Embracing paradoxes and tensions to enable change

Experiential Mini Lab

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Structure of the workshop

• Welcome (10`)
• **Paradoxical leadership to enable change (20``)**
• The paradox case (80``)
• In search for effective pedagogies for embracing creative tensions and paradoxes (20``)
• Presenting/Visualizing the insights (20``)
My personal perspective

Research paper/article under review:

Innovation Leadership and the Management of Creative Freedom: An Empirical Analysis at Industrial R&D Firms
Research Questions

1. How can we gain a closer understanding of the meaning that leaders and followers attribute to their everyday experiences with managing creative freedom?

2. How could creative freedom be specifically added to innovation leadership models?
   a) What is the function of leadership in intentionally creating and reducing freedom to enhance innovativeness?
   b) Which consequences result for organizational and HR development and therewith teaching and learning tools for innovation leaders?
Paradoxes of innovation – room for paradoxes

Innovation is a paradoxical process, with the main paradoxes of innovation being the achievement of a balance of action patterns promoting openness AND closedness in companies (Gebert & Boerner 1999).

> innovation leaders "should be controlled schizophrenics" (Buijs 2007)
Freedom and free room

Without the definition of rules, norms, values (limits), it would not be possible to identify a “free room” or areas of freedom at work.

Freedom itself would not be visible. Every area of freedom is shaped by the character of the individual and changed by relationships between individuals.
Creative freedom as autonomy
Inverted-U-shaped relationship between individual autonomy (e.g. situation control) and innovativeness

Autonomy is an important precondition for the achievement of individual or team creativity and consequently the innovation capability of an organisation (Amabile et al. 1996).

Source: Gebert, Boerner, Lanwehr 2001
Leading innovation = balance management

**OPENING**
- Creativity, innovativeness and ability to change
- Expansion of creative freedom
- Preoccupation with non-urgent topics of future relevance

**CLOSURE**
- Time and cost budgets, coordination and reliability
- Restriction of creative freedom
- Preoccupation with urgent topics of current relevance

Innovation leadership = balance management
Leading innovation = Managing a “web of tensions”

<table>
<thead>
<tr>
<th>Generative mode</th>
<th>Focusing mode</th>
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<tbody>
<tr>
<td>Vision development</td>
<td>Goal management</td>
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<tr>
<td>Play/fun metaphors</td>
<td>Fight/power metaphors</td>
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<tr>
<td>Development oriented</td>
<td>Business oriented</td>
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<tr>
<td>Have we created new ideas?</td>
<td>Have we solved the problem?</td>
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<tr>
<td>Pace given by the creative process</td>
<td>Pace given by planning and monitoring</td>
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<tr>
<td>Challenge and risk taking</td>
<td>Defining action</td>
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<tr>
<td>Exploration of conflicts</td>
<td>Crisis and conflict management</td>
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<tr>
<td>Finding freedom</td>
<td>Acting with constraints</td>
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<tr>
<td>Chaotic</td>
<td>Ordered</td>
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<tr>
<td>Intrinsic motivation</td>
<td>Extrinsic motivation</td>
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<tr>
<td>Autonomy and challenging conditions</td>
<td>Material and immaterial rewards</td>
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See Buijs 2007, Hohn 2000
Key Findings of the empirical research project: Freedom triangle

Six central types of freedom that play an important practical role at the investigated companies (case studies, quantitative study, students’ projects)
Key Question: How can we support innovation leaders/innovation agents to embrace paradoxes and tensions in the context of organizing creative freedom in highly efficiency- AND innovation-driven firms?
Paradoxical leadership to enable an internationalization strategy

**IKEA in China** (cultural clash): e.g.: DIY as an unreasonable demand (China) vs DIY as symbol of self-expression/quality of life (Sweden).

- Ian Duffy, President and CEO of IKEA China: “Differences between people in any situation can create tension. This is natural and can not be avoided. My wish is to create an environment where this tension is seen and handled in a constructive way where both parties have the opportunity to learn and to grow from the interaction.”

- Fang (2011): “The beauty of cultural differences, cultural clashes, cultural collisions, and even cultural shocks need to be applauded because they can stimulate cultural learning and cultural change in a constructive and creative manner on the part of all involved parties.”
Paradoxical leadership to enable strategic agility I

LEGO (massive restructuring AND strengthening of the organizational innovation capability)

THE 11 PARADOXES OF LEADERSHIP THAT HANG ON THE WALL OF EVERY LEGO MANAGER

• To be able to build a close relationship with one’s staff, and to keep a suitable distance.
• To be able to lead, and to hold oneself in the background.
• To trust one’s staff, and to keep an eye on what is happening.
• To be tolerant, and to know how you want things to function.
• To keep the goals of one’s department in mind, and at the same time to be loyal to the whole firm.
• To do a good job of planning your own time, and to be flexible with your schedule.
• To freely express your view, and to be diplomatic.
• To be a visionary, and to keep one’s feet on the ground.
• To try to win consensus, and to be able to cut through.
• To be dynamic, and to be reflective.
• To be sure of yourself, and to be humble.

