



# Learning through Paradox

Marianne W. Lewis

**The problem isn't the problem,  
the problem is the way we think  
about the problem.**

**- Watzlawick et al (1974)**



# Agenda

- **Tensions** – The Energy of Paradox
- **Cycles** – Dynamic & Double-Edged Swords
- **Management** – Paradox Mindset & Engagement

# A case in point...



- A family tradition, the toy of the century
- Stagnation – tradition/core vs. change/explore
  - Textbook innovation
    - Complexity to brink of takeover
      - Leading (thriving) through paradox

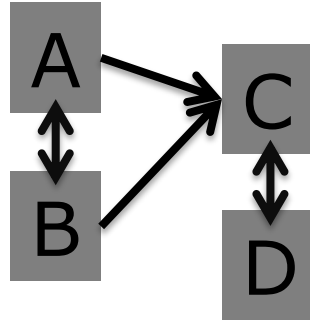


**We experience tension when competing demands are juxtaposed (appear simultaneously)**

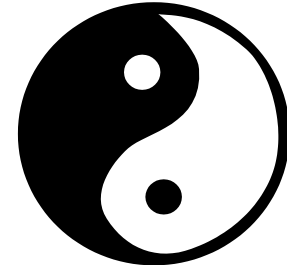
- The problem isn't the problem, the problem is the way we think about the problem. - Watzlawick et al (1967)



