may contribute to overall well-being. According to Kanyangara *et al.* (2007) it also relates to social cohesion. In contrast the repulsive, negative emotional "climate of fear" narrows momentary thought-action repertoires toward specific actions towards the promotion of survival (cf. Rimé *et al.*, 2010).

The auxiliary function between these two climates can be seen as follows: In a climate of fear, i.e. a repulsive emotional culture, the narrowing focus of attention towards survival leads to a focus of action, which first circumvents and later neglects the power-sources of fear. Fear circumvention leads towards subversive action against rulers, and fear neglecting leads to uprisings and large demonstrations out in the streets. As a relevant case we may refer to the collapse of the GDR (BLPB, 2014) with about 120,000 people asking for exit visa – a previous explanation being the loss of employment. Others, seen as returning to their homes after their vacations, were fleeing
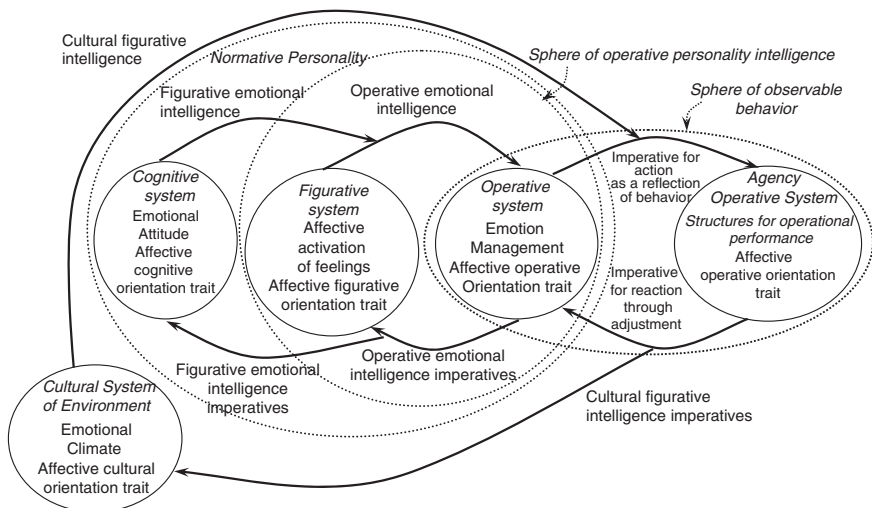
Figure 3.
The cultural agency showing affective attributes

through Hungary and Austria to Western Germany. There were also the recurring so-called Monday-demonstrations, where not less than 300,000 people demonstrated in the streets of Leipzig. This case may also serve as an example for emergence of communal identity through collective awe and ecstasy and sharpening of group boundaries through fear, hatred and disgust against power holders as "the others" (Heise and O'Brien, 1993).

In an emotional "climate of security" the broadening of thought-action repertoires may result in the development of physical, intellectual, and social resources at the advantage of a few and at the expense and exclusion of the many. In this case pressure arises for change as the climate changes away from security to insecurity and instability, i.e. a post-normal state.

In the context of M&As it is important to note that in recent years, numerous observations are emerging that even in advanced countries, like the USA and Germany, there is a shift in exercised political power to use fear as instrument of political governance. Laurin (2012) notes that in Germany the time has gone that politicians would promise a better future. Politicians create a climate of fear. "Fear is the easiest way to power – and to the loss of our freedom" (Laurin, 2012). In a similar vein Simon (2009) highlights "How the War on Crime Transformed American Democracy and Created a Culture of Fear" and Helm (2004, p. 112) shows how a climate of fear was created in Togo in order to gain control over the whole population; and, how it lead to apathy and fatalism in Togo. Personal initiative was suppressed by the climate of fear.

Sources of fear are manifold. Economically fear of income loss, poverty and unemployment are at the core of a climate of fear, when poverty rates are high and still increasing, (e.g. in Germany from 11.8 per cent to 18.3 per cent during 2000-2006) and unemployment is high and increasing (in Austria in 2015 it reached the highest level since Second World War). Some political groups attribute low income and high unemployment to immigration, accusing 'foreigners' (refugees and immigrants from low income EU countries) to be the cause of declining incomes, e.g. in Austria 70 per cent of wage earners have a lower real income today than 20 years ago. The lower income groups of the population lost more than 30 per cent in real income. In the lowest wage group, full time jobs do not suffice to generate sufficient income to get out of poverty. Increasing crime, more theft, robbery and murder, open violence in the streets, e.g. against tram and bus conductors, fear of terrorism is also instrumental for generating a climate of fear, while freedom of press is getting restraint in a growing number of countries in the world.

The agency affective personality
Cognitive system: emotional attitude
As a collective cultural knowledge based belief potential, the emotional climate influences emotional attitude of the agency personality. Emotional attitude resides in the cognitive system. The cognitive domain is concerned with "self-identification", i.e. creation of patterns of recognition connected with cognitive affect related to a given context. It is a manifestation of affective culture through information that is extracted from the patterns of cultural norms for emotion and permanently assessed through the figurative system with respect to desirable and undesirable states. Emotional attitude establishes the attitude of an agency towards reality, where long term attitudes towards reality are manifested through feelings and short term attitudes without reflection of a situation are manifested through emotions. Through identification of situations, emotional attitude culturally guides the processes of establishing emotions

as rapidly available patterns of spontaneous reaction in the operative domain, but the process of establishing emotions in the operative domain itself emerges from the feelings, which reside in the figurative domain. Thus, the cognitive domain does not directly impact on emotions. Emotions are primarily guided through the "free-will" of the agency, i.e. its interests, and goals and strategies to pursue these interests.