Evans (2000) (Source: http://flylib.com/books/en/2.28.1.7/1/)
Paradoxical leadership to enable strategic agility II

LEGO Leadership Development - Example:

- Managers asked: “Should I direct my employees, or should I let them gain experience by solving problems themselves?” Managers then examined the implications of each option, stressing the downsides of a choice... and the benefits of its opposite. Feeling a tug-of-war, managers came to view a tradeoff as untenable – a singular solution might help in the short-term, but tension would eventually resurface...This realization helped managers ...identify more creative both/and options.” (Lewis et al. 2014).
**TABLE 2.** Summary of Results (continued from previous page)

<table>
<thead>
<tr>
<th>Firm</th>
<th>Strategic Agility</th>
<th>Primary Tension(s)</th>
<th>Value paradoxes as vital ingredient of high performance</th>
<th>Proactively identify and raise tensions</th>
<th>Avoid traps of anxiety and defensiveness</th>
<th>Consistently communicate a both/and vision</th>
<th>Separate efforts to focus on different sides of a paradox</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lego</td>
<td>Consultancy, to a fast-paced, shorter contract, higher skills IT services firm.</td>
<td>Empower:Control</td>
<td>Learning to apply the CEO’s paradoxical approach, middle managers come to view tensions as vital to managing self-managed teams.</td>
<td>Conversations: senior leaders create code of conduct to stress tensions</td>
<td>Past mindsets and practices.</td>
<td>Exploration and exploitation.</td>
<td>From top to middle managers, stressing the need to meet competing demands is the consistent and overarching theme of team meetings.</td>
</tr>
<tr>
<td>Unilever</td>
<td>Faced with a dramatically changing global toy market, restructured to become increasingly lean and agile – able to adjust to market trends, innovate, and execute strategic changes rapidly.</td>
<td>Teamwork:Productivity Cohesive:Individuality</td>
<td>CEO stresses importance of “AND Mentality” to be a profitable, multinational firm, while responsibly supporting local communities.</td>
<td>Decision-making routines include raising tensions to look beyond initial assumptions and spur creativity.</td>
<td>When people feel stuck in tensions, they are encouraged to “delegate complexity upwards”, involving managers for support.</td>
<td>Sustainable Living Plan stresses profit and social responsibility, against the long-term and double size of business while reducing its environmental impact.</td>
<td>Differentiate global categories with long-term focus and innovation emphasis from regional structures aimed at local needs and daily operations.</td>
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Paradoxes and tensions

- Smith and Lewis (2011) understand “paradox as contradictory yet interrelated elements that exist simultaneously and persist over time”.

- Cameron (1986) asserts that in a paradox “no choice need be made between two or more contradictions. Both (or more, own comment) contradictions in a paradox are accepted and present”.

- The contradictory elements in a paradox create tensions and can but don’t have to create ambivalence or ambiguity with the observer.
The paradox perspective

... Early organizational theories asked, “Is A or B more effective?” Contingency theory asks, “Under what conditions is A or B more effective?” A paradox perspective, in contrast, asks, “How can organizations and their managers effectively engage A and B simultaneously?” (Smith & Lewis 2011, p. 395).
Paradoxes and tensions (Smith & Lewis 2011)

PARADOXICAL TENSIONS

Latent Tensions
Contradictory, yet interrelated elements embedded in organizing process
- Environmental factors:
  - plurality
  - change
  - scarcity
- Actors Cognition
  - paradoxical cognition

(1a) (1b)

Salient Tensions
Contradictory, yet interrelated elements experienced by organizational actors

MANAGEMENT STRATEGIES

Paradoxical Resolution
Confronting paradoxical tensions via iterating responses of splitting and integration
- Choose A
- Accommodate A-B
- Choose B

Acceptance
Embracing paradoxical tensions via strategy of “working through”

OUTCOMES

Sustainability
Short-term peak performance that fuels long-term success

(2)
- Cognitive and behavioral complexity
- Organizational dynamic capabilities
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http://weburbanist.com
Case study “Hours of freedom”
The paradox story: The implementation of 15% creative time in a highly efficiency-driven industrial engineering company in Switzerland

Paradoxical leadership in the development of innovation cultures

- Work through the paradoxes of this innovation initiative and please note a few examples.
- What could be the meaning of the leadership motto “embracing paradoxes and tensions” in the case study? How Martin Sulzer should react?

Think about your own paradoxical leadership situations during change and innovation endeavors. Now that these experiences are on your mind, describe and note (or draw) your feelings of ambiguity!
Case study “Hours of freedom”
The paradox story: The implementation of 15% creative time in a highly efficiency-driven industrial engineering company in Switzerland

Paradoxical leadership in the development of innovation cultures

• How do you respond to feelings of ambiguity?

• The Power of Paradox: What kind of new insights into existing challenges are possible with a paradox/ambiguity-perspective?
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In search for effective pedagogies
Exercises
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Literature


