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*The potential functionality of negative emotions*

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# How emotions influence alliance relationships: The potential functionality of negative emotions

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## Abstract

This article utilizes a motivational perspective on emotions to reconceptualize the impact of negative emotions on relationship dynamics between alliance partners. Alliance failure is endemic and yet we know little about how alliance partners manage the interface between them. We draw upon the alliance discrepancy model, self-discrepancy theory, appraisal theory, emotions as social information theory, and Horney's behavioral typology of moving toward, moving against, or moving away to analyze the emotional, motivational, and behavioral dynamics among alliance decision makers. We propose that process discrepancies predominantly produce agitation-related emotions such as anger and anxiety, whereas outcome discrepancies predominantly produce dejection-related emotions such as sadness and disappointment. We analyze the impact of emotions at both the intrapersonal and the interpersonal levels. The intrapersonal level captures the impact of alliance decision makers' experienced emotions on their own behavior, whereas the interpersonal level captures the impact of alliance decision makers' expressed emotions on their partners' behavior. At the intrapersonal level, agitation-related emotions lead alliance decision makers to move against (or away from) their partner, whereas dejection-related emotions lead them to move toward their partner. At the interpersonal level, the expression of dejection-related emotions leads alliance decision makers to move toward their partner, whereas the expression of

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agitation-related emotions leads alliance partners to either move toward or against their partner depending upon the relative power of the parties and the specific agitation emotion that is expressed. We develop a series of propositions linking discrepancies with emotions and alliance management, which highlight a different way of thinking about emotions in alliances. Rather than treating negative emotions as destructive forces, our model points to the potential functionality of the experience and expression of negative emotions in alliances. We conclude by outlining some boundary conditions of our model and discussing implications for research and practice.

### **Keywords**

alliances, process discrepancy, outcome discrepancy, negative emotions, dejection-related emotions, agitation-related emotions

Alliances are a core component of how firms compete in the 21st century. As firms enter into alliances, they need to cross organizational boundaries (Hirschorn & Gilmore, 1994). This makes alliances difficult to manage due to the tendency for individuals to perceive members of other groups as being less trustworthy than members of their own group (Tajfel, 2010; Williams, 2007). Thus, it is not surprising that many alliances fail to fulfill their potential (Kale & Singh, 2009). Although a considerable amount of work speaks to the motivations for alliance formation and their governance structures (Contractor & Lorange, 1988; Gulati & Singh, 1998; Oxley, 1997), the processes by which alliances develop over time (Ring & Van de Ven, 1994), and the drivers of alliance instability (e.g., Ariño & Ring, 2010; Das & Kumar, 2011; Faems, Janssens, Madhok, & Van Looy, 2008; Kumar, 2014; Luo, 2008; Schreiner, Kale, & Corsten, 2009; Zeng & Chen, 2003), curiously underrepresented in the literature is an emphasis on how alliances are managed in practice (Ness, 2009; but see relevant work on trust: Ariño, de la Torre, & Ring, 2001; Das & Teng, 1998; Dyer & Singh, 1998; Zaheer, McEvily, & Perrone, 1998). In particular, it is unclear how microlevel emotional processes interact with the macrolevel alliance context in influencing alliance development.

The neglect of the role of emotions in alliances is problematic as alliance partners are

frequently confronted with events that may trigger strong (oftentimes negative) emotions (Gould, Ebers, & Clinchy, 1999). For instance, an alliance may not develop as hoped, or an alliance partner may not deliver on his or her promises. Such discrepancies between envisioned and actual alliance processes and outcomes are likely to ignite negative emotions in alliance partners, which may have important repercussions for how alliance partners relate to one another and, thereby, for the alliance at large. Alliance partners face the constant challenge of balancing cooperation with competition (Hamel, 1991; Pruitt & Carnevale, 1993; Schelling, 1960), a key to which is the ability to develop and nurture a successful relationship with one's partner. The judgments and decisions that are made by individuals in such mixed-motive contexts are known to be heavily influenced by emotions (Loch, Galunic, & Schneider, 2006; van Kleef, De Dreu, & Manstead, 2010). It is therefore critical to consider the role of emotions in the alliance process.

Emotions may be experienced by all of the employees of the partnering organizations who interact with each other. However, key alliance decision makers are likely to have a stronger impact on alliance events than other parties. Alliance decision makers are high-power individuals whose decisions have repercussions for the viability of the alliance. They are the critical conduit through which information is

exchanged and the primary means by which the alliance partners coordinate their efforts, negotiate deals, and attempt to resolve disputes (e.g., Albers, Wohlgezogen, & Zajac, 2016; Marchington & Vincent, 2004; van Kleef, Steinel, & Homan, 2013). Alliance decision makers may draw upon the opinions and judgments of lower level employees involved in the alliance who may experience similar emotions, but it is ultimately their job to make the final call as to how to proceed with the alliance when it is experiencing difficulties. In the model we develop here, we therefore state our propositions in terms of key alliance decision makers, while noting that the propositions are in principle applicable to all of the personnel involved in the alliance to the degree that they can exert influence on alliance processes and outcomes.

We will argue that, within the complex structure of the alliance process, emotions are critical to understanding how alliance decision makers representing the partnering organizations interact with each other to manage their alliance. Emotions have a critical influence on people's own judgments and behaviors as well as on those of other people (Frijda, 1986; Jones & George, 1998; van Kleef, 2009; Weiss & Cropanzano, 1996). As such, emotional experience and emotional expression play a pivotal role in the development of interpersonal relationships (van Kleef, 2016). The model we develop here aims to elucidate how the micro-level intrapersonal and interpersonal dynamics of emotion interface with the macrolevel alliance context to shape alliance development.

It is important to note that in our model we conceptualize emotions as both symptoms and causes. Emotions do not occur in a vacuum; they reflect and shape alliance developments. For instance, an alliance may not be profitable and/or the partners may not trust each other. Such problems constitute unfavorable outcome and/or process discrepancies that produce emotions. These emotions in turn shape the behavioral responses of the alliance partners. As we argue below, these responses may either

amplify the discrepancies or dampen them. If, for example, one of the partners experiences anger, and the other partner responds in a manner that diffuses his or her anger, the alliance is headed toward the minimization or elimination of discrepancies. Alternatively, if anger is met with anger, the conflict is likely to escalate as discrepancies are amplified. Drawing on a classic typology by Horney (1945), we will argue that the experience and expression of emotions by alliance decision makers influence alliance partners' tendencies to *move toward* their alliance partner (e.g., considering the partner's interests, accommodating the partner, making concessions), *move against* their alliance partner (e.g., being competitive, showing hostility, acting aggressively), or *move away from* the alliance partner (e.g., exit the alliance). We focus our theory development on the options of moving toward and moving against, because understanding antecedents of these behavioral tendencies is critical for understanding dynamics of ongoing alliances. We acknowledge that moving away is also a viable option, but it is a last resort and a prelude to the dissolution of alliances. Given our interest in the role of negative emotions in shaping adaptation to and resolution of alliance problems, our theoretical focus in this article is limited to moving toward and moving against.

A critical argument being advanced in this article, and perhaps a counterintuitive one, is that the presence of negative emotions can be beneficial for alliance functioning in a number of different ways. The presence of negative emotions signifies the presence of potential problems in an alliance. These problems may revolve around issues of opportunism, communication and decision-making, cultural barriers, and/or a lack of strategic alignment, all of which impair the alliance from attaining its goals. The existence of negative emotions suggests that these problems must be dealt with to prevent the alliance from deteriorating further. Moreover, as we will argue below, different negative emotions (most notably anger,

anxiety, disappointment, and sadness) have differential implications for alliance dynamics due to their unique associated appraisal patterns and motivational signatures (Lerner & Keltner, 2000).