Context sensitive culture aims at developing a positive or negative temperament orientation which within a given context can emerge from emotional attitude. This involves recognizing a context by focusing on the particular configuration of features that are present in it. Situation identification of affect can take high (positive) or low (negative) values when related to some contextual object of attention. If positive then the agency is "'stimulated" to deploy reinforcing strategies and to pursue appropriate reinforcing action. If negative then the agency is stimulated towards "containment," i.e. towards a reduced level of goals setting and actions of withdrawal from a given context. Consequently, the bipolar trait of emotional attitude will direct the agency either more strongly towards stimulation orientation or containment orientation. It is important to note that these orientations are not mutually exclusive due to their epistemic independence. In specific contexts, containment orientation may be reinforced by stimulation, or stimulation orientation may be modified (tempered) by containment orientation. Balanced states with similar emphasis on stimulation and containment are not to be excluded.

Depending on a cultural climate of fear or a climate of security, stimulation towards action (i.e. strategy deployment and operative implementation of strategy) may emphasize different emotions. In a climate of security, elation, delight and ecstasy may be the main emotional drivers of stimulation. In a climate of fear, dysthymic feelings may be displayed in order to pursue and achieve specific goals: Anger, hostility, panic and paranoia may be main drivers for identification of strategic and action opportunities. In a climate of security, containment orientation, which regulates adaptation and learning orientation, may foster arousal of emotions like contentment, placidity, and serenity; which in a climate of fear may turn into hopelessness, dread, and lethargy.

Temperament intensity is often referred to as "valence", taking high (positive), neutral or low (negative) values (Hirschman and Stern, 1999), though these may also be seen in terms of values that reflect attraction and repulsion. According to Jallais and Gilet (2010) valence is often defined as hedonic temperament valence, i.e. the pleasant-unpleasant dimensions of longer lasting mood, which is deemed to constitute a general attractive-repulsive influence on the agency that is developed within emotional climate. The pleasant-attractive values are seemingly referring to emotions residing in a climate of security, and the notions of unpleasant and repulsive to emotions residing in a climate of fear.

In the case of acquisitions and firm relocations, in a cultural climate of fear dysthymic feelings are arising. An acquisition or a relocation threat fosters the widespread fears of income loss and unemployment. Initial anger, hostility, panic or paranoia may soon turn into hopelessness, dread and lethargy when no reasonable personal strategy can be devised. As Dauber (2011) has found in his doctoral thesis many individuals affected by a merger are rather angry and at the same time feeling hopeless and lethargic. Those among the staff, who are the first to leave the acquired firm, mostly are angry and disappointed that their often long lasting engagement is depreciated with a single stroke. They focus their attention on alternatives they have outside the firm and due to their high qualifications, more often than not quickly find

another job-opportunity. By contrast, the tales of merger survivors (Dauber and Fink, 2011) reveal that in the acquired firm those individuals have a good chance to survive who focus their attention on the needs of the acquirer to have some trustable staff from the acquired firm and who are supportive in the envisaged restructuring efforts. Merger survivors report that they actively and constructively take part in restructuring efforts and always find a way to devise a niche for themselves within the restructured part of the organization.

Figurative system: feelings and affective self-regulation/activation
Emotional attitude regulated by the cognitive system guides the strategic activation processes of the figurative system, where either a climate of ambition is emphasized (i.e. feelings that stimulate elation and assertion) or a climate of protection (i.e. feelings that identify and stimulate needs and desires for shelter and support, and are re-emphasizing survival values). In the literature we find related terms, as e.g., activation vs deactivation (Jallais and Gilet, 2010), appetitive vs aversive/defensive (Bradley, 2000), and approach vs withdrawal. E.g., Davidson *et al.* (1990) find that basic appetitive or defensive motivational systems result in an imperative towards a behavioural tendency to approach or withdraw from a stimulus (Davidson, 1993; Lang *et al.*, 1998). In the "Evaluative Space Model" by Briesemeister *et al.* (2012) this bipolar trait is labelled "attraction vs repulsion".

Figurative self-regulation identifies goals and designs strategies which are directed towards ambition or protection or to some state in-between (cf. Stets and Turner, 2008). It diminishes attention to stimuli unrelated to this focus and is identified through self-regulation: so there is a narrowing of the amount of peripheral information that is simultaneously accessible with the target object. Lang and Bradley (2008) note that appetitive and aversive/defensive motivational orientation coordinates an agency towards some stimulation, and it is therefore purposeful or strategic in nature. The appetitive system is activated in contexts of pleasure and seen as reflecting on motivational activation. The aversion/defensive system is primarily activated in contexts of perceived threat, creating behavioural imperatives towards withdrawal, escape, and counter-attack.

Facilitation of cognitive activities, like thinking and problem resolution, can more easily occur when containment feelings are intentionally promoted (Saarni, 2008). Cederholm *et al.* (2010) cite Labouvie-Vief and González (2004, pp. 247-248) as saying "when levels of emotional activation-arousal are low, complex and well-integrated thinking, planning, and remembering are possible […] when arousal rises to extremely high levels, it tends to render complex, cool cognitions and behaviour [becomes] dysfunctional and poorly integrated." So the method of emotion regulation adopted by an agency may depend on situational constraints, level of maturity, and on individual agency differences in the strategy of emotion regulation through feelings. Thus, feelings reside in the figurative system of the personality. Within the normative personality they take a similar self-regulating role as cognitive goals, and therefore are interacting with cognitive strategy design. According to Voris (2009), feelings: state that your emotions matter; tell us how to live; state that there is a right and wrong way to be; alert us to anticipated dangers and prepare us for action; ensure long-term survival of self; and are low-key but sustainable.