Dilemma



Dialectic



Paradox: Contradictory,  
Interwoven, Persistent

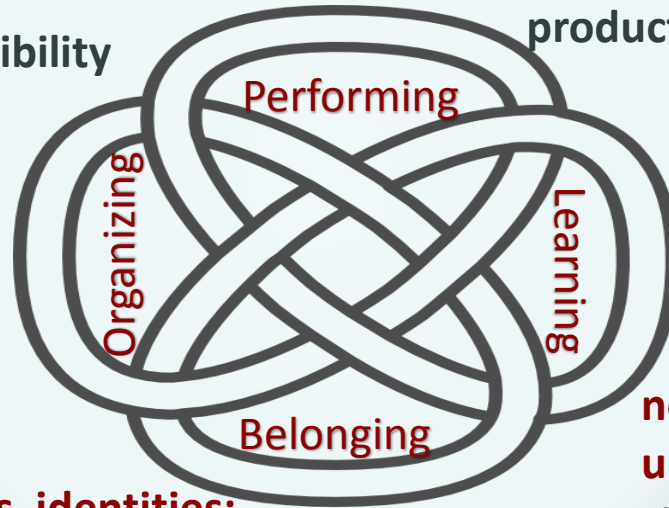
# Knotted Paradoxes

**complex systems fuel dual processes:**

collaborate/compete,  
empower/direct, control/flexibility

**competing views of success:**

profit/good, efficiency/quality,  
productivity/commitment



**conflicting roles, memberships, identities:**

we/they, diversity/inclusion  
conflict/cohesion

**new knowledge builds  
upon/destroys past:** new/old,  
stability/change,  
radical/incremental

# Dynamic and Double-edged Swords

## Reinforcing cycles

**Vicious** – paralyzing, polarizing, demoralizing

**Virtuous** – energising, enabling, learning






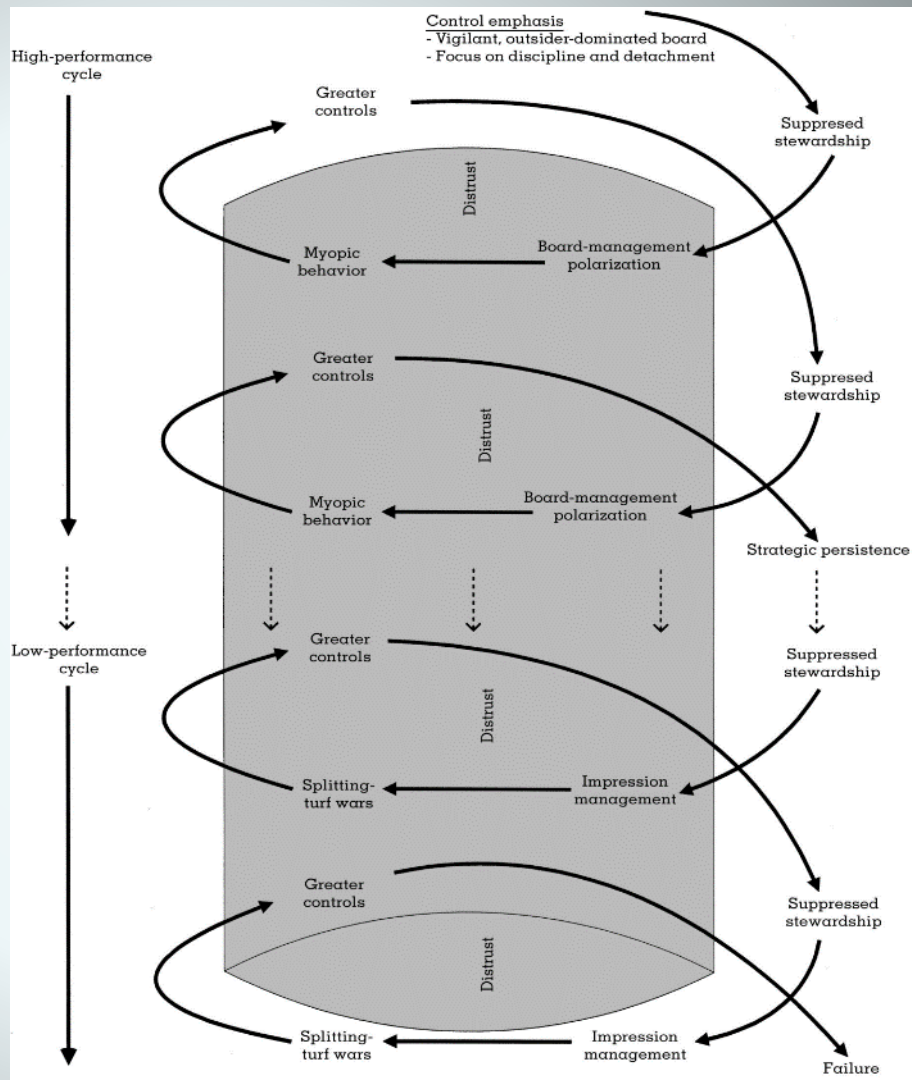
# Traps

- **Anxiety** – negative emotional trigger
- **Defensiveness** – seek short-term comfort, but...
- **Vicious cycle** – Intensifies tensions