Besides enabling a richer theoretical understanding of the role of emotions in alliances, we believe that the current model may also provide practical insights that can be used by alliance managers. Alliances are sensitive to macrolevel contextual influences as well as boundary-spanning processes, and as such they tend to be dynamic and constantly in flux. This dynamic nature of alliances poses a challenge for alliance managers, as strategies that worked well for a while may become ineffective or even counterproductive over time as circumstances change. As responses to changes in the environment that are relevant to an individual's goals (Frijda, 1986), emotions provide critical information about how a person interprets the situation in the light of his or her goals (van Kleef, 2009). This means that alliance employees, and in particular, key alliance decision makers, can potentially glean useful information from their counterpart's emotional expressions about the counterpart's goals and intentions regarding the alliance, which may be critical for the successful management of the alliance.

The potential impact of negative emotions on alliance relationships is aptly illustrated by the unsuccessful alliance between the German auto manufacturer Volkswagen and the Japanese firm Suzuki. By entering into an alliance, Volkswagen hoped to gain access to the Indian market, while Suzuki hoped to gain access to Volkswagen's expertise in technologies for larger cars. The problems surfaced in 2011 when in its annual report Volkswagen noted that "...it could significantly influence financial and operational policy decisions" of the Suzuki company (Samad & Purkayastha, 2012, p. 8). The top managers at Suzuki were angered by this slight, and the CEO of Suzuki noted that "since the companies differ in size, people of Volkswagen may develop a mistaken impression that

Suzuki is under their umbrella" (Samad & Purkayastha, 2012). The relationship continued to deteriorate, with Volkswagen accusing Suzuki of sourcing engines from Fiat as opposed to Volkswagen, whereas Suzuki maintained that Volkswagen did not provide access to technologies as per the original understanding. On November 18, 2011, Suzuki terminated its relationship with Volkswagen. The CEO of Suzuki stated: "I am disappointed that we have to take this action, but VW's actions have left us no choice. They have continued to refuse our attempts on numerous occasions to resolve these issues through negotiations" (cited in Samad & Purkayastha, 2012, p. 10).

Below we draw upon prominent models in the alliance literature, social and organizational psychology, and affective science to develop a model of the role of emotions in alliances. We begin by delineating the key components of our model. Next, we discuss various theoretical perspectives that are relevant to understanding the role of emotions in alliances. We then outline a new model of the role of emotions in alliances and advance specific propositions linking different types of negative emotions to the different kinds of strategies pursued by alliance partners. We conclude by discussing possible theoretical extensions of the model and considering managerial implications.

## **Understanding alliances through the lens of discrepancies**

A number of frameworks for studying alliance processes have emerged in the literature (e.g., Ariño et al., 2001; Doz, 1996; Ring & Van de Ven, 1994). Central to all of these frameworks is the recognition that the criteria of equity and efficiency are critical in determining how the alliance develops over time. Alliance partners will strengthen their commitment to the relationship if equity and efficiency are present. Whether or not the criteria of equity and efficiency are met depends on the partners' a priori

expectations and the actual results. Discrepancies between expectations and actual results thus become critical in explaining the actions of the partner firms as the alliance evolves over time.

Kumar and Nti's (1998) alliance discrepancy model suggests that every alliance is potentially subject to two forms of discrepancies: process and outcome discrepancies. A discrepancy is a gap between the actual event and the expected event. Discrepancies may be either favorable or unfavorable. Unfavorable discrepancies occur when the alliance falls short of partners' desires or expectations, whereas favorable discrepancies occur when desires or expectations are being exceeded. The framework we present focuses on unfavorable discrepancies because solving unfavorable discrepancies is particularly critical to an alliance's viability, which makes understanding the role of (negative) emotions in the context of such discrepancies especially important. We acknowledge that favorable discrepancies may also give rise to emotions, such as feeling happy, grateful, or relieved. However, given that favorable discrepancies arguably require less attention than unfavorable discrepancies, our focus here is on unfavorable discrepancies and their associated negative emotions.

Before elaborating on the two types of (unfavorable) discrepancies, we should also point out that the assessment of discrepancies is subjective on two counts. First, the alliance partners may have differing desires or expectations, meaning that even when the partners perceive the current situation in a similar fashion, they may differ in whether they do or do not perceive a discrepancy. Second, even if the partner's desires or expectations are aligned, they may perceive the actual process or outcome in a different way, which would again make them differ in terms of the degree to which they perceive a discrepancy. This subjectivity is also inherent to emotional experience, because emotions arise in response to an individual's *subjective evaluation* or "appraisal"

of a particular event in the light of relevant goals, rather than to the event per se (Frijda, 1986). Accordingly, our model speaks to the role of emotions in the context of *perceived* discrepancies.

### *Process discrepancies*

Process discrepancies suggest that the partner firms are not satisfied with the *way* their partner is interacting with them. They involve a collaboration failure that may be attributable to either an unwillingness to cooperate and/or the inability to engage in effective coordination, which is critical for alliance success (Gulati, Wohlgezogen, & Zheyyazkov, 2012). Collaboration failure may represent an opportunistic intent (e.g., Gulati et al., 2012), differences in national/corporate cultures (Kumar & Nti, 2004; Sirmon & Lane, 2004), communication barriers (Agarwal, Croson, & Mahoney, 2010), ineffectiveness of coordination mechanisms (Gulati & Singh, 1998), and/or a lack of trust (Das & Teng, 1998; McEvily, Perrone, & Zaher, 2003). Process discrepancies can manifest themselves in numerous ways. Consider an alliance between Partner A and Partner B. Partner A may discover that Partner B has been tardy or reluctant in sharing information that is critical for alliance functioning, potentially reflecting that Partner B is more interested in acquiring information rather than sharing information. The partners may also differ in their decision-making approach, with one partner being more expeditious and the other being slower, which may adversely impact on alliance functioning. Furthermore, if the partners come from different cultural backgrounds, process discrepancies may arise due to differential customs and expectations (Kumar & Nti, 2004). For instance, partners from high-context cultures (e.g., Hall, 1959) tend to communicate indirectly, whereas partners from low-context cultures tend to communicate more directly. This may result in communication failure, which may generate process discrepancies. The fundamental impact

of process discrepancies is that they impair the effective functioning of an alliance by creating distrust and/or impeding effective coordination that is necessary for an alliance to attain its goals.

Kumar and Higgins (2012) further developed the discrepancy construct advanced by Kumar and Nti (1998) by drawing upon Higgins (1987) self-discrepancy theory. This theory postulates that all discrepancies have either an “ideal” or an “ought” referent. The ideal versus ought distinction refers to actors being motivated by, respectively, hoped for accomplishments or gains (promotion ideals) versus security or obligations (prevention oughts) (Higgins, 1987, 1998; Higgins & Cornwell, 2016). For example, process discrepancies may involve a discrepancy between the actual process situation and either a partner’s promotion ideals or prevention oughts (and possibly both).

In this context, ideals refer to maximal standards for the alliance (hopes and aspirations) that are desirable yet not critical for the day-to-day functioning of an alliance. An actual-ideal process discrepancy reflects that the ongoing interactional process among the alliance partners, while satisfactory, could be advanced further to achieve a better state. For example, the quantity and quality of communication may be satisfactory but leave room for further improvement. An actual-ought process discrepancy, by contrast, reflects that the current interactional process is failing to meet the expected obligations that it *must* meet. For instance, there may be a failure regarding the integrity of the interaction process on which the firm cannot compromise. Within the prevention system of concerns with duties and obligations and with safety and security as the dominant goal, this represents a failure to maintain a satisfactory status quo. The actual-ought process discrepancy occurs when quality and/or quantity of communication, decision-making, and/or levels of trust are below satisfactory levels. An actual-ought process discrepancy

draws attention to a “minimum level of interactional standards” that must exist as partners interact with each other. Thus, in our model development, we focus on actual-ought process discrepancies as these are more critical for alliance success than actual-ideal process discrepancies.

