Chapter 4

The seven pillars of paradoxical organizational wisdom

On the use of paradox as a vehicle to synthesize knowledge and ignorance

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Wisdom is the principal thing; therefore get wisdom: and with all thy getting get understanding.

(Proverbs, IV, 7)

Wisdom hath builded her house, she hath hewn out her seven pillars.

(Proverbs, IX, 1)

O God, grant us the serenity to accept what cannot be changed. The courage to change what can be changed. And the wisdom to know the difference.

(Reinhold Niebuhr (1892–1971), in Eatock 2009, p. 49)

Introduction

A recent report of Saïd Business School and Heidrick & Struggles (2015) stated, “Faced with competing, yet equally valid, stakeholder demands, CEOs increasingly face paradoxical situations of choosing between ‘right ... and right’” (p. 3; bold in the original). The report, whose findings come from interviews with more than 150 CEOs, defends the thesis that “CEOs must constantly balance between personal and organizational paradoxes. Today this is a ‘given’ of the role. The way CEOs balance their personal paradoxes in the decision making process greatly influences the organization’s confidence in their decisions” (p. 25). It has long been a truism that “a first-rate intelligence” can be measured by the ability to hold two opposed ideas simultaneously and maintain functional capacity, ever since F. Scott Fitzgerald (1945) first coined his memorable phrase in The Crack-Up. In terms of Fitzgerald’s maxim, one way that first-rate managers can embrace contradiction is by attending to and appreciating contradiction not as “a signal of defeat but rather the very lifeblood of human life” (Chia & Holt, 2007, p. 512) because of the puzzles it poses to ingenuity. Such an embrace can empower a sense of organizational direction (Chia, 2010; Smith & Lewis, 2011) and facilitate the struggle to thrive in the face of ambiguity, while avoiding preventable errors (Giustiniano, Cunha, & Clegg, 2016). In short, first-rate managers should be able to manage contradiction and draw insights from them (Farjoun, 2016). As Kessler and Bailey (2007, p.lxx) pointed out:

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the seeker and practitioner of OMW (organizational and managerial wisdom) must simultaneously be a realist and an idealist, demonstrating a resilient flexibility (to engage wisdoms) while at the same time exhibiting a broad-mindedness and integrative – perhaps visionary – quality (in pursuing Wisdom).

Different authors have defined wisdom in various ways in management and organization studies. In an influential definition, Kessler and Bailey (2007, p. lxvii) denote it as "the application to professional pursuits of a deep understanding and fundamental capacity for living well." More recently, van Dierendonck and Patterson (2015) noted that (p. 123), although "an exact definition of wisdom is difficult to give," wisdom is usually related to "people who can bridge contradictions" holistically. Ashforth, Rogers, Pratt, and Pradie (2014, p. 1463) also argued that wisdom is the "capacity, in part, to simultaneously acknowledge and embrace opposing orientations, and thereby strive for a course of action that honors both."

The pursuit of organizational and managerial wisdom requires cognitive and behavioral capabilities that most organizations focused on the repetition of routines as the hallmark of efficiency rarely cultivate, capabilities that prioritize judgment rather than rules, despite paradoxical circumstances. Contradictions contribute to the cultivation of wisdom by forcing creative forms of sense-making (Smith & Lewis, 2011), rather than rote application of rules and routines. Inspired by Meacham (1990) and Weick (2007), we extend this reasoning and suggest that paradox can serve to nurture wisdom when used to cultivate a holistic and synthetic relationship between knowledge and ignorance. Weick (2007) associated wisdom with dynamic balancing and synthesis, defending the thesis that wisdom entails the balancing of knowledge and ignorance as an orientation. Paradoxical wisdom is thus the cultivated capacity to use organizational contradictions as sources of good judgment, entailing an appreciation of the duality of knowledge and ignorance.

"Wise scholars," we assume, "should seek to be complexity enhancers" (Pitsis & Clegg, 2007, p. 419). There is a common understanding that wisdom has an important role in management and leadership (Melé, 2010; Nonaka & Takeuchi, 2011; Rego, Cunha, & Clegg, 2012; Small, 2004; Vay, Fleenor, Atwater, Sturm, & McKee, 2014). Moreover, being a manager and aspiring to lead means being confronted by paradoxes. Perhaps Shakespeare's (1998) Hamlet first articulated the most famous and classical paradox that managers and leaders frequently confront: the necessity to be cruel and to be kind in the right measure (with acknowledgment of Gommi and Lowe's (1979) appropriation of Hamlet's famous phrase from Act 3, Scene 4). For instance, in the long term, cutting head count now may be kinder for those that remain, as might sacrificing shareholder value for investment in terms of generating sustainable yields. These are examples of wisdom being cultivated through articulating, moving between or synthesizing the poles of paradox in a positive and reinvigorating way.