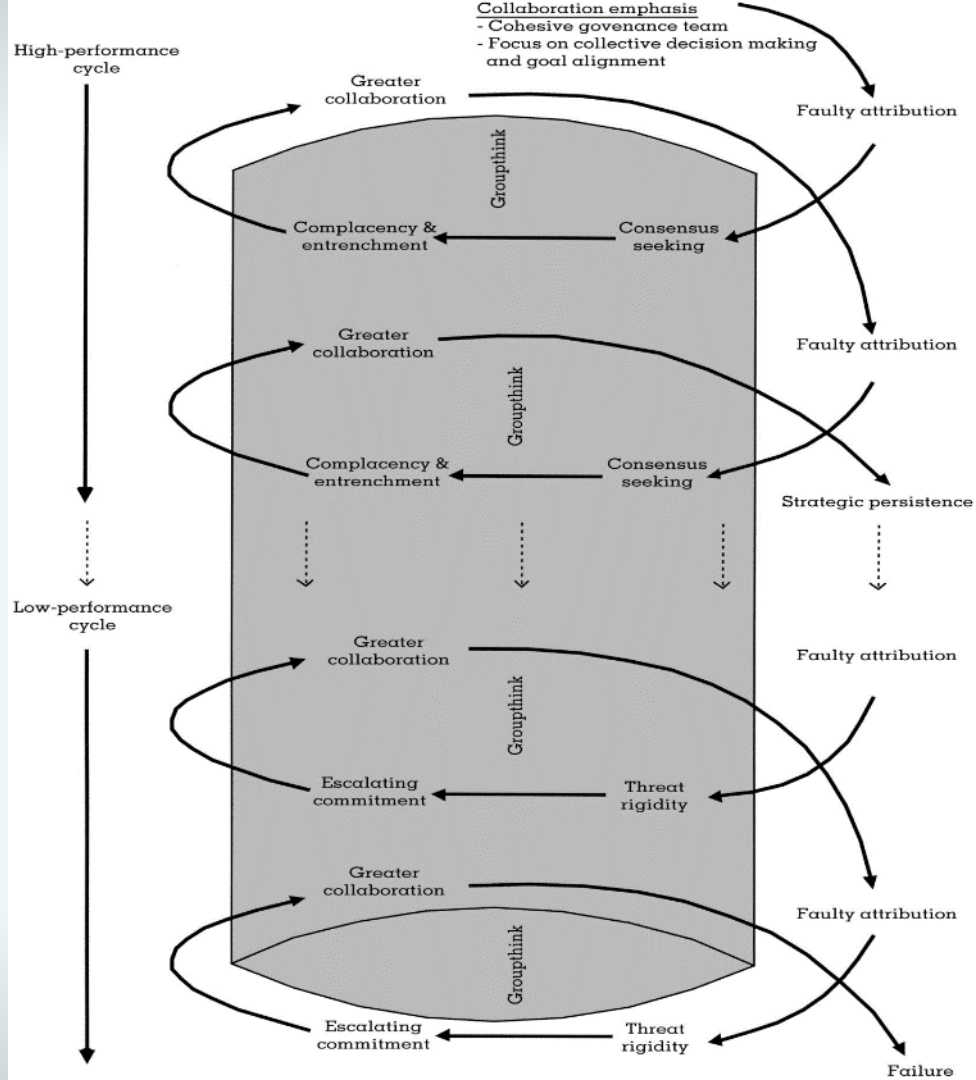
# Tensions of Governance

Control			Collaboration
<b>Agency theory</b> (economics and finance)	<b>Theoretical basis</b>		<b>Stewardship theory</b> (sociology and psychology)
	<u><b>Assumptions</b></u>		
Individualist Opportunism	<b>Human tendencies</b>		Collectivist Cooperation
Extrinsic	<b>Motivation</b>		Intrinsic
Goal conflict (risk differential) Distrust	<b>Management- owner relations</b>		Goal alignment (firm identification) Trust
	<u><b>Prescriptions</b></u>		
Discipline and monitor	<b>Board's primary role</b>		Service and advise
Outsiders Nonduality	<b>Board structure</b>		Insiders, social ties CEO duality
Reduces goal conflict, avoids increasing risk differential	<b>Executive stock ownership</b>		Fosters firm identification and long- term relations
Constrains self serving behavior	<b>Market for corporate control</b>		Curbs psychological commitment

# Vicious Cycle of Control



# Vicious Cycle of Collaboration





# Innovation Paradox

	Core	Explore
Upsides	<p>1. <b>Strong core values</b> – family business <b>Cohesive culture</b> – Danish headquarter driven, loyal fans <b>Sharp focus</b> – disciplined system of building blocks</p>	
Downsides		





# Innovation Paradox

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Upsides	<p>1.</p> <p><b>Strong core values</b> – family business</p> <p><b>Cohesive culture</b> – Danish headquarter driven, loyal fans</p> <p><b>Sharp focus</b> – disciplined system of building blocks</p>	
Downsides	<p>2.</p> <p><b>Isolationism</b> – group think, internal emphasis</p> <p><b>Arrogance</b> – ‘we know best’, wary of partners</p> <p><b>Rare product development</b> – stagnant and incremental</p>	