It is important to note here that self-discrepancy theory (Higgins, 1987), which posits the distinction between promotion “ideal” and prevention “ought” end-states (Higgins, 1997, 1998), is distinct from prospect theory (Kahneman & Tversky, 1979). The fundamental distinction is that the prospect theory is concerned with the effects on risk preference from differences in the current value state (i.e., states within the value domain of losses vs. the value domain of gains), whereas self-discrepancy theory is concerned with the effects on risk preference from differences in the decision maker’s goal (i.e., ideal goals vs. ought goals). Notably, a promotion ideal focus on growth and advancement and a prevention ought focus on security and safety are both positive goals (Higgins, 1997, 1998), whereas prospect theory draws a comparison between positive current value states (the domain of gains) and negative current value states (the domain of losses). With respect to the domain of losses, prevention ought goals receive more emphasis than promotion ideal goals because those with prevention concerns need to return to a satisfactory non-loss, whereas both a loss and a non-loss are a negative non-gain to those with promotion concerns (see Scholer, Zou, Fujita, Stroessner, & Higgins, 2010; Zou, Scholer, & Higgins, in press).

### *Outcome discrepancies*

In contrast to process discrepancies, outcome discrepancies indicate that the alliancing firms have not been successful in generating the anticipated tangible outcomes for the alliance. The nature of tangible outcomes depends on the type of alliance. For example, in a distribution

alliance where the partners come together to market each other's products, the alliance may be incurring a lack of profitability or suffering from a low market share. If the alliance is a research and development alliance, then an outcome discrepancy may present itself as the inability to develop a new product or technology in a given period of time. If the alliance is a market entry alliance where Partner A collaborates with Partner B to enter a particular market, an outcome discrepancy implies that the market entry venture failed or falls short of expectations.

Kumar and Higgins (2012) proposed that, in contrast to process discrepancies, for outcome discrepancies, the actual–ideal comparison is more salient than the actual–ought comparison. This is because the initial rationale for an alliance is more likely to be about the benefits or gains from the alliance than about the non-losses that derive from the alliance. Thus, the ideal functions as the appropriate standard with which the current state is compared. In addition, there is a natural asymmetry here in that success in maintaining non-losses (i.e., an actual–ought congruency or success) can still be a failure to advance gains, and thus actual–ideal outcome discrepancies are more likely to occur than actual–ought outcome discrepancies. Thus, in our model development, we focus on actual–ideal outcome discrepancies rather than actual–ought outcome discrepancies.

## **Conceptualizing the role of emotions in alliances**

Emotions pervade all types of social exchanges (Casciaro & Lobo, 2008; van Kleef, 2016), and alliances are no different in this regard. While many organizational failures may be attributable to poor judgments made by senior managers (Powell, Lovallo, & Fox, 2011), and while there is substantial evidence implicating the role of cognitive biases in influencing judgments (Kahneman, Slovic, & Tversky, 1982), emotions (and the motivational systems

that underlie them) have an additional major impact on decision makers' strategic choices that remains insufficiently studied and understood (cf. Brockner & Higgins, 2001; Hodgkinson & Healey, 2011; Huy, 2012). It is therefore important to enhance understanding of the role of emotions in alliances.

Emotions are intense but relatively short-lived experiences that are accompanied by a physiological reaction and that arise in relation to events that are appraised as relevant to particular concerns or goals (Frijda, 1986; Lazarus, 1991), such as a (unfavorable) process or outcome discrepancy. If an event has the potential of disrupting a person's ability to attain his/her goals and/or needs, then negative emotions are a likely outcome. Emotions direct behavior (Lazarus, 1991) and they shape the preferences that direct choices (Higgins, 2012), with different discrete emotions having differential effects on choices and behaviors (Lerner & Keltner, 2000; van Kleef, De Dreu, & Masten, 2006). Thus, the emotion of anger may often (but not always) lead to aggressive tendencies, while the emotion of fear is often associated with an impulse to escape or flee. Emotions differ from moods in that moods are more generalized and diffuse positive or negative feeling states that are not connected to a particular eliciting stimulus (Barsade & Gibson, 2007).

The study of emotions in organizations has become a major focus in organization science, and researchers have begun to examine the impact of emotions on (among other things) decision-making, leadership, work motivation, creativity, turnover, organizational citizenship behavior, strategy implementation, organizational change, conflict and negotiation, and team performance (e.g., Ashkanasy, 2003; Barsade & Gibson, 2007; Brief & Weiss, 2002; Brockner & Higgins, 2001; Elfenbein, 2007; Gu Seo, Barrett, & Bartunek, 2004; Huy, 2011; Kumar, 1997; van Kleef, Homan, & Cheshin, 2012). Despite the increasing awareness that emotions are crucial to understanding organizational



dynamics, the role of emotions in alliances has so far received very little attention.

In conceptualizing the role of emotions in alliances, it is useful to draw a distinction between intrapersonal and interpersonal effects of emotions (Morris & Keltner, 2000; van Kleef, De Dreu, & Manstead, 2004a). Intrapersonal effects refer to the impact of an individual's emotional *experience* on his or her own choices or behaviors. This is the traditional approach to emotion that features prominently in many models and theories, including classic appraisal theories of emotion (e.g., Frijda, 1986). Interpersonal effects, in contrast, refer to the impact of one individual's emotional *expressions* on another person's behavior. This more recent approach to emotion is central to emotions as social information (EASI) theory (van Kleef, 2009, 2016), which holds that emotional expressions influence observers by eliciting affective and/or inferential processes in them that in turn shape judgment, decision-making, and behavior.

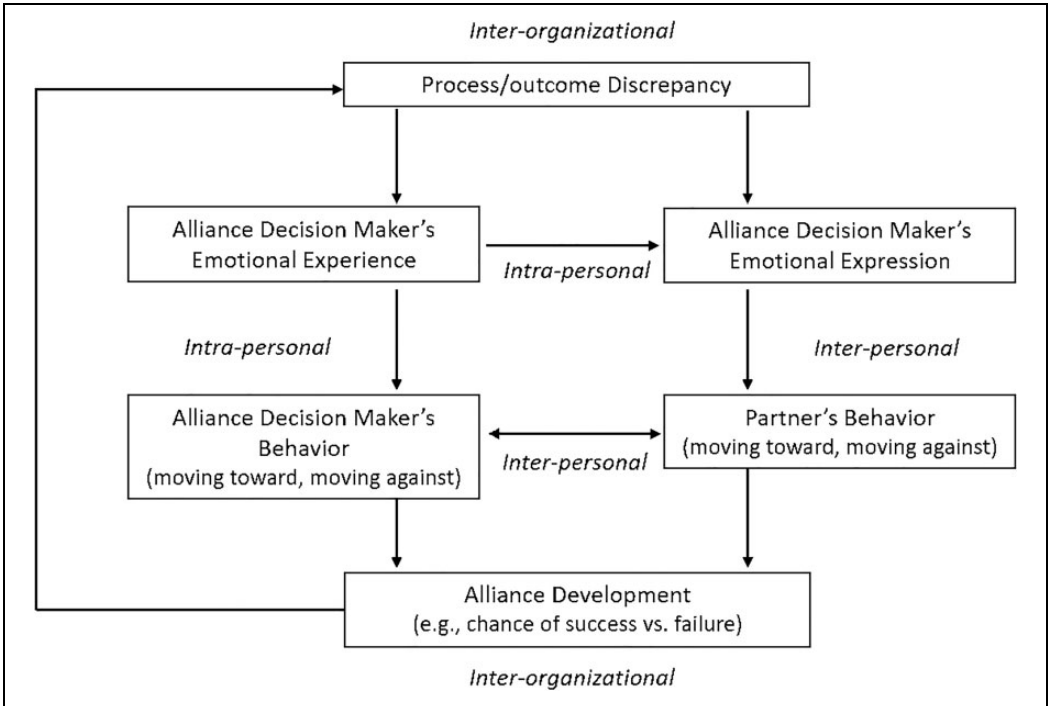
In an exchange relationship such as an alliance, both intrapersonal effects and interpersonal effects of emotions are relevant. For example, if an alliance decision maker experiences anger, this may influence how he/she interacts with members of the other alliance team, for instance in the form of increased competition (an intrapersonal effect). At the same time, to the degree that the anger is expressed to someone on the other alliance team, it might directly impact how alliance decision makers of that team relate to this individual (e.g., by creating an unfavorable impression, eliciting hostile feelings, or potentially triggering concession-making; all examples of interpersonal effects). The model we develop below therefore incorporates intrapersonal as well as interpersonal effects of emotions in alliances.