As a form of regulation, the figurative domain is concerned with elaboration of affect, which is constituted through schemas of feelings that are manifested through figurative intelligence in the figurative system. These include feeling ideologies:

schemas that constitute appropriate feelings and consequently will induce the emergence of patterns of operative emotional responses to distinct contextual situations. This includes an emotional ethics: a schema (a map that represents either adaptation of emotional experiences). This has a capacity to reorient action towards new goals (e.g. in the case of protection orientation towards long-term survival), or create non-adaptive strategies towards reinforcing already pursued goals and persistent modes of operative emotional display. Further, a self-schema regulates the general definitions of self and other(s), as well as the attributions for the causes behind contextual situations and their outcomes, the awareness of one's role in a social environment, and recognition of cultural orientations. If the self-perception of social role of the agency is perceived as "strong" then ambition orientation will prevail, if it is "weak" then protection orientation will dominate. This construct also relates to "dispositional affect" which is emphasizing the aspect of duration, e.g. with respect to temperaments or traits (James *et al.*, 2004; Watson, 2000).

Consequently, the figurative affective trait will direct the agency either more strongly towards ambition orientation or protection orientation. Again, it is important to note that these orientations are epistemically independent and hence not mutually exclusive. In specific contexts, protection orientation may be reinforced by ambitions to perform viable protection for the self and others, or ambition orientation may be modified (tempered) by protection orientation. Epistemic independence in trait values permits balanced systemic states to occur giving similar emphasis on ambition and protection, in which case figurative intelligence indicates that too much ambition may mean too much risk taking if some degree of self-protection is not taken into consideration. Protection orientation increases risk awareness, which if taken to the extreme may even impede all future action. However, ambition orientation if taken to the extreme may induce self-destroying activities.

Here, it is also important to reflect on the role of the figurative domain for the feedback processes of the agency (i.e. learning processes that promote imperatives for change, and response focused emotion management). While emotions emerge in the operative domain, information about the perceived experiences with emotion display feed back into the figurative system, and the regulation processes of the figurative system feed back into the cognitive domain.

An indirect consequence may be cognitive transformation. The nature of cognitive transformation is that it alters an agency's perception of its environment (Kihlstrom, 2013). As such it is able to change the internal cognitive self-schemas of a personality, altering perceptions and assigning new meanings to itself and to its environments. Non-arbitrary social interactions are consequential to these self-schemas which through the step of strategy deployment will become manifested behaviourally. Cognitive transformations start in the cognitive system where cognitive structures become reformed to reflect new meanings, and then this also becomes manifested symbolically. Shuck *et al.* (2007) note that the reconstruction of "patterns of identification information" is a reflection of new knowledge, and this implies not only cognitive transformation, but also an emotional transformation to accept or seek change, and to accept differences and uncertainty.

Figurative self-reflection of emotions, which are displayed and experienced in the operative domain, can facilitate change. Agencies acquire knowledge of the connections and causes of their emotional experiences. This knowledge enables them to form theories of means by which emotions are elicited within different situations. The ability to recognize, apprehend and analyse emotional experiences provides the capacity for

agency self-understanding in relation to the environment. A climate of containment can foster effective emotional regulation and greater well-being, sometimes referred to as emotional literacy. The realization of contradictory emotions and openness to incompatible feelings produces an emotional transformation and reinterpretation of an emotionally unpleasant situation. This transformation can be described as emotionally creative, but it can also act to regulate emotions and by that constitutes emotional intelligence (Ivcevic *et al.*, 2007). Regulating emotions requires knowledge about them, enabling an agency to structure relationships between emotional development and experiential situations. This ability to understand and analyse emotional experiences translates into the ability to better understand oneself and one's relation to the environment, which may foster effective emotional regulation and greater well-being.

The figurative affective trait could indirectly orient the agency either more strongly towards ambition orientation (mastery) or protection orientation (harmony). For the case of an acquisition one can hardly imagine that an acquirer aims at providing protection to the acquired organization. The core issue of any acquisition is the regulation and orientation of individual ambitions towards the desired organizational goals. Thus, emotions related to mastery orientation very likely will dominate the managers of the acquiring firm when they take over the power in an acquisition. Their core problem is to mobilize the strategic activation processes of the figurative system with appetitive, approach, and attraction feelings. Any take-over is altering perceptions and assigning new meanings to the acquired organization itself and to its environments. There is a strong inclination of new managers delegated by the acquirer towards narrowing of the amount of peripheral information that is simultaneously accessible with the target object (the acquired firm) and most notably, the narrowest information is an explicit quantitative target. Thus, there is a strong temptation towards taking recourse to plan targeting (quantitative goal setting) for steering an acquisition into "the right direction". Targets often refer directly to inputs (headcounts) all kind of cost of inputs (e.g. reduction of travel cost or expenditure for telephone and communication), relations (return on assets), or outputs (sales growth). While targets at first glance are providing strategic clarity, there is plenty of experience that plan targeting easily might become disastrous if it is not well designed in a cooperative and trustful atmosphere. Plan targeting is raising emotions of protection orientation by subordinates (seeking shelter). Thus, falsification of information is the regular case, like hiding unexpected not-planned profits, closing down profitable but less than average profitable units (what raises the return on assets ratio). (For a deepening of this discussion we would like to refer to Franco-Santos *et al.*, 2012, The Centre for Business Performance at Cranfield School of Management).