# Innovation Paradox

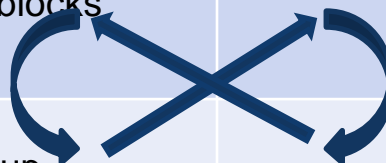
	Core	Explore
Upsides	<p>1.</p> <p><b>Strong core values</b> – family business</p> <p><b>Cohesive culture</b> – Danish headquarter driven, loyal fans</p> <p><b>Sharp focus</b> – disciplined system of building blocks</p>	<p>3.</p> <p><b>Divergent insights</b> – global design centres</p> <p><b>Innovation emphasis</b> – radical developments</p> <p><b>Expanded concept</b> – to digital &amp; experience</p>
Downsides	<p>2.</p> <p><b>Isolationism</b> – group think, internal emphasis</p> <p><b>Arrogance</b> – ‘we know best’, wary of partners</p> <p><b>Rare product development</b> – stagnant and incremental</p>	

The diagram illustrates the Innovation Paradox for LEGO. It features a 2x2 matrix with 'Core' and 'Explore' as columns and 'Upsides' and 'Downsides' as rows. A curved arrow points from the 'Core' column to the 'Explore' column, and another curved arrow points from the 'Explore' column back to the 'Core' column. A straight arrow points from the 'Upsides' row to the 'Downsides' row, and another straight arrow points from the 'Downsides' row back to the 'Upsides' row, forming a cycle.



# Innovation Paradox

	Core	Explore
Upsides	<p><b>Strong core values</b> – family business</p> <p><b>Cohesive culture</b> – Danish headquarter driven, loyal fans</p> <p><b>Sharp focus</b> – disciplined system of building blocks</p>	<p><b>Divergent insights</b> – global design centres</p> <p><b>Innovation emphasis</b> – radical developments</p> <p><b>Expanded concept</b> – to digital &amp; experience</p>
Downsides	<p><b>Isolationism</b> – group-think, internal emphasis</p> <p><b>Arrogance</b> – ‘we know best’, wary of partners</p> <p><b>Rare product development</b> – stagnant and incremental</p>	<p><b>Inefficient</b> – lacked cost discipline</p> <p><b>New product binge</b> – retail fatigue</p> <p><b>Market confusion</b> – disappointed fans</p>