## A model of emotions in alliances

Figure 1 provides a schematic conceptual representation of our model. The model highlights

how process and/or outcome discrepancies that reside at the interorganizational level are detected by and thereby trigger emotional responses in key alliance decision makers. These emotions in turn influence the boundary spanner's own behavioral tendencies (intrapersonal effects) as well as the partner's behavioral tendencies (interpersonal effects). In addition, the partner's behavioral responses may in turn feed back into the emotions that are experienced and expressed by the focal boundary spanner as well as into their behavioral tendencies. The behavioral tendencies of key alliance decision makers and their partners both contribute to the development of the alliance, which in turn feeds back into increased or decreased outcome or process discrepancies, which in turn inspire emotional reactions, and so on.

The key alliance decision makers establish goals for the alliance and monitor its progress. If the alliance progresses as expected or exceeds expectations, the alliance will be stable. If the alliance's performance is below expectations, it may be subject to unfavorable discrepancies that may represent an actual–ideal outcome discrepancy, an actual–ought process discrepancy, or both. Under these conditions, negative emotions can be expected to arise, which can have downstream consequences for the alliance. Appraisal theories of emotion (e.g., Frijda, 1986; Lazarus, 1991; Lerner & Keltner, 2000) suggest that which negative emotions are most likely to arise depends on the nature of the discrepancy that is detected by the key alliance decision makers and the attributions they make about the emergence of that discrepancy (e.g., whether the other party is blamed for the situation). Below we first consider how the two forms of macrolevel discrepancies give rise to different negative emotions in key alliance decision makers. Next, we consider how microlevel intrapersonal and interpersonal emotional processes may in turn shape macrolevel alliance development.



**Figure 1.** A model of the role of emotions in alliances.

*From discrepancies to emotions*

Higgins' (1987) self-discrepancy theory draws a distinction between dejection-related versus agitation-related emotions. Dejection-related emotions represent the absence of a positive outcome, whereas agitation-related emotions represent the presence of a negative outcome. When an actual-ideal outcome discrepancy emerges, with gains being lower than expected, appraisal theories (Frijda, 1986; Lazarus, 1991) predict that dejection-related emotions such as sadness (when the low gain is construed as a failure to gain or make progress) or disappointment (when the low gain is compared to the higher gain that could have materialized) are likely to be more prominent compared to agitation-related emotions (e.g., Higgins, 1989; Strauman & Higgins, 1988). Thus, if the expectation was that an alliance would generate a certain amount of profitability, and if the level

of profitability is below expectations, then it is likely that alliance managers will experience more dejection-related emotions like sadness or disappointment than agitation-related emotions. The greater the severity of actual-ideal outcome discrepancies, the greater the intensity of dejection-related emotions such as sadness or disappointment.

In contrast, actual-ought discrepancies, which reflect a failure to maintain security or obligations, are likely to produce more agitation-related emotions than dejection-related emotions (Higgins, 1987). Agitation-related emotions include anxiety and anger (or resentment). According to appraisal theories of emotion, the specific emotion that is most likely to result from such a situation depends on the degree to which the person facing the situation blames another person for the situation and experiences the potential to cope with the situation (Frijda, 1986). Specifically, anger is more

likely to be experienced and shown to the degree that the person facing the unfavorable situation blames another person for the situation and experiences high coping potential, whereas anxiety is more likely to arise in case of low coping potential (Lazarus, 1991). The greater the severity of actual–ought process discrepancies, the greater the intensity of agitation-related emotions such as anger or anxiety. The key observation to make here is that even though all unfavorable discrepancies are associated with negative emotions, the dominance of a specific type of negative emotion that is elicited in an alliancing context depends on the type of discrepancy that has occurred and the predominant appraisals associated with that discrepancy (e.g., appraisals of loss and missed opportunities in the case of actual–ideal outcome discrepancies, appraisals of goal blockage and other-blame in the case of actual–ought process discrepancies). The distinction between different types of discrete negative emotions is important, because different discrete negative emotions can have distinct motivational and behavioral implications (Frijda, 1986; Gooty, Gavin, & Ashkanasy, 2009) and interpersonal effects (van Kleef et al., 2010).

*Agitation-related emotions.* As noted above, actual–ought process discrepancies are most likely to give rise to agitation-related emotions. Two particularly prominent instances of agitation-related emotions in the alliance context are anger and anxiety.

*Anger.* Anger is an emotion that is critical in influencing organizational processes and outcomes (Gibson & Callister, 2010; van Kleef et al., 2012). Anger is defined by Gibson and Callister (2010, p. 68) as “an emotion that involves an appraisal of responsibility for wrongdoing by another person or entity and often includes the goal of correcting the perceived wrong.” Many studies suggest that anger is an outcome of the violation of justice norms

(Barclay & Kiefer, 2019; Cropanzano, Weiss, Suckow, & Grandey, 2000). Perceptions of injustice fuel anger and resentment (Cropanzano et al., 2000; Pillutla & Murnighan, 1996) and interpersonal conflict (Allred, 1999), and they may motivate individuals to harm another person (Skarlicki & Folger, 1997).

*Anxiety.* Anxiety is defined by Brooks and Schweitzer (2011, p. 44) as “. . . a state of distress and/or physiological arousal in reaction to stimuli including novel situations. . . .” Individuals are more likely to experience anxiety in the face of a potentially threatening situation (e.g., an actual–ought discrepancy) to the degree that they experience less coping potential (Lazarus, 1991). As such, the experience of anxiety reflects a potential threat that prompts individuals to act in ways that might reduce their vulnerability (Gino, Brooks, & Schweitzer, 2012).

We propose that whether actual–ought discrepancies primarily trigger anger or anxiety depends on the relative power of the alliance partners. Power differentials in alliances can be relatively stable, but they may also shift over time either due to changes in the external environment or due to shifting strategic alignments within the partner firms. The partner who has greater power at a given point in time may not only potentially derive greater benefits from the alliance but can also be very influential in shaping how the alliance develops over time. Power differentials among alliance partners are a function of which partner is more dependent on the other (Emerson, 1962; Fiske, 1993; Keltner, Gruenfeld, & Anderson, 2003). The partner who is more dependent will generally seek to accommodate to the needs of the more powerful partner, lest the other partner abandons him or her.