We organize the chapter in four sections. The first section explores the idea that complex times require complex management, in which wisdom prevails. We introduce the concept of paradoxical wisdom as a way of articulating organizational polarities that align with an Aristotelian virtuous golden mean in a duality (Farjoun, 2010). The next section exposes various approaches to paradox and their implications. It discusses how wisdom displays a central role in the management of paradox and how paradox sustains wisdom. We argue that paradox requires an attitude of flux rather
than rigidity between forces that may be contradictory themselves. We finally suggest that paradoxical wisdom may be diffused within organizations via the cultivation of seven pillars of paradoxical wisdom.

**Complex times, complex management**

Organizing is rich in contradiction, paradox, and ambivalence (Ashforth et al., 2014). The paradoxical lens offers a rich window on the organizational world (Bouchikhi, 1998; Clegg, Cunha, & Cunha, 2002; Farjoun, 2016; Smith & Lewis, 2011). The notion that excellence in management derives from an organization’s ability to manage paradox in an integrative way, applying “both/and” solutions, rather than solving tensions through “either/or” approaches, is gaining momentum (Lewis et al., 2014). Paradox refers to the “contradictory yet interrelated elements that exist simultaneously and persist over time” (Smith & Lewis, 2011, p. 382). Paradox is a constitutive feature of organizations, resulting from their essential nature as complex autopoietic systems that generate contradiction as they respond to the challenges resulting from their activity (De Wit & Meyer, 2010). Three main arguments support this observation. First, organizations must respond to different demands from coalition of multiple and potentially contradictory interests (Küppers & Pauleen, 2013; Said Business School & Heidrick & Struggles, 2015). Second, the act of managing per se, by responding to fundamental questions, creates boundaries that foster specific tension. By defining what to do, managers define what not to do, creating performative tensions between, for instance, the global versus the local, or efficiency versus innovation. By defining how to operate, they trigger organizing tensions, such as decentralized versus centralized designs; when defining who does what, belonging tensions emerge, such as sharing power versus expressing authority, reflecting contradictions of identity, roles, and values. Finally, as they consider the period of time in which the action takes place, they face tensions between present and future in learning from differences that unfold as cognition apprehends the familiar anew and confronts novelty (Smith & Lewis, 2011). Third, management actions produce unanticipated consequences that sometimes reveal themselves to be diametrically opposed to the intended objectives (De Wit & Meyer, 2010), creating new tensions that were not planned or predicted in advance (Clegg et al., 2002).

It is not only that organizations are complex but, increasingly, so are their environments, characterized by instability, volatility, and disruptive change, all of which accentuate the potentiality for paradox, rendering contradictions more salient and persistent (Küppers & Pauleen, 2013; Smith & Lewis, 2011). Consequently, traditional decision-making processes, designed to reduce uncertainty (Tsoukas, 2005) have become inadequate, as decisions must be taken in the face of uncertainty in such dynamic environments (Rowley & Gibbs, 2008; Stull & Eisenhardt, 2015). Traditional decision-making is supported by probability, which evaluates outcomes that are finite and expected, whereas possibility acknowledges inherent uncertainty, implying not only risk but also opportunity (Stamp, Burridge, & Thomas, 2007). Thus, managing possibility rather than probability may be increasingly relevant (Hays, 2008; Rowley & Gibbs, 2008). In addition, managers must face uncertainty and complexity ethically; the recent management scandals express the need for virtue-informed behaviors (Rego et al., 2012).

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Organizational theorists in current times have started to rediscover and explore the role of phronesis, often translated as prudence, practical wisdom, practical intelligence, common sense, or judgment (Flyvbjerg 2006; Bourantas, 2008; Shotter & Tsoukas, 2014). Aristotle distinguished between three types of knowledge: episteme, techne, and phronesis. Episteme refers to universal truth, context-independent, and explicit forms of knowledge. Techne corresponds to technique, to context-dependent know-how that assumes the shape of practical tacit knowledge. Phronesis is the ability to determine and undertake the best action in a specific unknown situation to serve the common good. It is the result of blending knowledge (episteme) with experience (techne), and adding intuition and character to it. Wisdom is thus a kind of knowledge “beyond knowledge” (Goede, 2011) that results from a deep engagement with lived experience, which comprehends confronting challenging situations and uncertainty in order to act for the common good. These experiences, handled appropriately, assist in “the getting of wisdom” (Richardson, 1910; Izak, 2013). Because it contemplates decisions based on values and judgments, it can be facilitative of a virtuous circle (Flyvbjerg, 2006; Stamp et al., 2007).

The deep relationship between paradoxes and practical wisdom is thus rendered salient, since in moments of “irreducible uncertainty” it is critical to correctly evaluate “complex interdependencies,” and to be decisive as others prevaricate (Stamp et al., 2007). Nonaka and Takeuchi (2011) state that knowledge, either tacit or explicit, is not enough but must be enriched with experience, intuition, and the intuitive art of “reading between the lines” upon which interpretation one must act wisely, when dealing with complex rather than merely complicated problems (Stamp et al., 2007). The increasing pressure to meet multiple, often inconsistent demands, raises questions about competitive advantage and sustainability (De Wit & Meyer, 2010). Unsurprisingly, organizations may succeed or fail based on their capabilities to articulate contradictions in a fruitful way (Lado et al., 2006). Organizing and leading with paradox necessarily constitutes an exercise in reflection, knowledge, and action, components of phronesis. It can be deducted that it has never been so important to have the ability to articulate the poles of a paradox in an integrative way, generating change for the common good — defined as paradoxical wisdom.