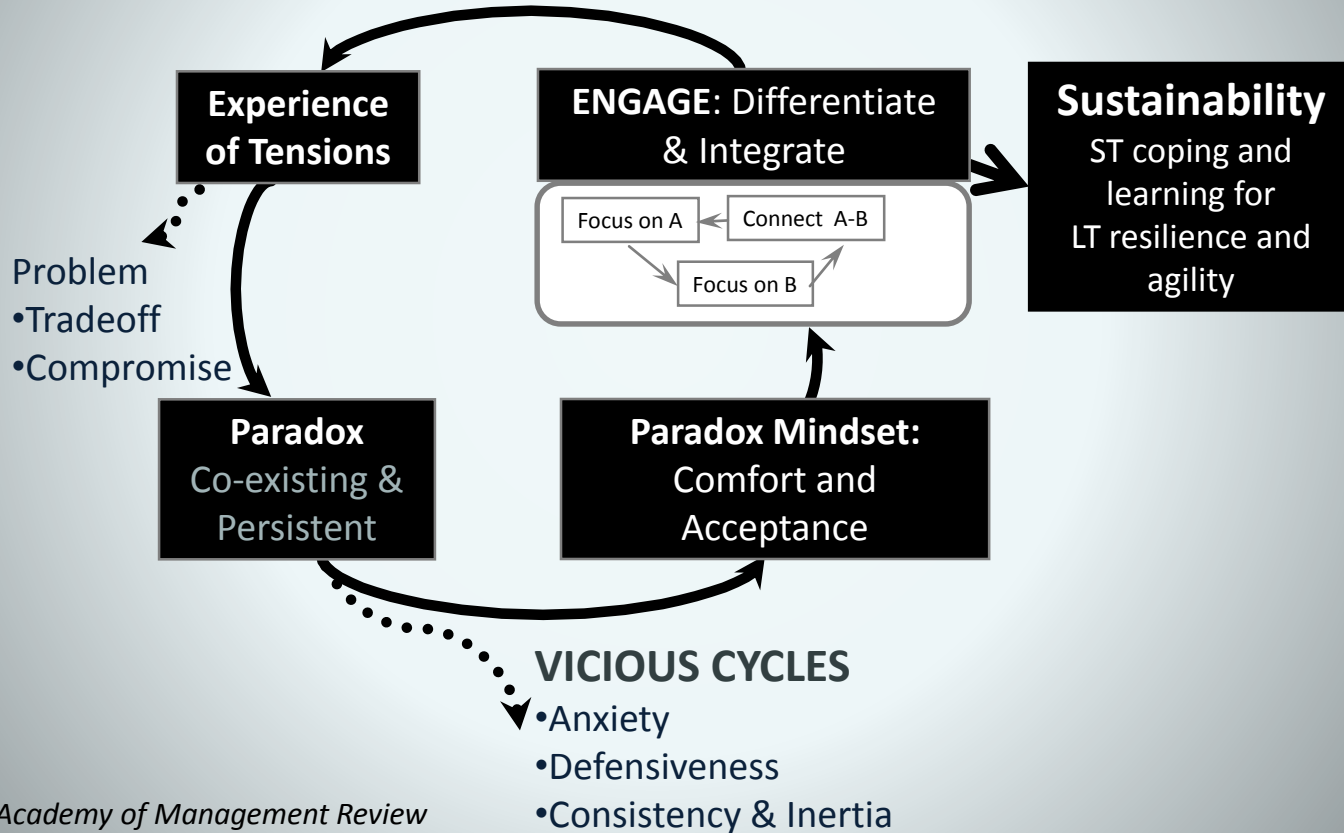
# Management: Learning Potential



How wonderful that we have met  
with a paradox. Now we have some  
hope of making progress.

— *Niels Bohr* —

# Dynamic Equilibrium



# Learning through Paradox

Paradox Mindset

Differentiate



Integrate

# Paradox Mindset

**Comfort** – energised by tensions, comfort in discomfort

**Acceptance** – embrace as inherent, opportunities

# Mindset

A vertical graphic on the left side of the slide. It consists of a grey arrow pointing downwards, with a black spiral line winding around it.

## Traditional (Either/Or Tradeoffs)

### **Understanding:** Truth

- one right answer
- need to discover it

What matters – traditions-enabled brand loyalty OR possibility-driven innovation?

### **Resource:** Scarcity

- zero-sum game
- implies competition

How do we beat our rivals (Billund vs. outsiders, brick vs. digital)?

### **Leadership:** Provider of

- certainty
- motivation

Can I manage self-managed teams? I am responsible, but need to empower; provide stability, but encourage improvements.



# Mindset

How do we fuel innovation that reinforces our traditions and thrills our loyal fans?

How might we create opportunities that fuel our efforts and raise all ships?

How might we co-create an energising, innovative and high-performing team?

## Paradoxical (Both/And Synergies)

truth and truth and truth  
- multiple right answers  
- need to explore/invent

Abundance  
- positive-sum game  
- implies collaboration

Leader enables  
- individuals / collective to thrive  
- disciplined creativity



# Paradox Mindset Measure

Tensions between ideas energize me.

I enjoy it when I manage to pursue contradictory goals.

I am comfortable dealing with conflicting demands at the same time.

I am comfortable working on tasks that contradict each other

I feel uplifted when I realize that two opposites can be true.

I feel energized when I manage to address contradictory issues.

In general I accept the contradictions I face.