Such power differentials can have a pervasive impact on partners’ emotional experiences and expressions (Keltner, van Kleef, Chen, & Kraus, 2008). Anger is often viewed as a high-power emotion (Tiedens, 2001) and it is linked

to approach tendencies (Carver & Harmon-Jones, 2009), as is the experience of power (Keltner et al., 2003). Conversely, anxiety may be seen as a low-power emotion in that it is associated with a perceived lack of control over the situation (Lazarus, 1991; Tiedens, Ellsworth, & Mesquita, 2000). Moreover, high-power parties are more likely to express anger than low-power parties (Petkanopoulou, Rodriguez-Bailon, Willis, & van Kleef, in press), because lower-power parties tend to worry more about potential negative repercussions of expressing their anger, such as retaliation (Wang, Northcraft, & van Kleef, 2012). In the light of these considerations, we advance the following proposition.

*Proposition 1.* Actual–ought process discrepancies are more likely to trigger agitation-related emotions such as anger and anxiety in key alliance decision makers than dejection-related emotions, with anger being a more likely response to the degree that the focal alliance decision maker represents a relatively high-power party (Proposition 1a) and anxiety being a more likely response to the degree that the focal alliance decision maker represents a relatively low-power party (Proposition 1b).

*Dejection-related emotions.* Dejection-related emotions result from an actual–ideal outcome discrepancy. They are indicative of a situation where the alliancing firms have been unable to advance the goals that were established for the alliance. Prominent dejection-related emotions are sadness and disappointment (Higgins, 1987). These emotions arise when a particular outcome falls short of expectations (Frijda, 1986; Lazarus, 1991).

In contrast to agitation-related emotions, the extant literature offers no theoretical basis for making differential predictions pertaining to specific dejection-related emotions, because different dejection-related emotions have comparable intrapersonal and interpersonal behavioral consequences (e.g., Clark, Pataki, &

Carver, 1996; van Kleef et al., 2006, 2010). The issue of relative power would also appear to be comparatively less relevant in the context of dejection-related emotions because the partners have a mutual interest in resolving the actual–ideal outcome discrepancy, and to do so they are likely to engage with each other in a constructive way. This leads to the following proposition.

*Proposition 2.* Actual–ideal outcome discrepancies trigger more dejection-related emotions such as sadness and disappointment in key alliance decision makers than agitation-related emotions.

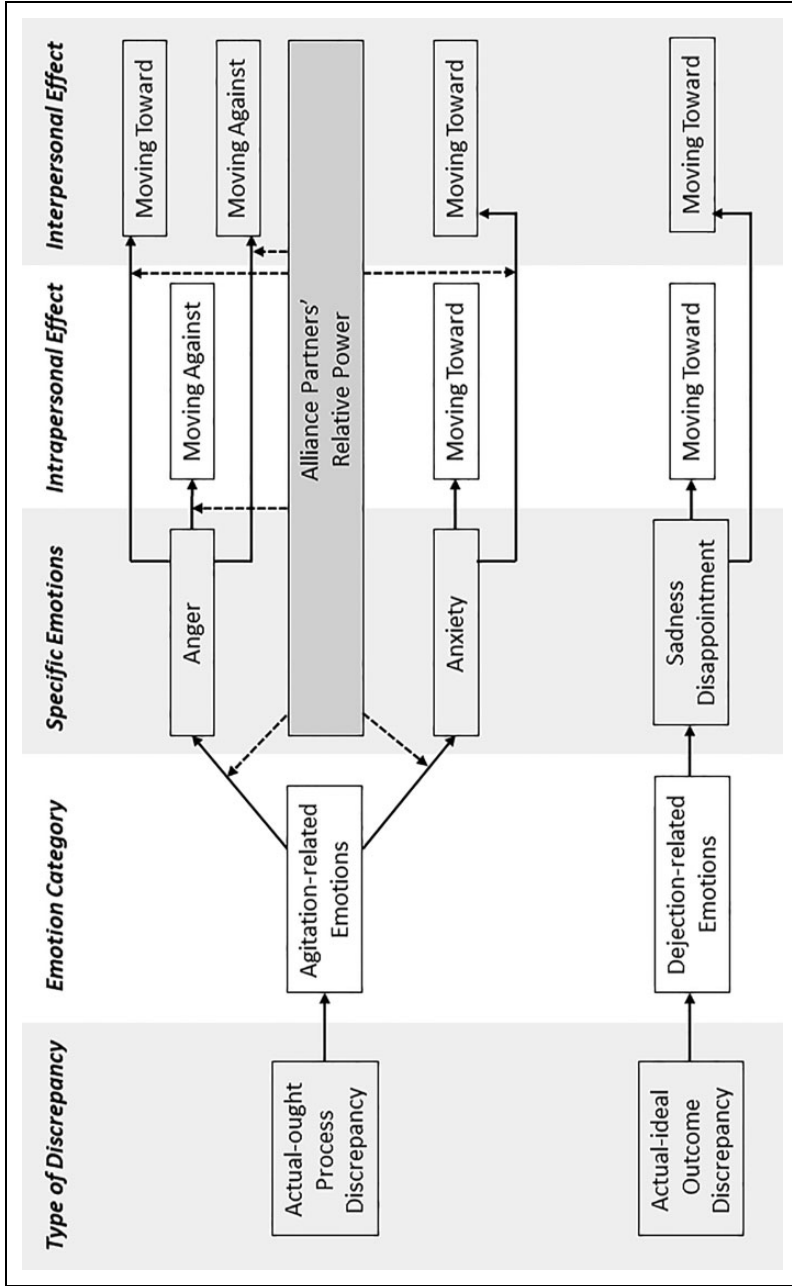
### *How emotions shape alliance dynamics*

So far, we have considered how various types of negative emotions may arise in alliance decision makers as they are confronted with actual–ought process discrepancies and/or actual–ideal outcome discrepancies. Below we sketch out the implications of agitation- and dejection-related emotions for how alliances evolve over time, discussing the intrapersonal and interpersonal effects of both types of emotions in turn. Figure 2 schematically depicts our model summarizing the propositions we develop.

### *Agitation-related emotions*

We discuss the emotions of anger and anxiety separately because there are reasons to believe that they influence alliance dynamics differently (as detailed below).

*Anger.* At the intrapersonal level of analysis, the intensity of the anger that is experienced by an alliance decision maker in response to an actual–ought process discrepancy depends on the degree to which the emergence of the actual–ought process discrepancy is attributed to a partner’s opportunism (whether it is reflected in behaviors that the partner should not have shown or in a failure to show



**Figure 2.** A schematic summary of the propositions of a model of emotions in alliances.

behaviors that he or she should have shown). The experience of anger, which tends to result from such perceived wrongdoing, is a key motivator of behavioral responses aimed at confronting the wrongdoer and remedying the situation (Lazarus, 1991; Barclay & Kiefer, 2019). Anger is associated with the behavioral tendency to move against the partner. The tendency to move against the partner may take many forms, ranging from merely expressing displeasure vocally to more extreme instances of threatening the party with legal action or threatening to exit from the alliance (cf. Sinaeur, van Kleef, Neale, Adam, & Haag, 2011). This leads to the following propositions:

*Proposition 3.* The more intensely a key alliance decision maker experiences anger, the more likely he/she will be to move against his or her partner.