Wisdom and Paradox

Early theories mainly focused on management in terms of “one best ways,” precluding alternative best ways (A or B). Recent theorizing instead assumes that tensions persist when organizations find some “best way” and that contradictions will ultimately resurface. Hence the need to ask emerges: “how and when to deploy solutions A and B simultaneously?” Paradox was introduced as a framework to deal with the inherent complexity of organizational life (Cameron & Quinn, 1988). The way organizations approach contradiction defines the build-up of dependences that ultimately push them in the direction of either more virtuous or more vicious circles (Cunha & Tsoukas, 2015; Smith & Lewis, 2011). The capacity of leadership to handle contradictions or conflicting demands wisely is key but, before handling ambiguity, contradictions must be appreciated in themselves: they require managers with a “first rate intelligence.” If approached as dilemmas, i.e. as competing choices, A and B, that can be weighed on scales, each with its pros and cons, there may be the tendency to select one pole
or the other, losing the potential of their integration in a duality. Rather, in a paradox, contradictions are seen as interdependent, since one pole cannot exist without the other. For example, confidence and doubt, and acting as if one knows while one does not know (Ashford et al., 2014) may be necessary to honor the complexities of the environment and to make better, more timely and informed (i.e., wiser) decisions (see the section “The power of doubt: Finding comfort in discomfort,” in Said Business School & Heidrick & Struggles, 2015). Paradoxes are often graphically depicted with the Taoist symbol of yin and yang, which describes how opposite or contrary forces are complementary, interconnected, and interdependent. Cameron and Quinn (1988) explained that while dilemmas can be approached via “either/or” mindsets, paradoxes require richer forms of articulation: the two contradictory notions must work together, craving for some “both/and” strategy. It is when “dilemmas abound with black and white solutions giving way to varying shades of grey” that phronesis is most necessary (Stamp et al., 2007, p. 483). The ability to see the paradox in a dilemma, i.e., the “connecting of the dots” between the poles, and searching for “both/and” solutions, involves one in the embrace of paradoxical wisdom.

The tackling of opposites can trigger a number of reactions: arrogance, paralysis, or inertia may be as likely as wisdom in certain circumstances. For instance, when dualisms create emotional anxiety, individuals activate defense mechanisms to avoid inconsistencies (Vince & Broussine, 1996). Organizational members can revise their beliefs or actions to enable integrative responses (Cialdini et al., 1995) or remain stuck in beliefs or behaviors in order to maintain past/future consistency (Weick, 1993). They can adopt a “ready-fire” strategy, selecting one pole and avoiding reflection. Additionally, an attitude of overconfidence or arrogance or inertia may be fatal because they prevent learning, precipitating vicious circles (Sundaramurthy & Lewis, 2003), in which one pole dominates and overrides the other. Vicious circles are reinforced by the increasing focus on one choice while the other is ignored, and the “right” pole is selected. An organization can emphasize systematization over creation, power over empowerment, stability over change – or vice-versa. Enron, for example, offers a salient example of a company in which “performance was stressed over ethics” (Smith & Lewis, 2011, p. 391). Contradictions may be managed via separation in time, space, or work roles. Temporal separation occurs when choosing one pole of a tension at one point in time and then switching. Spatial separation allocates opposing forces across different organizational units (Poole & Van de Ven, 1989). Role separation arises when members of an organization split their behaviors in such a way that some members focus on one pole while other members consider the other, in the same space and time. The goal is to increase focus without risking crystallization (Clegg & Cunha, forthcoming).

In any of the previous approaches the attempt to resolve the paradox in a way that may not be sustainable in the long run can prevail. First, because a paradox is made of two forces, where one dominates, sooner or later the dominated pole will resurface. Second, since organizational life is inherently paradoxical, paradox is often better sustained as tension, framing managing rather than being dissolved. When considering a paradox (not a dilemma; see Küpers, 2013), the two poles are seen as interdependent and since they depend on each other, approaches to tension could consist in the integration of the poles. Furthermore, the tension is considered as the source of dynamism rather than conflict: contradiction is a necessity, not an obstacle,
for knowledge creation (Nonaka & Toyama, 2002). The organization, in summary, sustains paradox instead of flattening contradiction. Toyota’s success has been partly attributed to the company’s capacity to create and sustain paradoxes as sources of learning (Takeuchi, Osono, & Shimizu, 2008). Toyota’s employees are mandated to challenge the status quo constantly and to accumulate chie. Chie consists in challenging the status quo, while simultaneously maintaining stability, coming up with innovative solutions while mastering efficiency. The need for stability to optimize efficiency is fueled by the need for innovation (Takeuchi et al., 2008).