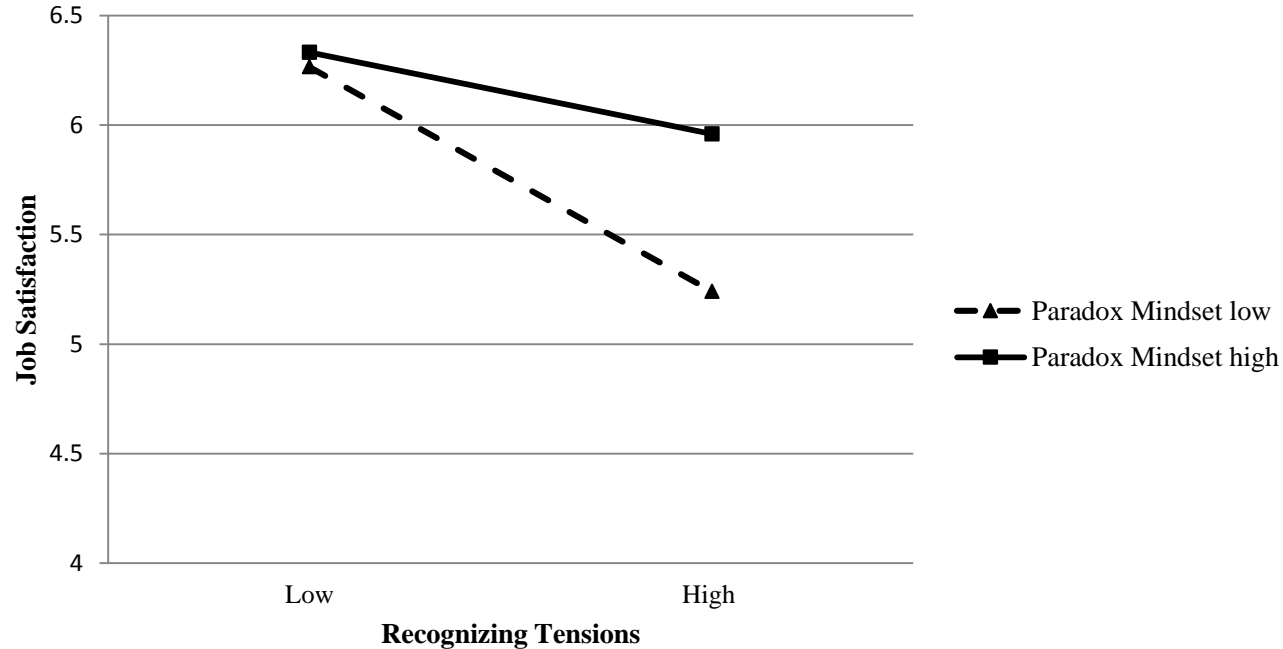
I often experience myself as simultaneously embracing conflicting demands

When I consider conflicting perspectives I gain a better understanding of an issue.

Accepting contradictions is essential for my success.

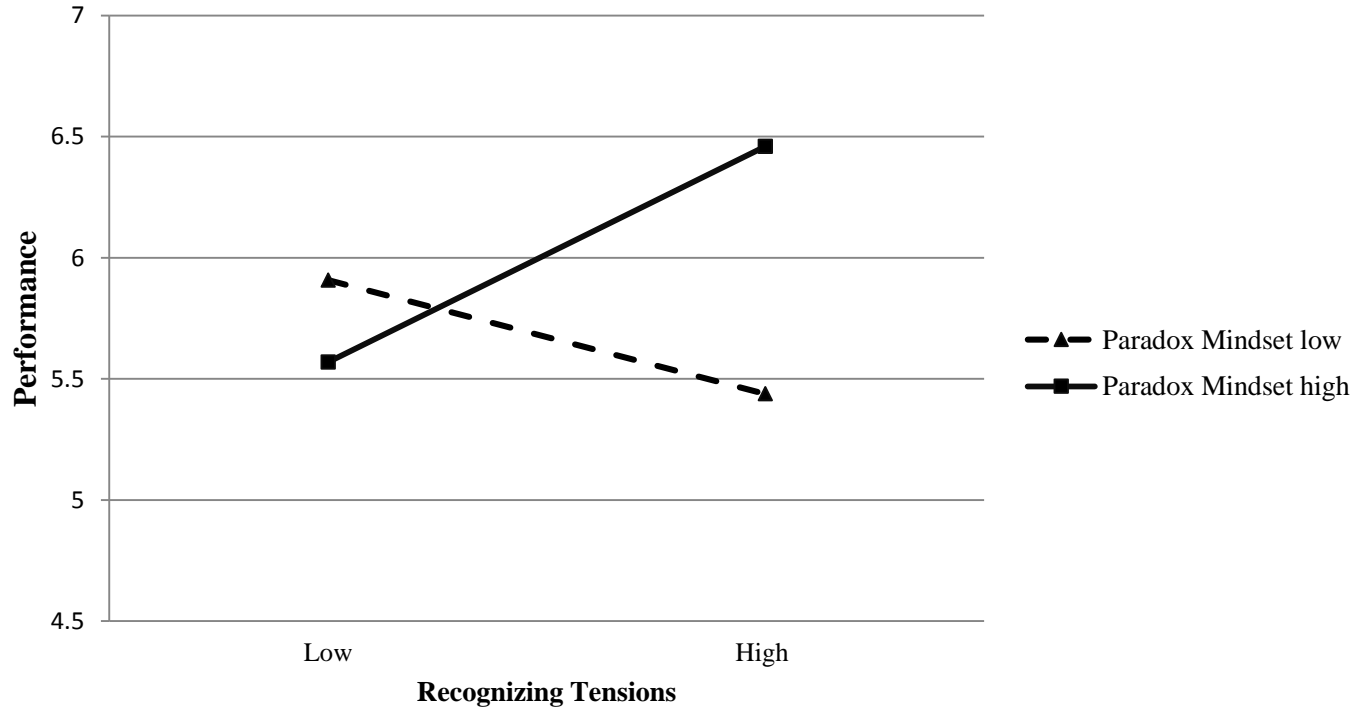
Miron-Spektor, Keller, Ingram, Smith & Lewis (hopeful AMJ)