This proposition is illustrated by the joint venture between Groupe Danone (a French producer of foods and beverages) and Wahaha Group (a beverage producer in China; Liu, 2007). Initially, the relationship developed well, but the first problems began to surface in 2000 when Zhong Quinghou, the founder of the Wahaha Group, became angry upon learning that Danone had acquired Robust, a Chinese company that was a competitor of Wahaha. As he stated, “Danone breached the contract by acquiring Robust, which caused a loss of RMB 80 million for Wahaha” (Cited in Liu, 2007, p. 5). A full-scale conflict between the partners developed in 2007 when Danone accused Wahaha of contractual breach by entering into joint ventures with other partners that sold similar products to those being produced in the joint venture between Danone and the Wahaha group and demanded a 51% stake in these ventures (Zhang, 2008). Danone alleged that Wahaha had deprived the partnership of US\$100 million and had committed fraud with the help of relatives and offshore entities (Barboza, 2009). Zhong Quinghou declined to sell, and as he pointed out “. . . if Danone

always speaks with a threatening tone we will not tolerate” (Cited in Liu, 2007, p. 5). Danone was not happy with Zhong’s response, and they escalated the situation by calling for arbitration in Stockholm and suing Zhong Quinghou’s daughter in America, saying that she did not have the right to use the Wahaha trademark (Liu, 2007). This case demonstrates that alliance decision makers in both companies became angry about their partner’s behavior and moved against each other as a consequence.

Even though feelings of anger are often associated with a desire to aggress against the wrongdoer, there can be reasons to suppress the desire to aggress against one’s partner, such as fearing that such hostility might endanger the alliance upon which one depends. It seems plausible, therefore, that the relative dependence between the alliance partners influences the effects of experienced anger on the tendency to move against the alliance partner. As noted above, relative dependence is associated with the experience of power (Emerson, 1962; Keltner et al., 2003), and power in turn has a strong impact on behavior. In particular, evidence shows that higher-power individuals experience more leeway to act according to their desires than lower-power individuals (Galinsky, Gruenfeld, & Magee, 2003; Keltner et al., 2003), which makes high-power individuals more likely to act competitively when they experience anger (van Kleef & Côté, 2007). Based on this logic, we suggest that the anger that an alliance decision maker feels is more likely to become manifest in hostile and aggressive moving-against behaviors toward the alliance partner to the degree that the alliance decision maker experiences high rather than low power.

*Proposition 4.* A key alliance decision maker who experiences anger will be more likely to move against his or her partner to the degree that he/she feels powerful.

We propose that agitation-related emotions also impact on alliance dynamics through their

interpersonal effects. At the interpersonal level of analysis, expressions of emotions such as anger, irritation, and contempt signal dominance and hostility (van Kleef et al., 2010). Moreover, they signal that one is not prepared to accept bad treatment and is willing to fight to set things straight (Lazarus, 1991). As such, expressions of anger and related emotions can be conceived of as threats (Sinaceur et al., 2011) that put pressure on the other party to give in.

Expressing anger as a strategy may prove to be functional in that it may provide the necessary catalyst for the other decision maker to change his/her behavior. Indeed, a large body of research indicates that expressions of anger can be effective in eliciting concessions across a range of conflict settings, including deal-making, ultimatum bargaining, coalition formation, multiparty negotiation, and dispute resolution (see van Kleef & Côté, 2018, for a review). However, expressions of anger may also backfire because they can be affronting and elicit retaliatory tendencies (van Kleef & Côté, 2007). Expressions of anger often trigger reciprocal anger in targets (Friedman et al., 2004; van Kleef et al., 2004a), and these negative emotional reactions can in turn drive competitive responses (Kopelman, Rosette, & Thompson, 2006; van Kleef, 2009).

Given that expressions of anger may thus elicit opposite behavioral tendencies in perceivers, it is important to consider when one or the other tendency takes precedence. In this regard, the relative power of the partnering firms is again particularly relevant. The partner who has greater power at a given point in time may not only potentially derive greater benefits from the alliance but can also be very influential in shaping how the alliance develops over time. The partner that is more dependent will generally seek to accommodate to the needs of the more powerful partner, lest the other partner abandons him or her.

Based on this general tendency of lower-power parties to accommodate to the requests

of higher-power parties, we suggest that alliance decision makers who represent the more powerful alliance partner are generally more likely to respond in kind to their partner's expressions of anger by moving against their partner. Conversely, we propose that alliance partners who represent the less powerful party are more likely to respond to expressions of anger by moving toward the partner. Experiencing power makes the target of the other party's angry expression less susceptible to the inherent threat of that expression because the other party is not in a position to harm him or her (Sinaceur & Tiedens, 2006; van Kleef, De Dreu, & Manstead, 2004b). In addition, feelings of power liberate behavior (Galinsky et al., 2003). As a result, higher-power parties should be more likely to enact their behavioral inclinations to move against a partner expressing anger than lower-power parties (van Kleef & Côté, 2007). This leads to the following propositions:

*Proposition 5a.* A key alliance decision maker's expression of anger is likely to trigger a tendency in the partner to move toward the expresser of anger to the degree that the partner who is confronted with the anger feels less powerful.

*Proposition 5b.* A key alliance decision maker's expression of anger is likely to trigger a tendency in the partner to move against the expresser of anger to the degree that the partner who is confronted with the anger feels more powerful.

These dynamics are once again illustrated by the dispute between Wahaha group and Groupe Danone. In response to Groupe Danone's aggressive posture, Zhong Quinghou denounced his French partners as being "... rascals committing evil deeds" (Cited in Barboza, 2009, p. 1). There was a time where Wahaha even prohibited the French executives from entering the headquarters of the joint venture. Danone's aggressive posture belied the fact that Wahaha received a lot of support not only from the general public but also from the government

and the local employees, thus strengthening their power. The expressions of anger on the part of Danone executives backfired and ironically strengthened Wahaha's position in its own backyard. The dispute was eventually resolved in 2009 when Danone decided to exit its venture with Wahaha by selling its 51% stake.

**Anxiety.** The second agitation-related emotion of interest is anxiety. At the intrapersonal level of analysis, the experience of anxiety may promote compromise to reduce the risk of the alliance failing, thereby alleviating the source of the anxiety. The emergence of anxiety may also motivate alliance partners to remedy actual–ought process discrepancies in a timely way instead of allowing them to fester. Indeed, empirical work has demonstrated that anxious interactants (relative to those in a neutral emotional state) lessen their expectations, respond to their opponents' offers more quickly, and are less demanding in their initial offers (Brooks & Schweitzer, 2011). Anxiety has been linked to problem prevention behaviors by "...reducing the potential threat and its inherent ambiguity as well as reestablishing a sense of control" (Barclay & Kiefer, 2019, p. 1809). In other words, anxiety fuels a tendency to move toward the partner. Thus, alliance decision makers can be motivated to ensure that these types of discrepancies do not emerge again, and, to ensure this, they may seek to strengthen the coordination mechanisms in the alliance. All of these are examples of moving toward the partner. Thus, we propose:

**Proposition 6.** The more intensely a key alliance decision maker experiences anxiety, the more likely he/she will be to move toward his or her partner.

At the interpersonal level of analysis, expressions of anxiety may signal to one's counterpart that one is no longer comfortable in the alliance (van Kleef et al., 2006) and may wish to withdraw (escape) from the alliance. To the degree that the counterpart is motivated to

continue the alliance, the expressions of anxiety may fuel a motivation to accommodate the expresser by moving toward him or her to increase the likelihood that the alliance will survive. For instance, the expresser may be given inducements to remain in the alliance through a reduction in his/her costs and/or through an enlargement in the share of his/her profits. This leads to the following proposition:

**Proposition 7.** A key alliance decision maker's expression of anxiety triggers a tendency in the partner to move toward the expresser.