Operative system: emotion management
Emotions solve problems important to social relationships (Keltner and Haidt, 1999). Emotions are structured in the operative domain, and constitute a large set of observable phenomena as available durable patterns of quick and un-reflected reaction to a variety of external stimuli. The primary function of emotions is to mobilize the organism to deal quickly with important interpersonal encounters (Ekman, 1992, p. 171). These emotions may solve problem situations within the individual, for example as "interrupts" that prioritize multiple goals of the individual (e.g. Simon, 1967; Tomkins, 1962). However, there is an argument that rather than resolving problems, emotions move individuals and groups of individuals, some of which may become problem-solvers, though not necessarily in a way which is best tuned to successful resolution. Thus the

subsequent pairs of concepts, which are introduced in order to make frequent switches from individual to collective levels, for instance submission vs dominance orientation or impulsive vs institutional orientation to emotion are still begging the question.

For Voris (2009) emotions: state that the external world matters; informs others what the agency likes and dislikes; states that there are good and bad actions; alerts others to immediate dangers preparing the agency for action; ensures immediate survival of self; and are intense but temporary.

Emotions are displayed to influence others, i.e. to motivate others to deliver something that is needed or desired by the primary agent. Thus, the primary agent (i.e. the one who takes first action) is NOT motivated by emotions, but by its desires and needs. The primary agent displays emotions in order to influence/regulate other agency behaviours. In this sense emotions displayed by a primary agent are meant to induce the secondary agent to display corresponding emotions, and to deliver what is desired be the primary agent. The secondary agent may comply or resist, thus express corresponding/expected emotions and may deliver what it desired by the primary agent – or not. Thus, one can distinguish between submission and dominance orientation of emotions (Knutson, 1996).

Emotion management centres on operative implementation of figurative feelings and other affective schemas (we shall return to this) through operative emotional intelligence. Influenced by power relations an agency's presentation of self is maintained that operates through cultural feeling rules and socio-cultural operative emotional display rules. Obedience orientation is maintained by low-power or no-power agencies who rather express emotions of fear and submission than emotions of anger and annoyance, which are the privilege of power holders.

In the literature we find expressions for alternate poles which are related to either: emotional expression of unilateral interests; or giving in to the interests of others. Emotional expression of unilateral interests, like anger and annoyance are related to dominance over others. Dominance implies emotional signals of willingness to take strong action and to employ emotions as a deterrent of others (Klinnert *et al.*, 1983). For the alternate pole we find the terms submission or obedience, i.e. signals of compliance and not taking action against the interest of others. Emotions are signals indicative of dependent behaviours, like dependence on others, compliance with rules and following commands. In a "submission climate" agencies positively respond to pre-prescribed needs of ex-ante determined tasks, attention to detail, and focus on previously designed deliberate strategies.

When moving away from dominance towards more balanced trait values, such as towards stages of demanding less strong submission (when for instance dominance is not sustainable), counterparts are offered like modest leeway, temptation, as in the case of courtship behaviours using emotions as incentives for others (Klinnert *et al.*, 1983), and also in the case of processes of negotiation. The intermediate stages of moving away from giving-in (submission, obedience) include taking deferential action, appeasement, modest resistance, strong resistance and subversion. Intermediate stages between dominance and submission may be labelled with independence climate, where emotions foster independent, disobedient, recalcitrant or subversive behaviours. In an independence climate creative tasking is possible, this enhancing the ability for inductive reasoning, and involving intuition or expansiveness in reaction to responses/information from the operative environment.

In M&As there often is a strong inclination towards expression of dominance by representatives of the acquiring firm, expecting subordination by the acquired firm.

That implies that managers who take over power in an acquired firm might tend employ emotional signals of willingness to take strong action and will tend to exhibit emotions as a deterrent of any resistance, while subordinate local managers and their staff are expected to comply. Thus, there might be some inclination of remaining local managers to signal submission, what also may mean to avoid any independent action for the firm but rather asking for the prescription of ex-ante determined tasks, attention to detail, and will only focus on previously designed deliberate strategies.

Emotion interaction: emotion display in the operative environment

Emotions are thought of as relatively automatic, involuntary, and rapid responses that help humans regulate, maintain, and use different social relationships, usually (though not always) for their own benefit (Bowlby, 1969; Frank, 1988; Hazan and Shaver, 1987; Johnson-Laird and Oatley, 1992; Lutz and White, 1986). Thus, agencies operatively manage their emotions depending on their goals and interaction with other agencies. Sloan (2005, p. 12) finds that "emotion management may be performed on oneself, [but] emotion management may also be performed on others, and this emotion management also has a status component (Hochschild, 1979; Lively, 2000; Thoits, 1996)". "Emotion management as emotional labour is important in service occupations where a worker's emotional display is actually a part of the commodity that is offered, while emotion management as impression management in regard to one's social place (status) is prevalent in other workplace settings" (Sloan, 2005, p. 13).

In support of Gordon (1989), Sloan (2007) explores the distinction between Impulsive and Institutional orientation to emotion, finding that it is related to the assignment of different meaning to their emotions, and selectively appropriate emotions to self. Sloan recognizes that such meaning constitutes a part of the study of authenticity (Erickson, 1995). Inauthenticity is felt when an agency is not "true to self" and the experience will depend on whether the agency believes its true self is revealed in a given context. Sloan notes that this links to Turner's (1976) theory of institutional and impulsive self-concept anchorages, concerning the act of managing emotions, that is, altering emotional feeling and/or displays to conform to emotion norms within a given context. It may also be associated with feelings of inauthenticity for individuals who locate their real self in impulse. Individuals in impulsive agencies likely feel that they are not being true to themselves when they have to "manage", i.e. neglect their spontaneously felt emotions in order to meet institutionalized standards. Institutional agencies likely feel "their true selves" when they are in control of their emotions, managing them to act appropriately in a given situation.