# Paradox Mindset & Thriving





# Paradox Mindset & Thriving

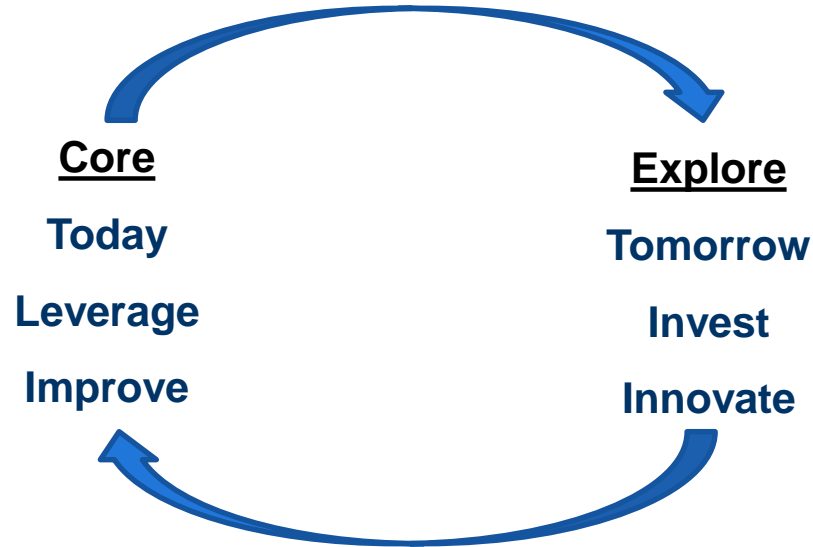


# Engaging Paradox

**Higher Purpose** – bold,  
clear and consistent

## Integration

## Differentiation



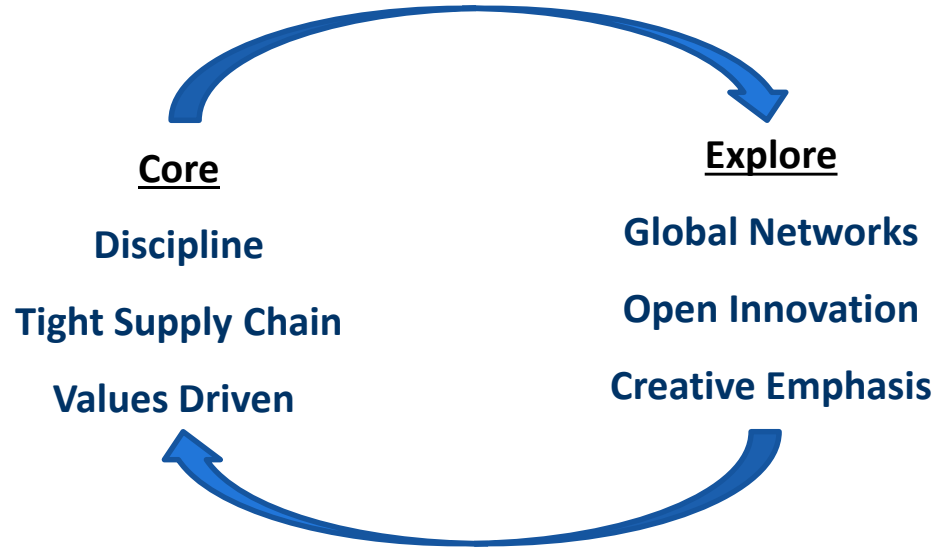
**Create Space** – simple frameworks that  
enable collaboration and synergy