Another example of integration can be found in Ferran Adrià’s explanation of the reason behind the success of his radical reinterpretation of haute cuisine: “I love anarchy but you need efficiency to be anarchic” (Knott, 2014). Steve Jobs was deemed to be both humble and narcissistic (Owens, Walker, & Waldman, 2015) as a “tempered narcissist.” Abraham Lincoln was also described as paradoxically integrative (Brooks, 2015), “deeply engaged” but “able to step back”; “passionate” while able to see opposing points of view; “aware of his own power, but aware of when he was helpless in the hands of fate; extremely self-confident but extremely humble” (see also Goodwin, 2005).

Additional organizations can be premised on the paradoxical gaining of wisdom: Zara, the fast fashion company, “democratized” style via an innovative business model that integrated cost discipline and sophisticated design, changing the way companies operate in the industry. Harvey (2014) explained that a consistent pattern of “breakthroughs” at Pixar resulted not from a process of generating divergent perspectives, but from the integration of multiple perspectives under a shared goal. While competitiveness depends significantly on the ability to innovate, at the heart of innovative problem solving is the need continually to recalibrate between, for example, supporting and confronting people, promoting improvisation and structure, showing patience and urgency, and stimulating bottom-up initiatives and making top-down interventions (Hill, Brandeau, Sal, & Lineback, 2014).

What these examples have in common can be summarized in three main points. First, experience gained in practice is not ossified in such a way that it inhibits the consideration of further possibilities. The context is important to understand the current situation as it is and why but is not constituted as a black box. Wisdom envisions new possibilities, different ways of achieving a specific goal. Second, there is no need for a trade-off: paradoxical approaches can be adopted. This implication is especially important for strategy since for years it was accepted that firms should pursue differentiation or cost leadership, avoiding intermediate positions (Porter, 1980). Third, paradoxes function as enablers of change since it generates value for the various stakeholders involved.

A potentially more fruitful way of integrating paradox represents poles not as opposites or even interdependent (Poole & Van de Ven, 1989), but as forces vital for organizational renewal. Through synthesis, when possible, contradictions may be fused in such a way that a new form of being emerges, transcending the original opposites (Clegg & Cunha, forthcoming). In this case, reality is no longer viewed as “either/or” or “both/and,” but “through/through” (Seet, 2007). As Nonaka and Toyama (2002) noted, to “synthesize” is defined as “the dialectic into a higher stage of truth” (Webster’s Dictionary), implicating an idea of evolution. Terms such as “transcendence” and
“breakthroughs” represent a form of deep change that may be supportive of synthesis. Integration refers to finding common ground, a conceptual space beyond the either/or, where something new might emerge. Change is generative of integration, as stated by Mary Parker Follett (in Graham, 1995, p. 189):

Integration involves invention [...] and the clever thing is to recognize this and not to let one’s thinking stay within the boundaries of two alternatives which are mutually exclusive. In other words, never let yourself be bullied by an either-or situation [...] Find a third way.

Integrative approaches are potential enablers of possibilities that transcend the initial alternatives. As previous research has shown, the chance of a breakthrough improves when a greater variety of resources participate in the process (Harvey, 2014). Transcendence thus thrives on complexity and diversity, enabled via paradoxical wisdom, the ability to reconcile two conflicting forces in an integrative way.

Paradoxical wisdom plays a central role in integration and transcendence through synthesis in four main moments (Figure 4.1): (1) it acts as a facilitator in the process of recognizing contradictions without freezing or paralyzing, avoiding overconfidence and over-caution; (2) it supports the dialectical integration of opposites since it allows the articulation of poles by framing and reframing, looking backward and forward; (3) because integration generates innovation, it should benefit different stakeholders and, if based on values, the outcome is more likely to be positive and sustainable; (4) finally, throughout the process, after receiving feedback and having time for reflection, actors may interpret that feedback differently, which will help to open and provoke new contradictions and tensions. Therefore, paradoxical wisdom may function as an enabler thus never fully Conlon, 1991; processing of pictures are summation dox, managers on the ability to...

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as an enabler that will produce new input to this dynamic process. Paradoxes are thus never fully resolved (Ford & Ford, 1994; Kolb & Putnam, 1992; Murnighan & Conlon, 1991; Poole & Van de Ven, 1989). While paradoxical wisdom influences the processing of paradox, in turn, the paradox process influences wisdom. These dynamics are summarized in Figure 4.1, which suggests that by exposing themselves to paradox, managers cultivate an attitude of wisdom. However, paradoxical wisdom thrives on the ability to handle contradiction.

**Orienting to paradoxical wisdom**

Managing and organizing paradox implies a continuing tension between opposing forces. It strives not for equilibrium since equilibrium is rooted in stability, but a dynamic stability. In a dialectical process “there is no center, only flux” (Baxter, 2004, p. 8). It is a constant movement from thesis to antithesis to generate synthesis that will sooner or later turn into a new thesis. Therefore, uncertainty and contradictions demand an ongoing “centripetal-centrifugal” flux (p. 8). The orientation toward paradoxical wisdom is thus composed of a constant flux between forces that may be contradictory themselves, but it is the instability that surrounds them that enables a fruitful relationship to paradox (see Küpers, 2013). Instead of letting one pole “ossify” and gain dominance, the organization develops a dynamic movement between forces. Each of the forces influences the paradox process, which includes three phases (Figure 4.2): recognizing the paradox, cultivating an integrative mindset, and acting for the common good. Three forces compose the attitude of paradoxical wisdom: comfort vs. challenge, perception vs. imagination, as well as sense-making vs. sense-giving.