These insights link directly with the widespread discussion of emic and etic principles. Bell (2014, p. 19) writes that: "the emic/etic dichotomy has been extensively used in the literature (Boisot, 1995; D'Iribarne, 2009, Geertz, 1975; Hofstede, 1991; Triandis, 1994; etc.) and is the epistemological and methodological distinction between participant meanings and observer categorization and comparison." Interaction between agencies is to be considered as communication with "production and exchange of meanings" (Fiske, 1990), which is also subject to management of meanings (Magala, 2009).

Bell (2014, p. 23) further states that: "In corporate culture, communication is in varying degrees manipulated by powerful actors in the interests of dominant interest. We acknowledge this as soon as we argue, as do Scollon and Scollon (1995), that discourse is the carrier of ideology and serves to preserve power relationships. Members of dominant classes encourage 'preferred forms of discourse (which) serve as banners and symbols of memberships and identity'" (Scollon and Scollon, 1995, p. 98).

Alvesson (2002) points out that "frequently powerful agents make a difference for how meaning is developed and a group relates to the social world. Power relationships thus matter for the shaping of culture; […] a view of reality is then to a significant degree the result of negotiations between actors involved in asymmetrical power relationships" (Alvesson, 2002). Whilst culture is often referred to as shared values in reality there may be internal struggle before dominant ideology becomes embedded in the culture (Martin, 1995).

Thus, we may distinguish between two alternate values that a trait may adopt, regulating emotional display in communication with other agencies in a given context. These are: "empathetic" for accepting others' values, feelings and patterns of emotional display (a tendency towards emotion management performed on oneself); and "missionary" for predominance of own values, feelings and patterns of emotional display (a tendency towards emotion management performed on others). In a balanced trait an agency will ameliorate emotional management by others by self-management of emotions. Typically such a balance would appear to demonstrate an awareness of and capacity to respond to extrinsic demands but also to intrinsic agency needs.

The affective agency model in relation to gross' emotion regulatory process

Gross (1998, p. 275) developed a definition of emotion regulation which "emphasizes regulation in self". He identified five sets of emotion regulatory processes: situation selection, situation modification, attention deployment, cognitive change, and response modulation, as an elaboration of the two-way distinction he had "made between antecedent-focused emotion regulation, which occurs before the emotion is generated, and response-focused emotion regulation, which occurs after the emotion is generated" (Gross, 1998, p. 281; cf. Gross and Munoz, 1995).

In comparison with the affective agency model, "situation selection" is closely related to the action oriented (feedforward) cognitive and emotional figurative intelligence processes in Figure 3. Situation selection has a strong strategic component. According to Gross (1998, p. 283) "situation selection refers to approaching or avoiding certain people, places, or objects in order to regulate emotions. […] To understand situation selection, one must appreciate the features of situations that typically make people emotional (Scherer et al., 1986). One also must appreciate individuals' preferences regarding entertainment (Zillmann, 1988), self-gift-giving (Luomala and Laaksonen, 1997), and various aggregations of good and bad news (Linville and Fischer, 1991)."

Situation modification refers to an important form of emotion regulation through "active efforts to directly modify the situation so as to alter its emotional impact […] Such efforts have been referred to in the stress and coping literature as problem-focused coping (Lazarus and Folkman, 1984) and by Rothbaum et al. (1982) as primary control […] where robust efforts to modify a situation may effectively call a new situation into being" (Gross, 1998, p. 283). Thus, situation modification is closely related to emotion interaction in the operative environment where emotion management (Sloan, 2005) may be performed on oneself. It is a cybernetic feed-forward process as an imperative for action as a reflection of behaviour (Figure 3).

Attentional deployment is considered to be one of the "first emotion regulatory processes to appear (Rothbart et al., 1992). It is a learning process leading to reorientation of the focus of attention. *Distraction* focuses attention on non-emotional aspects of the situation (Nix et al., 1995) or moves attention away from the immediate situation altogether (Derryberry and Rothbart, 1988) […] *Concentration* […] may be used to draw attention to emotion triggers, and *Rumination* […] involves directed

attention […] to feelings and their consequences" (Gross, 1998, p. 284). As a figurative learning process attentional deployment it corresponds to the "receptivity, collective mobilization, and organizational learning" processes as described by Huy (2001, 2009) and to the operative emotional and cognitive intelligence imperatives in the affective agency model, i.e. a feedback process which has consequences for affective activation of feelings (Figure 3).

Cognitive Change may involve modifying cognitive evaluations, as e.g. "*downward social comparison*, which involves comparing one's situation with that of a less fortunate person […] *cognitive reframing*, when a failure with respect to one goal […] reframes this as a success with respect another goal […] and reappraisal" (Carver *et al.*, 1996). As a cognitive learning process it corresponds to the figurative emotional and cognitive intelligence imperatives, i.e. a feedback process which leads to adaptations of the emotional attitude (Figure 3).

Response modulation refers to directly influencing physiological, experiential, or behavioural responding. In contrast with the emotion regulatory processes described above, response modulation occurs late in the emotion generative process, after response tendencies have been initiated. "The most common form of emotion regulation […] may be regulating emotion-expressive behaviour (Gross *et al.*, 1998, 2008; Gross and Munoz, 1995)" [cited by Gross 1998, p. 285]. Thus, it is related to the issue of emotion management by others (Sloan, 2005) which as a feedback process requires reaction through cognitive adjustment of emotion expression (Figure 3).

In comparison with the affective agency model we find that all five processes of emotion regulation identified by Gross are also covered by the affective agency model. What is not covered by Gross can be identified as: the guiding function of the cognitive system (of cognition and emotional attitudes) for operative intelligence; the influence of the cultural environment on patterns of behaviour and emotional display; and the feedback effect of emotional responses from the operative system on the emotional climate in the cultural environment.