# Engaging Paradox

**Higher Purpose** –  
inspire and develop the  
builders of tomorrow

## Integration

## Differentiation



**Create Space** – simple, clear, and  
rigorous rules enable improvisation



# Engaging Paradox

## Product Design Firms

Exploration vs. Exploitation

Vicious Cycles – Success & Failure Traps

Structural Ambidexterity – Differentiation

Contextual Ambidexterity – Integration

# Engaging Paradox

Innovation Paradox	Integration	Differentiation
<b><i>Strategic Intent</i></b> <b>Breakthroughs-Profit</b>	Nurture a paradoxical vision	<b>Diversify project portfolio</b>
<b><i>Customer Orientation</i></b> <b>Tight-Loose Coupling</b>	Stress improvisation	<b>Iterate between client-creative team</b>
<b><i>Personal Drivers</i></b> <b>Passion-Discipline</b>	Socialize 'practical artists'	<b>Vary work (roles, projects)</b>

# Paradoxical Inquiry

- Action Research
- Iterative
  - Sparring
  - Reflection



Lüscher & Lewis (2008) *Academy of Management Journal*

*Interventive Questioning*

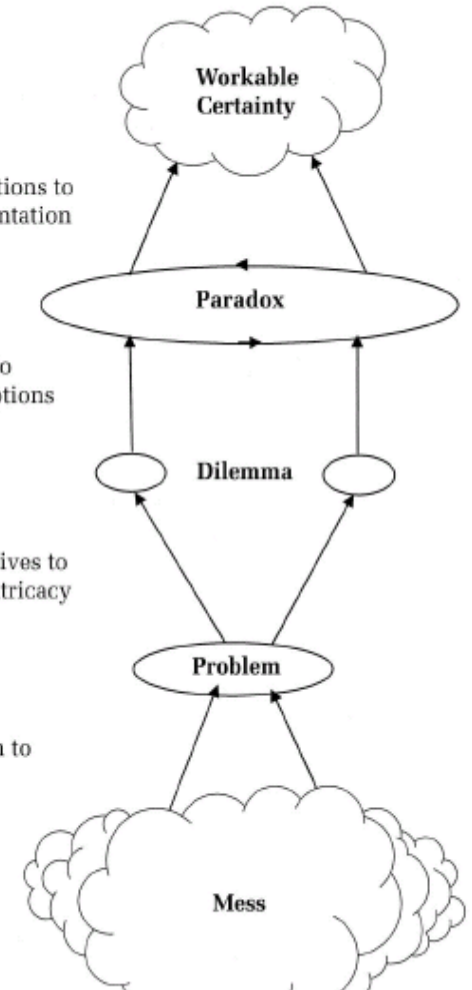
*Sensemaking*

*Strategic Questioning*  
Challenging simplistic solutions to motivate ongoing experimentation

*Reflexive Questioning*  
Examining implications to critique and link existing options

*Circular Questioning*  
Exploring others' perspectives to accentuate polarities and intricacy

*Linear Questioning*  
Encouraging explanation to surface current logic



# Discussion

**Tensions – The Energy of Paradox**

**Cycles – Dynamic & Double-Edged Swords**

**Management – Paradox Mindset & Engagement**



WE CANNOT SOLVE OUR PROBLEMS  
WITH THE SAME THINKING  
WE USED WHEN WE  
CREATED THEM

-Albert Einstein