**Comfort vs. challenge**

Creating comfort with dissonance may reverse the natural tendency for making contradictions familiar by resorting to past practices and perceptions, and adopting modes of either/or solutions, generative of inertia and defensive stagnation (Clegg & Cunha, forthcoming; Lewis, 2000; Vince & Brousseine, 1996). Comfort with uncertainty, in turn, necessitates a measure of confidence to seek uncomfortable challenges.

As Weick (1993, 1995a) pointed out, wisdom is the attitude of respect toward that which is known and that which is unknown. It is not a skill or a bundle of information. Wisdom is simultaneously knowing and doubting. As Socrates noticed and Meacham (1983) restated, to know something is also to doubt it, and claims that since the more one knows the more one finds one does not know, learning and development necessarily evolve together. Dialectically, the thesis (what is known) is compared to its antithesis (what is not known) with learning resulting from the synthesis of knowledge and ignorance (Meacham, 1983). Simplicity can be deceptive as the more we learn about a particular domain, the greater the complexity, the number of questions, uncertainties, and doubts that such learning stimulates. The ability to consider complexity and to appreciate it is fundamental for managing paradoxes: “Each bit of knowledge serves as the thesis from which additional questions or antithesis arise” (Meacham, 1983, p. 120). Confidence varies in accordance with what is known and what is not known.

The need for a continuous sense of development by learning is characteristic of wise people that embrace the complexity of the world, persistently seeking new
challenges to stretch their capabilities to be aware of the paradox of excellence or competency traps. They oscillate between comfort (what is known) and challenge (what is out there to be known). Stamp et al. (2007) pointed out that the willingness to be challenged is functional when in the presence of a challenge and when challenges and life-perspectives match. In this case, wise people engage in a state of “flow” (Csikszentmihalyi, 1990) with such a “mental energy and determination,” feeling “energized, confident and competent” to deal with complexity (Stamp et al., 2007). Nonaka and Toyama (2007) consider that confidence and courage work because wise leaders accept obstacles and complexity as part of the knowledge creation process, a notion that can be related to a “growth mindset.” People with this “growth mindset” believe that their abilities can be developed, and that by learning and developing resilience, they may be able to succeed (Dweck, 2007). It is not that everyone sees challenge as positive, but that phronetic wisdom will take on challenge positively as a way to learn, to progress, and to nurture including a sense of familiarity with paradoxes and contradictions. As Lewis et al. (2014, p. 69) pointed out, confidence works as “the antidote of defensiveness, helping individuals work with, rather than against, tensions.” Comfort is thus a necessary condition to deal with paradox. However, this comfort to work with tensions is built on confidence gained through the experience of embracing contradiction.

Perception vs. Imagination

Past experience may have a negative impact on the handling of paradox since the recall of events that are familiar and that have been tackled in the past, may increase the chance of opting for a tested either/or solutions in an attempt to “solve” the contradiction. Paradoxical wisdom indicates that cultivating doubt stimulates the search for new alternatives, and fosters new interpretations. It requires the ability to navigate between forces of perception and imagination. While perception is the ability to see and comprehend a situation as it is (or supposed to be), imagination refers to the ability to discover and evaluate new possibilities beyond what was experienced or previously known (Abowitz, 2007). Paradoxical wisdom implies perceptiveness (sensus), understanding why a situation is as it is, to “see beyond isolated facts, think beyond linear logic and appreciate the whole” (Bourantas, 2008, p. 5). It further requires affects “to frame” the concrete situation “to the larger context (political-economic-social) which influences local phenomena” (Bourantas, 2008, 10). Since context influences not only emerging paradoxes but also their interpretation (Cunha, Fortes, Rego, Gomes, & Rodrigues, 2015; Shotter & Tsoukas, 2014), it is important to frame contradictions positively.

Paradoxical wisdom implies a certain “distancing of view which enables a multi-perspective interpretation of organizational life” (Bourantas, 2008, p. 9). It requires a constant interplay between looking backward into looking forward, framing and reframing, allowing people to test past experience under new circumstances (Cunha, 2004). Further, because wisdom partly results from intuition, perception, imagination managers are able to “not just jump the dots that are not yet joined, but those that are not yet even there” (Stamp et al., 2007, p. 480). As Shotter and Tsoukas (2014, p. 224) put it, “Phronetic leaders are people who, in their search for a way out of their difficulties, have developed a refined capacity to intuitively grasp salient features of ambiguous s Organizational imagination to listen to everything applied in the perception at the moment enables integrated paradoxical.

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von Oech, 1983, p. 62: “Challenge the conventional wisdom and when in a state of inaction, tamp out a urge work with this knowledge gained.”