Gross (1998, p. 275) had stated that "neural emotion circuits do not appear to overlap completely (LeDoux, 1989; Panksepp, 1982, 1998; Panksepp *et al.* 2012). This suggests that circuits involved in regulating these emotions also may not overlap completely, and that there may be important differences in emotion regulatory processes across emotions." The modelled interaction processes between cognitive and affective traits may offer some explanation for that finding. Since emotion circuits interact with cognitive circuits, the emotion circuits may vary depending on the predominant values of the cognitive traits and their variation.

Relevant to Figure 3, in Table I we summarize the five interaction processes, listing both the cognitive traits (Figure 1) and affective traits (Figure 2) as posited by the affective agency model. The meanings of the cognitive and affective trait values are indicated, from which some indication can be inferred from their interaction under different conditions. Empirical work needs to be done in order to meet the promises as indicated by Gross (1998, p. 288): "as we develop the theoretical models and the empirical findings needed to provide better answers than have ever before been possible to age-old questions about how emotions can-and should-be managed in order to optimize human functioning."

The role of emotions and cognitions in M&A processes
A sensate agency in a climate of Security may adopt a trusting confident approach towards materialism that is satisfying and encouraging. However in a climate of fear

Context	Orienting trait	Bipolar trait values	Keyword meanings
Agency cognition			
Agency	Cultural	Sensate	Senses, utilitarianism, materialism, becoming, process, change, flux, evolution, progress, transformation, pragmatism, temporal
		Ideational	Super-sensory, spirituality, humanitarianism, self-deprivation, creativity of ideas, eternal
Agency personality	Cognitive	Intellectual autonomy	Autonomy, creativity, expressivity, curiosity, broadmindedness
		Embeddedness	Polite, obedient, forgiving, respect tradition, self-discipline, moderate, social order, family security, protect my public image, national security, honour elders, reciprocation of favours
	Figurative	Mastery and Affective Autonomy	Ambition, success, daring, competence, exciting life, enjoying live, varied life, pleasure, and self-indulgence
		Harmony	Acceptance of portion in life, world at peace, protect environment, unity with nature, world of beauty
	Operative	Hierarchy	Social power, authority, wealth
		Egalitarianism	social justice, responsibility, honesty
Agency	Operative-Social	Dramatist	Sequenciality, communication, individualism, contractual, ideocentric
		Patterner	Configurations, relationships, symmetry, pattern, balance, dynamics, collectivism, allocentric
Agency affect			
Agency	Cultural	Fear	Isolation, non-cooperative, insecurity re-authority, anxiety, aggression
		Security	Trust, confidence, satisfaction, solidarity, encouragement, hope
Agency personality	Cognitive	Stimulation	Reinforcement
		Containment	Reduction, withdrawal
	Figurative	Ambition	Elation, assertion, appetitive, approaching
		Protection	Shelter, support, aversive, defensive, withdrawal
	Operative	Dominance	Anger, annoyance, attention to detail
		Obedience	Submission, compliance, appeasement, subversive creativity
Agency	Operative-social	Missionary	Imposing
		Empathetic	Accepting

Table I.
Interacting bipolar cognitive and affective trait values and their keyword meanings

the agency may ameliorate transformative processes through anxious isolation. Similarly, an Ideational agency in a climate of security may trustingly adopt humanitarian principles that dominate behaviour seeking solidarity in this. In contrast in a climate of fear humanitarianism may become submerged as a lack of cooperation and isolation set in. Thus, for cross-cultural interaction between an acquirer and an acquired firm one has to be aware of the importance of the cultural climate in the agency cultural and social contexts and of the prevailing cognitive and emotion orientations within the acquiring and acquired firm. In Table I we summarize interacting bipolar cognitive and affective trait values and their keyword meanings, as we developed them in course of the paper. Since the value that the cultural traits take is

an attractor for the rest of the agency, for any interaction between two agencies, and thus also for M&As, the aspects addressed in the cognitive model have a leading function over agency affect, which nevertheless will have a feedback function through the reaction of counterpart agencies.

With respect to the agency cultural trait we would argue that in a Sensate cognitive climate, the ruling emotions are rather oriented on generation of emotions of Fear; while in an Ideational cognitive climate, the ruling emotional orientation rather is directed towards Security (trust, confidence, satisfaction, solidarity, encouragement, hope). This implies that in case of an acquisition, acquirers with sensate orientation rather tend to use fear as an emotional instrument in order to generate compliance, while acquirers with ideational orientation rather tend to convey messages of security and basic trust in order to achieve compliance through generating mutual trust.

Similarly, cognitive orientation of agency personality towards intellectual autonomy is rather directed towards emotions of stimulation and reinforcement, while cognitive orientation towards embeddedness is rather employing emotions of containment, i.e. causing reduction and withdrawal. Reduction and withdrawal is compatible with demand by the more powerful agent (the acquirer) that the less powerful should not complain, but comply. While an acquirer high on embeddedness would rather tend to demand unconditional compliance, unconditional emotional reduction and withdrawal (suppression of emotion) by the acquired, by contrast, an acquirer high on intellectual autonomy will seek to stimulate creative forces within the acquired firm.

Figurative orientation of an acquirer's agency personality towards mastery and affective autonomy would aim at stimulating personal ambitions within staff of the acquired firm towards elation, assertion, appetitive, and approaching emotions, (e.g. by using instruments of extrinsic motivation, pay per measured performance, i.e. a plan target), while figurative orientation towards harmony would emphasize emotions of providing protection (shelter, support) and rather will rely on methods of intrinsic motivation (e.g. by referring to customer satisfaction, needs to be met, positive contributions to environment or society, etc.).