In the case of anxiety, too, we propose that the relative power balance of the alliance partners plays a moderating role. The logic again rests on the notion of relative dependence (Emerson, 1962). To the degree that one party is more dependent on the other party to obtain valued outcomes from an alliance, that more dependent party effectively has less power and can be expected to be more motivated to pay careful attention to and accommodate the partner's wishes, as signaled by their emotional expressions (van Kleef, 2009). We therefore propose:

**Proposition 8.** A key alliance decision maker's expression of anxiety is more likely to trigger a tendency in the partner to move toward the expresser to the degree that the alliance partner who is confronted with the anxiety feels less powerful.

**Dejection-related emotions.** In this section, we discuss the intrapersonal and interpersonal effects of dejection-related emotions on alliance dynamics. We consider the primary dejection-related emotions of sadness and disappointment together, because there is currently no theoretical basis to predict differential effects.

At the intrapersonal level, research on emotion and information processing indicates that mild dysphoric emotions (e.g., sadness) can increase information processing (e.g., Forgas, 2007; Forgas & East, 2008). To the extent that an actual–ideal discrepancy can be addressed



by carefully scrutinizing the situation, experiencing dejection-related emotions may thus be functional for alliance partners. As a result of the increased information processing, the alliance decision makers may begin to pay greater attention to their counterpart's interests. This might involve enhancing the quality and quantity of information exchange, more frequent meetings devoted to brainstorming, or a greater openness to explore all available options for enhancing alliance performance, thereby paving the way for an integrative agreement. In terms of the distinction between the two dominant behavioral tendencies of moving toward and moving against, the experience of dejection-related emotions may thus promote a tendency to move toward the partner by being more receptive to their interests. This leads to the following proposition:

*Proposition 9.* The more intensely a key alliance decision maker experiences dejection-related emotions (sadness, disappointment), the more likely he/she will be to move toward his or her partner.

The alliance between Hewlett Packard and Cisco (Casciaro & Darwall, 2003) illustrates this proposition well. The companies had first forged an alliance in 1997 with an emphasis on enhancing technological collaboration, product integration, professional services, and customer support. They sought to deepen their alliance in 2002. This process took longer than expected, and even though both partners were optimistic about the potential of the agreement, they were concerned about the fact that negotiations had stalled and no further progress was made. There was a sense of dissatisfaction about this and a concern that this needed to be resolved before the CEOs of the companies met in January 2003. To expedite this process and resolve the actual-ideal outcome discrepancy, the members of the negotiating team decided that the HP-Cisco alliance was trying to do too much and that the best way forward would be to narrow the focus of the alliance. In other words,

the partners sought to resolve the ambiguity by focusing on areas where agreement was likely. As Mike Thomas, Director of Cisco's HP alliance noted, "short term wins build trust and confidence to try new and bigger things in the future" (cited in Casciaro & Darwall, 2003, p. 1).

At the interpersonal level of analysis, expressions of dejection-related emotions may also elicit behaviors that are functional for alliance development. Expressions of sadness and disappointment have been shown to elicit helpful behavior from others in cooperative situations, because they signal helplessness and a need for assistance (Clark et al., 1996; Van Doorn, van Kleef, & Van der Pligt, 2015). Expressions of dissatisfaction signal to the partner the need to resolve the expresser's unfavorable situation and to move forward with whatever needs to be done to strengthen the alliance. Moreover, expressions of disappointment have been found to increase cooperation even in competitive situations such as negotiations because they signal to the other party that the expresser had hoped for a better outcome (van Kleef et al., 2006).

To the degree that the alliance decision makers are motivated to continue with the alliance, such signals may elicit cooperation. That is, the partner may respond to expressions of dejection-related emotions like sadness and disappointment by offering a compromise or adopting a more constructive problem-solving approach. In addition, expressions of disappointment may inspire feelings of guilt in the other party (Lelieveld, Van Dijk, Van Beest, & van Kleef, 2013), which may in turn increase that person's cooperation (Ketelaar & Au, 2003). Given that expressions of dejection-related emotions contribute to a cooperative atmosphere by appealing to the other partner for help (Van Doorn, Heerdink, & van Kleef, 2012), strategic considerations related to relative dependence may be comparatively less salient when dejection-related emotions are expressed compared to when agitation-related

emotions are expressed. Thus, we propose that expressions of dejection-related emotions have largely similar effects regardless of the partners' levels of power. This leads to the following proposition:

*Proposition 10.* A key alliance decision maker's expression of dejection-related emotions triggers a tendency in his or her partner to move toward the expresser.

## Summary of model and propositions

We developed a model of the role of emotions in alliances in response to the presence of unfavorable discrepancies. As indicated schematically in Figure 1, our model describes how the alliance context interacts with the emotional experience and emotional expressions of alliance decision makers in shaping alliance development. We argued that without understanding the nature and the origins of the emotions that can arise in an alliance relationship, it is difficult to navigate the "relational turbulence" that is often characteristic of exchange relationships (Knobloch & Theiss, 2010). Analyzing emotions and the relational dynamics they instigate can help gain a deeper understanding of the challenges that allying firms face in managing the inherent tension between cooperation and competition in a manner that leads to superior alliance performance.

It has been pointed out that extant theoretical perspectives on strategic alliances suffer from a deficiency in that "they lack a comprehensive grasp of the complex interdependence between cooperation and competition among alliance partners" (Zeng & Chen, 2003, p. 599). The perspective we offer in this article may provide one avenue for bridging this deficiency. In drawing upon key insights from the alliance discrepancy model (Kumar & Nti, 1998), self-discrepancy theory (Higgins, 1987), appraisal theories of emotion (Frijda, 1986; Lazarus, 1991), and EASI theory (van Kleef, 2009,

2016), as well as using Horney's (1945) behavioral typology of moving toward, moving against, and moving away, we developed a series of testable propositions pertaining to the effects of emotions on alliance processes. Figure 2 presents a conceptual representation of the main arguments and relationships we developed. We posited that alliance decision makers are subject to experiencing actual-ought process discrepancies and/or actual-ideal outcome discrepancies. We argued that an actual-ought process discrepancy predominantly produces agitation-related emotions such as anger and anxiety, whereas an actual-ideal outcome discrepancy predominantly produces dejection-related emotions such as sadness and disappointment. These specific emotions in turn have differential consequences for alliance dynamics via their associated intrapersonal and interpersonal effects, as summarized in Figure 2.

## Implications for theory and research

To date, there has been very little, if any, work in the alliance literature that has used the discrepancy framework as a way of understanding how alliance decision makers manage the relationship or the "relational turbulence" that may arise between them. Some scholars have pointed to the importance of coordination, communication, and bonding among key alliance decision makers (Agarwal et al., 2010; Schreiner et al., 2009). Even though these issues speak of the importance of managing the relationship among alliance partners, previous analyses did not directly address the role of emotions and their interplay with the alliance context as a critical factor in shaping alliance dynamics.

Our model suggests new ways of thinking about alliances and the role of emotions in the alliance process. Rather than treating emotions as disruptive forces that interfere with alliance partners' rationality, we see emotions as a critical interface between the alliance context

and the alliance decision makers that help alliance partners respond to changes in the situation that require adaptation. Through this lens, even (and perhaps especially) negative emotions can be seen as potentially functional rather than dysfunctional to alliances. Their potential functionality is carried by a combination of intrapersonal effects (whereby key alliance decision makers emotions influence their own behavior) and interpersonal effects (whereby key alliance decision makers emotional expressions shape the behavior of their partners). Negative emotions are indicative of problems that the alliance is experiencing and motivate parties to attend to these problems. If problems are allowed to fester, they may become intractable and place the survival of the alliance in jeopardy.