Cultivating paradoxical wisdom involves a measure of reflexivity but also decision and action, as well as a “cultivated predisposition to act in the interest of the greater common good” (Nonaka, Chia, Holt, & Peltokorpi, 2014, p. 367). Since wise leaders and managers express phronesis, decision is necessarily drawn on values (Nonaka & Toyama, 2007), on the “right” thing to do. Unsurprisingly, it is in moments of greater uncertainty that people hang on the most to leaders’ and the managers’ capacity to make sense and to guide the collective in the right direction. Without a clear understanding of purpose and direction, anxiety driven by complexity may inhibit action. The process of reflecting, understanding, envisioning, and creating an order for action, is defined as “sense-making” (Weick, 1995b). Via “sense-making,” managers are able to reach complex understandings of the world that will be communicated via “sense-giving” to employees through coherent messages. These in turn will provide a secure and workable ground (Lüscher & Lewis, 2008; Maitlis, 2005). Through “sense-giving,” managers will inform subordinates’ “sense-making” efforts (Gioia & Chittipeddi, 1991). In this sense, the ability to transform paradoxes into engines of managerial progress depends on the capacity to engage in sense-making and sense-giving as a entwined process of thinking while acting/influencing.

“Sense-making” and “sense-giving” can have an impact on decision-making and implementation, especially when facing change. Strategic change is often designed and envisioned by top managers who, during strategic definition, apprehend external dynamics, defining a new vision and objectives. These will then be materialized in a concrete plan of actions and changes in the organization, offering a sense of order. Middle managers, absent from the strategizing process at its inception, are responsible for implementation by mobilizing teams while still struggling to make sense of change (Gioia & Chittipeddi, 1991; Lüscher & Lewis, 2008). The process thus raises issues of consistency, credibility, and authenticity that interfere with decision and implementation. Making sense and giving sense (understanding and influencing) may enhance wisdom and affect paradoxical wisdom positively: when the targets of the managers’ “sense-giving” make their own interpretations, they will be communicated back to the managers, affecting previous sense by changing it or by reinforcing it. Transformative changing should trigger a process of reflection (and an enhancing of wisdom), influencing both what is learned and how such learning takes place (Hayes, 2008, p. 14), while energizing the process and fostering implementation, making change happen via learning and improving as the change unfolds (Tichy & Bennis, 2007). Figure 4.2 summarizes the forces that enable paradoxical wisdom.
The seven pillars of paradoxical organizational wisdom

Extraordinary results may be obtained when teams and organizations learn to live with paradox and cultivate paradoxical wisdom. Collins and Porras (1994) defend the thesis that organizations that free themselves from the “tyranny of the either/or” approach experience exponential growth through innovation. Similarly, Lewis, Andriopoulos and Smith (2014), drawing from data from five cases, argued that organizational survival depends on strategic agility, dealing with contradictions by seeking creative, “both/and” type solutions. Paul Polman, CEO of Unilever, suggests the importance of an “and mentality”:

The difference between average and outstanding firms is an “AND Mentality”. We must find and create tensions – force people into different space for thinking .... This is not just a performance issue but a survival issue, because managing paradox helps foster creativity and high performance.

(Lewis et al., 2014, p. 58)

The capacity to handle oppositions and transcend them must be guaranteed not as an individual asset (i.e., the “wise actor”; Asforth et al., 2014) but as a competence distributed throughout the organization (i.e., the “wise system”). If paradoxical wisdom is embedded in an organization’s culture, wisdom will be shared, which leads to the question: is it possible to teach and to learn paradoxical wisdom?

Revisiting Aristotle, anything we have to learn we learn through actually doing it (Shorter & Tsoukas, 2014). Paradoxical wisdom thus may be learned by practicing “paradoxification,” seeing reality as inherently paradoxical and searching for paradoxes where they can be, i.e. facing paradoxes and gaining comfort with them. Yet, paradoxical thinking goes against the formal linear logic according to which one

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cause has one effect (Hays, 2008; Lado et al., 2006). Linear vision makes the process of paradoxical wisdom more challenging. Paradoxical wisdom involves the contemplation of multiple events whether they are related or not, rather than a logic of cause and effect. It requires openness to new possibilities, willingness to learn and be challenged. Additionally, it implies the courage to go against the status quo and the confidence to move between poles without the fear of appearing incoherent or weak. Multiple perspectives increase complexity, but also raise the chance of breakthroughs. More importantly, it envisions shared values and acting for the common good which generates more sustainable outcomes. In an attempt to define a portfolio of roles and behaviors that enhance paradoxical wisdom in managers and organizations, we discuss seven guidelines according to the extant literature (Table 4.1).

I. Be curious about contradiction

As Follett remarked, “the first rule for obtaining integration is to put your cards on the table, face the real issue, uncover the conflict” (Graham, 1995, p. 73). To be appreciated and tackled, paradoxes first need to be made rendered explicit and “visible.” Having a paradox-friendly mindset and fostering curiosity with regards to contradiction will uncover proactive opportunities to seek oppositions that may be hidden, without freezing or paralyzing while facing them, to ask questions (what is the reverse way?), to know what is not known, to increase complexity and to appreciate contradictory evidence. Being curious about contradiction means being able to engage in a dialectical exercise: defining the dominant understanding (thesis) and the alternative perspective (antithesis). Paradoxical wisdom means that the more we know, the more we want to know because we know we don’t know. Creating comfort with complexity is necessary to manage paradox through integration (Baxter, 2004; Harvey, 2014; Lewis et al., 2014; Tse, 2013).