Cognitive operative orientation of an acquirer towards hierarchy is based on exerting social power and authority, which might be solely based on wealth, and in order to achieve obedience by the lower hierarchy levels employing emotions which express dominance, anger, annoyance, and attention to detail; while cognitive operative orientation of an acquirer towards egalitarianism might more be directed towards emotions signalling social justice and responsibility. The "open" (face to face) response of the acquired to dominance may be obedience and submission, while there is potential to employ modest leeway for subversive survival in the hiding, when full control by the acquirer ultimately is not possible.

The agency operative orientation of an acquirer towards dramatism (sequenciality, communication, individualism, contractual, ideocentric) is relying on causing missionary emotions and emotional imposition on others, while cognitive Patterner orientation (configurations, relationships, symmetry, pattern, balance, dynamics, collectivism, allocentric) is more strongly emphasizing empathetic feelings and emotional expressions of accepting (acceptance of differences).

Before illustrating possible consequences of a climate of fear, e.g. in a hostile take-over, and the emergence of a climate of security, e.g. in a friendly take-over, we may briefly devote some thought about the variety of pathologies which might emerge in organizations. Kets de Vries and Miller (1986) had identified five types of pathologic styles prevalent in organizations: suspicious paranoid; depressive helplessness

(avoidant/dependent); dramatic/charismatic (histrionic/narcissistic); compulsive bureaucratic control; and detached politicized (schizoid/avoidant).

In the framework of our model, four of these five pathologic styles we can identify with the two bi-polar dimensions, which characterize the cultural and operative environment of the agency "fear vs security orientation", and "missionary dramatist vs empathetic orientation":

(1) Fear and missionary/dramatist – unconstrained power   control

(2) Fear and empathetic   paranoid cynicism

(3) Security and missionary/dramatist   charismatic

(4) Security and empathetic – passive and stagnant   helpless

It is worth mention that the notion of "helplessness (avoidant/dependent)" is similar to the notions of "fatalism" (cf. Gross and Rayner, 1985) and of "collective culture shock" (Feichtinger and Fink 1998, Fink and Holden, 2002, 2010), which refer to attitudes emerging when groups of individuals are marginalized (Berry *et al.*, 1989). Groups of people who are affected by a take-over or a hostile change, e.g. a change in their property rights, make the experience that they are driven out from access to resources, have no alternatives with whom to interact because the other group members are affected the same way, and, thus, cannot define goals which could be achieved with feasible strategies.

Now, the actual outcome in a merger situation does not only depend on the acquiring organization and its managers, it is also depending on the emotional dispositions of the individuals in the acquired firm. In Figure 3, the acquired firm is represented by the inner core, i.e. the "normative personality", which is regulated by three bi-polar dimensions, where each of the polar extremes is also representing pathology, because the importance of the mutual auxiliary function of the traits is neglected (notions of the mutual auxiliary function can be found in Cameron *et al.* (2006) or with reference to Carl Jung (1936) in Blutner and Hochnadel (2010)). From three bi-polar dimensions eight theoretical pathological types can be derived. In this paper we can hardly deal with this variety. Thus, for the rest of this chapter we rather focus on prevalent aspects related to hostile and friendly take-over contexts.

The traits of the model of collective emotion regulation indicate the variety of emotion and emotion expression in organizations, which in turn influence the variety of actually displayed behaviour of individuals. It is well known that many acquisitions are initially perceived as a collection of threats ranging from losing reputation, position, job and income. For individuals concerned it is also clear that there will be no gratitude for previous engagement and earlier efforts in the acquired firm.

The model indicates that the emotional climate in the cultural environment of the agency is directly influencing the displayed behaviour of an agency in its operative environment. This is having many facets. Usually mergers imply cost saving and turnaround towards profitability. Consequently, new managers, who have no idea of what is going on in the acquired firm, will tend to take recourse to quantitative targets, ranging from substantially decreasing head-counts to increasing returns on assets. Thus, the acquirer is inclined to devise "clarity of strategy" and transforms goals into quantitative plan targets. However, as William Edwards Deming (1982, 1993, 2000) and Brian Joiner (1994) expressed: "Where there is fear you do not get honest figures", and "data ('the results') can be improved by (1) distorting the system, (2) distorting the data, (3) improving the system (which tends to be more difficult though likely what

is desired)" (source of citations Curiouscat 2015). Thus, it should be clear what take-over managers can likely expect. Management cost of any take-over is always higher than anticipated.

Emotions that foster subversive behaviour are mostly emerging when in interaction between two organizations (i.e. in the operative social environment) the more powerful appear as dramatist missionaries, who will tell the less powerful not to ask questions but simply to comply. That is, what the whole range of literature on trust in M&As is about: avoiding to stimulate the emergence of counterproductive emotions in M&As (Bijlsma-Frankema, 2004; Bijlsma-Frankema and Costa, 2005; Stahl and Sitkin, 2005.)

The role of fear as an instrument in power relations is to isolate people from each other (Flam, 1993). A climate of fear basically is employed in a hostile take-over. Affected people in the acquired firm will show different emotional reactions depending on their emotional attitude, which resides in their cognitive system. Containment oriented individuals and groups of people express dismay and fall into hopelessness, dread, and lethargy, while stimulation oriented people will display anger, disgust, and hostility. Very likely stimulation oriented people will devise patterns of instant reaction, and accordingly mobilize their figurative system of personality.

In the figurative system, where strategies are devised and feasible goals identified, we distinguish the traits of ambition orientation vs protection orientation. Stimulation oriented people are those who under impact of perceived threat are often mobilizing energy towards instantly leaving the firm. While protection orientated people often are waiting for "social compensation plans", which due to labour law regulations in many countries have to be devised in interaction of the top-managers of a firm with trade unions when people are laid off large scale.