Importantly, however, the functionality of emotions—positive and negative—depends critically on how they are regulated (Côté, 2014; van Kleef, 2016), particularly in relation to the goals at hand (Parrott, 2001). The challenge is to manage emotions in such a way that they facilitate rather than frustrate the attainment of those goals that are most important for the alliance at a particular point in time. This can mean, for instance, that feelings of anger must be tempered to avoid escalation or that expressions of disappointment must be exaggerated to extract concessions from the alliance partner. Effective emotion regulation can be challenging for numerous reasons. These include the fact that emotions can be so intense that they become difficult to control; time pressure or cognitive load can interfere with adaptive emotion regulation; and alliance decision makers can lack the abilities to effectively manage their own and/or their partner's emotions. In this respect, it is important to consider alliance decision makers' levels of emotional intelligence (Côté, 2014), in particular their ability to select and implement emotion regulation strategies that are likely to help rather than harm the alliance.

The current theoretical framework provides a starting point for further theoretical extension as well as empirical work that might test the propositions we advanced here. A theoretical extension could involve developing a model in which emotional dynamics are charted out at different managerial levels within the alliance interface. Alliance managers interact at the top management, the middle management, and at the operational level, and it is conceivable that perceptions of and behavioral responses to discrepancies differ across managerial levels. We focused on key alliance decision makers because this is where the ultimate alliance decisions are made. This means that any impact of emotions, whether positive or negative, is likely to be particularly consequential at this level. Building on and extending the current framework, a model that considered different managerial levels could specify whether and how the role of emotions may differ across hierarchical levels of the alliance, as well as how emotions that are experienced and/or expressed at different levels may interact to shape alliance processes and outcomes.

In terms of empirical work, one possibility is to conduct experimental simulations with alliance decision makers. The alliance decision makers could be presented with an alliance scenario reflecting a situation characterized by (i) no discrepancies, (ii) an unfavorable process discrepancy but no outcome discrepancy, (iii) an unfavorable outcome discrepancy but no process discrepancy, or (iv) unfavorable process and outcome discrepancies. One could then measure respondents' emotions, the strategies they might employ, and their beliefs about the future prospects of the alliance. A complementary approach would be to collect longitudinal data from key alliance decision makers who are involved in actual alliances, so that their perceptions of process and/or outcome discrepancies can be used to predict their emotions, which could in turn be used to predict alliance development. In addition, how key alliance decision makers actually deal with the

various types of emotion-related discrepancies could be studied.

In addition, future work might address several other questions through further theory building and/or empirical research. For instance, does the intensity of the emotions experienced by the alliance boundary spanners and/or their behavioral response vary as a function of the alliance's time horizon (Das, 2006)? Could it be that for the same level of discrepancies (ideal or ought), the partnering firms will manage their relationship differently if they have a longer alliance horizon? Conversely, might the experience and/or expression of particular emotions undermine their intentions of having a longer time horizon? How do the emotional dynamics proposed here play out in multiparty alliances as opposed to dyadic alliances, where different types of power relations may be at play? These and many other questions await further investigation.

## Limitations and implications

With an eye on future theoretical and research extensions, we also need to recognize the limitations of the framework presented here. First, whereas our analysis has focused on the effects of emotions that are experienced and expressed by alliance decision makers, we have not explicitly focused on group-based emotions (Smith, Seger, & Mackie, 2007), which are experienced by individuals when they identify strongly with a particular group or when a particular social identity is highly salient (Huy, 2011; Smith et al., 2007). As alliances bring together partners invested in different social identities, the alliance decision makers degree of identification at the various levels of the alliance may heighten or lessen the impact of the emotions that they experience and express (Huy, 2011). The greater the identification with their parent firm, the more powerful and consequential the emotional dynamics might be. This impact may vary from one alliance to

another and empirical work along these lines would be useful.

Second, emotions are not only a social but also a cultural phenomenon (Markus & Kitayama 1991), with different emotions being salient in different cultures and cultures differing also in terms of the degree to which various emotions are deemed acceptable. This article does not address how key alliance decision makers manner of dealing with any specific emotion might vary across cultures (Kumar, 2004; Luomala, Kumar, Singh, & Jaakkola, 2015), such as possibly being different in collectivistic than individualistic cultures or cultures characterized by high versus low power distance. Our analysis might pertain most directly to alliances involving individualistic cultures where personal goals are given priority over group goals (Chen, Chen, & Meindl, 1998). However, we believe that our framework is likely to apply to different cultural contexts as well, because the ways in which promotion ideals and prevention oughts relate to distinct strategic preferences have been found to be similar across many different cultures (Higgins, 2008).

Third, our framework is predicated on the assumption that unfavorable discrepancies generate negative emotions. We recognize that under certain circumstances, alliance decision makers may perceive discrepancies but may either not experience dejection or agitation or may seek to suppress these emotions. This may occur for a number of reasons. It could be that the alliance decision makers do not care about the alliance either because it is unimportant or they are not invested in it. If so, they will not experience dejection or agitation when faced with discrepancies. It may also be the case that if the alliance decision makers have championed this alliance they may be reluctant to acknowledge problems, as doing so might reflect negatively on their decision to enter into this alliance in the first place. We suggest that failure to acknowledge emotions that are experienced or expressed constitutes a hindrance as it

prevents alliance partners from redressing emotion-related problems in a timely way.

Fourth, our framework emphasizes the emotions alliance decision makers experience from work-related discrepancies rather than from discrepancies they experience in other domains of their lives. These other emotions may also be brought into the workplace to add another layer of complexity to the workplace dynamics. We assume that workplace discrepancies and the emotions they produce are most likely to influence alliance relationships, but it would be interesting to consider the impact of non-work-related emotions as well.

These limitations notwithstanding, we believe that the current framework has notable managerial implications. Alliance decision makers may not be fully aware of the different types of discrepancies they are experiencing within the alliance and how these discrepancies and emotions impact their behavior and the behavior of their partner. A heightened awareness could itself be advantageous, for instance by motivating alliance partners to limit the expression of certain emotions that could have adverse consequences for the alliance in certain situations (e.g., anger), or by prompting them to express rather than suppress felt emotions that could potentially benefit the alliance (e.g., disappointment). Our analysis of the intra- and interpersonal effects of emotions in alliances suggests that there is no simple relation between emotional experience and expression on the one hand and alliance processes on the other hand. Rather, the effects of emotions depend on the alliance context within which they emerge, which includes the partners' relative power and their desire to continue the alliance. Thus, there is little point in making general statements about the helpfulness or harmfulness of emotions in alliances. A more fruitful approach is to treat emotions as potentially helpful due to their signaling effects, while acknowledging that emotions can become harmful when they are poorly regulated. And it is the potential helpfulness for

alliances of negative emotions in particular that needs to be recognized.

It is easier to escalate an alliance crisis than to deescalate it, and this might be particularly the case in contexts characterized by mixed motives, such as alliances. Key alliance decision makers need to bridge the tension between cooperation and competition in their collaboration if they are to foster an emotional investment in their relationship (Saavedra & Van Dyne, 1999). Their ability to do so likely depends on their ability to manage their negative emotions effectively. Our theoretical analysis implies that such emotion management does not consist merely of repressing negative emotions. Rather, it consists of diagnosing the demands of the situation, understanding the potential effects of particular negative emotions, and managing emotions accordingly by suppressing or expressing them in a way that is conducive to alliance success. Efforts to minimize the occurrence of discrepancies and the ability to deal with them skillfully when they do emerge can be seen as a key component of "alliance capability" (Heimeriks & Duysters, 2007). We believe that understanding the antecedents and consequences of discrepancy-produced emotions can enhance a firm's ability to manage alliances successfully.


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