II. Synthesize confidence and caution

As pointed out by Weick (1993), extreme confidence and extreme caution are representative of a “closed-mind” which influences the capacity of good judgments and increases the possibility of adoption of “either/or” solutions. Overconfidence may destroy learning opportunities because there is “nothing to be learned.” Over-caution may inhibit the embrace of paradox for fear that it will deepen the Pandora’s Box of uncertainty and complexity. The attributes of organizational wisdom identified by Weick (1993), as well those explored by Sternberg (2004), define foolishness as knowing everything and assuming that, being so powerful, everything can be done (Isak, 2013). Paradoxical wisdom implies an attitude of humility, in the spirit of prudence toward the world (van Dierendonck & Patterson, 2015), being eager to learn and to unlearn, and open to learn from experience as well as from failure.

III. Promote time for reflection and to deeply engage with context

When there is no time or space for reflection, it is more likely that an easier way is selected and that fruitful crossroads opened by contradiction are ignored, which may lead to vicious circles. As reflection diminishes, opportunities to embrace paradoxes
also decrease, minimizing chances of learning through exploration (Hays, 2008). Reflection allows rich articulation of past, present, and future, learning and forgetting. As stated by Lin (2004), organizations should combine hindsight (looking back, taking past experience into account), insight (perception and perspicacity to deal with current complex problems and situations), and foresight (looking forward, imaging, planning, and conceiving implications). When dealing with paradox, issues articulating past, present, and future may arise: How did we manage similar challenges in the past? Why is the current situation as it is? What would be the implications when implementing this path? Promoting moments of reflection is a way to create organizational awareness, which is central for the organization to engage with the context and to appreciate the whole. Otherwise, decision makers will not be able to fully understand the interactions between the environment and the organization, or the implications for stakeholders (Rowley & Gibbs, 2008).

IV. Develop a synthesizing multi-perspectival mindset

Multiple perspectives must be taken into consideration by managers, since diversity of inputs stimulate variety in output and multiply the chance of breakthroughs. Breakthroughs occur not because of multiple perspectives, but because they may result in a shared understanding, in unique syntheses of perspectives (Harvey, 2014). Synthesizing perspectives may make it easier to overcome cognitive and perceptual limitations, since complexity makes it hard for only one person to consider all the variables and process the knowledge needed to evaluate certain circumstances. Personal lenses necessarily color the way one sees reality (Hays, 2008). Therefore, combining lenses may generate a more sustainable outcome.

V. Integrate similarities

Synthesis occurs by building on similarities between perspectives (Harvey, 2014). The dialectical process implies that the opposites are no longer viewed as independent and that interrelated connections may be identified. This is an exercise that finds connections between the tensions, integrating knowledge and ignorance, resulting in something new, not considered beforehand. Harvey (2014) confirmed that extraordinary creativity is built over similarity, positively impacting group members because of the identified similarities between new ideas and their previous ones. The notion of stimulating divergence between perspectives loses ground for the reconciliation of ideas, building on similarity and coherence.

VI. Use experience to support improvisation

Paradoxical wisdom is acquired through experiencing reality and being humble in face of its possibility and its implacability. Rich approaches to paradox potentially have positive effects on wisdom, as paradoxes counter established truths and disturb crystallized assumptions. Paradoxical wisdom prompts a constant flux between looking backward and looking forward, knowing how the organization crafted solutions to deal with paradox in the past, but also being open to consider new possibilities for the present. It requires apperception, that is, the ability to relate new experiences to previous ones are dynamic and moving towards a shared vision of goals, and b) decision-making to achieve these goals.
The seven pillars of paradoxical organizational wisdom

previous ones, facilitating understanding and resolution (Grint, 2007). Since organizations are dynamic, to build on experience and apperception will enhance the ability to respond quickly to unpredictable situations, to improvise, to acquire knowledge and experience while action unfolds (Clegg et al., 2002; Cunha, Neves, Clegg, & Rego, 2014; Nonaka & Toyama, 2007).

**VII. Constantly interrogate the meaning of goodness**

People are not “moved to act” on the basis of rationality only. Communicating a vision and moving others to action requires the ability to create emotional rapport. Building a shared vision requires working together toward a common purpose, engaging people in a process of alignment of their ethical models, detaching themselves from their personal goals, and balancing the interests of multiple stakeholders (Rowley & Gibb, 2008). Decision-making toward action should include constant interrogation about the implications of action for stakeholders, including future generations (Petrick et al., 1999).