In the operative system actually expressed emotions are devised. Individuals with protection oriented strategies will tend to signal submission orientation, i.e. compliance and not taking action against the new owners and managers of the organization. Those leaving the firm will rather signal "independence" i.e. a more balanced state between submission and dominance, but, it never can be excluded that some might take subversive or even hostile sabotage action against the new owners and managers, which might be driven by the desire to act against the "dominance" emotions displayed by the new masters (Fink *et al.*, 2007; Mars, 2001).

A climate of security will rather arise in a friendly take-over or in "white knight" constellations, i.e. when a long awaited "saviour" will get engaged as new owner of a firm who often is promising to solve all problems, restore profitability and to keep lay-off to a minimum. A climate of security is also assumed to be positively related to a communication culture (Ashkanasy and Nicholson, 2003).

People with stimulation oriented emotional attitudes will tend to express elation, delight or even ecstasy. They will mobilize their figurative capabilities and seek new action orientation within the new constellation between the owner and the acquired firm. By contrast, containment oriented people will rather develop feelings of contentment, placidity and serenity, what will foster their motivation of learning and adaptation to a new context and will work well in a communicative climate. Containment orientation is also helpful for well-integrated thinking, where remembering and planning is possible (Labouvie-Vief and González, 2004).

Figuratively ambition oriented individuals will participate in reorganization efforts seeking new challenges and opportunities within a restructuring organization, while protection oriented people may rather seek to maintain the status quo, perhaps also at

the price of remaining in a particular subordinate position and by expressing emotions of submission. While ambition oriented people may try to move up the career ladder, also promising loyalty to the new dominant power holders.

Conclusion

The affective cultural agency theory proposed here is a development of the now mature cognitive cultural agency theory of a plural actor which operates through collective norms. The cognitive cultural agency is a systems-based generic theory that draws on principles of social/psychology to explain the nature of the social collective like an organization, with implications for the psychology of the individual. The cultural cognitive agency is a systemic theory that adopts some principles of social-psychology, obverse to that of Piaget (1950) and Bandura (1986) whose development cognitive social-psychology adopts systemic principles. The affective agency is underpinned by the conceptualizations of a number of authors interested in the affective attributes of mind, but draws on Gross for directive stress.

The approach adopted here has used selective coding of grounded theory to make sense of the fragmented horizon of affective constructs that pepper the attempts to understand the nature of emotion, not only in the individual unitary actor, but also the plural actor. This has permitted us to deliver a coherent theory of the affective agency that draws together a variety of attributes of the self-organizing adaptive culturally based social collective, i.e. a plural actor that has coherence in its behaviour through its culture and the normative structures that this drives. The paper then draws together with our previous theory on the cognitive agency, and shows the significance of the relationship between affect and cognition on the decision-making process and behaviour of the agency.

While our theory has in part come from an assembly of theories about the unitary agency, we have also considered the role of culture and the generation of affective norms that enables one to discuss unitary attributes in plural contexts.

One of the influences of affective theory here has been Gross who, in his concluding remarks concerning affective regulation, raised three issues as major "remaining" challenges (Gross, 1998, p. 285): Can emotion regulation really be distinguished from emotion generation? What are individuals' emotion regulatory goals? How does emotion regulation relate to other forms of self-regulation? Here we have shown that: emotion regulation can really be distinguished from emotion generation; emotion regulatory goals (at least for the normative agency) are identifiable; and emotion regulation has a clear role in relation to other forms of self-regulation, thus, it will also impact organizational change.

While our intention was not to research into emotion regulatory goals, we believe that with the affective agency model we can offer a coherent generic theory of emotion generation and emotion regulation in organizations, which might be useful for further studies on emotion regulation goals of organizations. Indeed in the context of M&As emotion regulation goals are a promising field of future research. So far emotion regulation goals are prominent in the field of regulating emotion expression of sales people *vis-à-vis* the customers of a firm where "emotional labour addresses the stress of managing emotions when the work role demands that certain expressions be shown to customers" (e.g. Grandey, 2000), and emotion regulation strategies and goals by teachers (Sutton, 2004). A significant proportion of M&A research has also mainly focused on social integration of human resources of companies involved in such change processes, but with largely inconclusive findings (see also Dauber *et al.*, 2012).

Thus, achieving a better understanding of emotion regulation in organizations could provide a new perspective of understanding how social viability in social systems can be achieved and maintained.

The action oriented feed-forward processes of the affective agency model are related to emotion regulation and emotion generation and the feedback processes are adaptation and learning oriented. We also can offer first steps towards investigation into the relation between affective and cognitive self-regulation of organizations. At this stage a close discussion of the intertwined relations between cognitive and affective traits is still open – if beyond the scope of this paper. Further explanations are possible not only for each cognitive/affective trait value interaction, but also for interactions between traits. A further avenue might be pursued with research into temperament typologies, which could emerge from linking Mindset Agency Theory (Yolles and Fink, 2014a, b, c, d) with temperament type studies. Similarly, a simultaneous investigation into models of emotional and cultural intelligence seems to be a promising avenue for further research into organizational change.

Note

1. Grounded Theory identifies three methods for dealing with different needs in theory construction, referred to as selective, open and axial coding. The method of selective coding integrates and refines theory (Strauss and Corbin, 1998, p. 143); open coding is concerned with everything that seems to be of relevance in a body of theory which needs to be identified, and arguments sorted by perceived relevance to the cited authors, that approach being relevant to a body of theory which is fragmented; finally, axial coding involves the disaggregation of core themes during qualitative data analysis, though this does not operate well where a body of theory is fragmented.

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