**Table 4.1 Seven pillars for cultivating paradoxical wisdom**

<table>
<thead>
<tr>
<th>Pillars</th>
<th>Explanation</th>
<th>Representative research</th>
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<tbody>
<tr>
<td>I. Be curious about contradictions</td>
<td>Open-mindedness and curiosity leads to proactively seeking oppositions, knowing what is not known, increasing complexity, and appreciating contradictory evidence</td>
<td>Baxter (2004); Harvey (2014); Lewis et al. (2014); Tse (2013)</td>
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<td>II. Synthesize confidence and caution</td>
<td>Extreme confidence and extreme caution are representative of a “closed-mind.” Paradoxical wisdom implies an attitude of humility toward the world</td>
<td>van Dierendonck &amp; Patterson (2015); Weick (1993); Isak (2013)</td>
</tr>
<tr>
<td>III. Promote time for reflection and to deeply engage with context</td>
<td>Reflection creates the opportunity to embrace paradoxes, increasing chances of learning and change by allowing the organization to engage with the context</td>
<td>Hays (2008); Lin (2004); Rowley &amp; Gibbs (2008)</td>
</tr>
<tr>
<td>IV. Develop a multi-perspectival mindset</td>
<td>Diversity of inputs stimulates variety in output and multiplies the chance of breakthroughs when a shared understanding is possible. Combining lenses may create comfort with paradox</td>
<td>Harvey (2014); Hays (2008)</td>
</tr>
<tr>
<td>V. Integrate similarities</td>
<td>The dialectical process implies an exercise of finding connections between the tensions and integrating them, emerging into something that was not considered beforehand</td>
<td>Harvey (2014)</td>
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<tr>
<td>VI. Use experience to support improvisation</td>
<td>To build on experience and apperception will enhance the ability to respond quickly to unpredictable situations, to improvise, acquiring knowledge and experience while action occurs</td>
<td>Clegg et al. (2002); Grint (2007); Cunha et al. (2014); Nonaka &amp; Toyama (2007)</td>
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<tr>
<td>VII. Constantly interrogate the meaning of goodness</td>
<td>The disposition to interrogate the paradoxical consequences of our actions should be deeply embedded in the organization’s culture. Asking what is good, as a way of being, may nurture an attitude of wisdom</td>
<td>Rowley &amp; Gibb (2008); Nonaka &amp; Toyama (2007); Petrick et al. (1999)</td>
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</table>
Evaluating the implications of one’s actions should not represent an occasional exercise, often after some negative occurrence. The disposition to interrogate the paradoxical consequences of our actions should instead be deeply embedded in the organization’s culture, fostering the enactment of wisdom as a process, a pursuit that constantly raises formidable obstacles. Asking what is good, as a way of being (Nonaka & Toyama, 2007), may nurture an attitude of wisdom.

Conclusion

Embracing doubt is the attitude of wisdom, Weick (1993) pointed out. This is an organizational version of Socrates’ advice to recognize the limits of our “knowability” (Piris & Clegg, 2007). We envision no better way to embrace doubt and to test the limits of our knowability, without paralysis, than via deliberately engaging with paradox. Engaging with paradox is an exercise in learning and unlearning, acting and reflecting, doubting and being confident, gaining comfort with contradiction, understanding and influencing. It can thus be an exercise in dialectics. We discussed why and how managers and organizations may cultivate wisdom by exposing themselves to paradox, by synthesizing knowledge and ignorance. Engagement with paradox in search for solutions that transcend habitual dichotomies offers a fertile ground to acquire knowledge and to gain awareness about the limits of the knowledge acquired. The chapter makes three main contributions to the organizational literature. First, it introduces the concept of paradoxical wisdom as an attitude toward contradiction that allows the recognition and articulation of paradox in an integrative way. By referring to an integrative way, we mean synthesizing multiple perspectives resulting in something new and sustainable, since it comprehends shared and ethical goals. Second, it defends that wisdom is necessary to respond to complexity, but it requires complexity itself, as it deals with contradiction. Third, we suggest that paradoxical wisdom may be learned and diffused via the cultivation of seven pillars of paradoxical organizational wisdom. Developing the paradoxical competences of managers seems therefore a promising way to cultivate wisdom. This may be difficult because paradoxical, dialectical, and reflexive work can be politically inconvenient or organizationally perceived as indecisive. Valuing wisdom per se can be difficult when performance becomes the measure of value. Dialectical sophistication, in such a context, can be perceived as limitation rather than as an indicator of conceptual sophistication. In conclusion, successful managing may be more concerned with installing knowledgeable doubt than removing uncertainty or resolving equivocality.

Open questions

- How does wisdom stimulate the handling of paradoxes?
- How can the attitude of wisdom be challenged through paradoxes?
- Can managers develop comfort with paradox and ambivalence?
- How does paradoxical wisdom contribute to avoid organizational vicious circles?
- What are the obstacles to developing paradoxical wisdom?
- What enables the emergence and flourishing of paradoxical wisdom in individuals and organizations?
- Is the idea of “pillars” too static to capture such dynamic processes?
- How can organizations enhance paradoxical wisdom?
The seven pillars of paradoxical organizational wisdom

Note

1 The title is adapted, we should acknowledge, from the autobiography of T. E. Lawrence (2011) (Lawrence of Arabia).

References


The seven pillars of paradoxical organizational wisdom

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