

# ***LeaderPerfect Newsletter***

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## **Leadership, Corporate Culture, and Paradox**

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One of the most unheralded roles of leadership is paradox management. Odds are, you've never heard this term before. Few texts on leadership even mention it.

Nevertheless, paradox is at the heart of every dynamic organization. Not just a single paradox. But a set of them. And each paradox creates tension (and frequently conflict) in corporate culture.

The tension arises from the very nature of paradox. Paradoxes center on a quandary that defies solution. The quandary presents itself as though we must choose between path A and path B (or between truth A and truth B). However, reality dictates that we must choose both A and B simultaneously.

### **The Structure of Paradoxes**

Viewed another way, all paradoxes have three qualities.

1. A paradox pairs two elements, expressed in the form of statements, principles, or values.
2. The two elements seem to exclude one another. They appear contradictory.
3. Yet, in spite of the apparent contradiction, neither element may be excluded. We must embrace both of them.

Paradoxes are commonplace in business. Here are some familiar examples:

- Our customers demand products of high quality and detailed craftsmanship.
- To remain competitive, we must minimize production costs.
- Under our labor contract, we assure workers of exceptional benefits and job security.
- Payroll expenses are squeezing our margins and leaving us unprofitable.
- Our culture is built around collaborative decision-making.
- Fast-changing markets demand swift, almost instantaneous responses.

Non-profit organizations face paradoxes of their own.

- To make the wisest use of our funds, we need a quality management team.
- High management salaries threaten the loss of donor support.

- Our founder's passion is what drives this organization's growth.
- Our organization's growth is limited by the founder's management skills.
  
- New realities are forcing us to change our mission.
- Our donor support was built around excitement for our mission.

## Balance Points

Each of these paradoxes presents two forces that contend with each other. And both elements of the paradox raise concerns about near-term or long-term survival. As a result, leadership cannot afford to ignore or dismiss either element. To do so is to court calamity. Instead, leadership must maintain a balancing act between the two.

Whatever the balance point, someone is likely to second-guess it. Since both elements of the paradox represent legitimate concerns, each element is likely to attract ardent advocates who view their concerns as paramount. To these partisans the chosen balance point may not adequately accommodate their concerns. If not, they will press and politick to relocate the balance point and give their concerns more leverage.

To illustrate, let's look at a widespread paradox at the moment. Due to the prolonged economic downturn, businesses need to preserve capital. On the other hand, they need to invest strategically to position themselves for an eventual turnaround.

Which is the proper thing to do? Conserve resources? Or invest strategically? The answer, of course, is that leadership must do both. But to the degree that we spend money we cannot conserve it. So what is the proper balance point between maximizing reserves and investing strategically?

Those with a more cautious nature will press hard for conserving cash. Those of a more entrepreneurial bent will argue for the opposite priority. And both sides will stake out their position with conviction. Hence the prospect for conflict.

## Harnessing Tension

This is why paradox management is vital to successful leadership. Not only does paradox management address survival issues, it also forestalls unhealthy conflict. Proper paradox management maintains creative tension between contending concerns, rather than allowing the tension to degenerate into destructive conflict.

About 15 years ago I came across a thought-provoking book by Charles M. Hampden-Turner entitled *Creating Corporate Culture: From Discord to Harmony*. He argued that the role of leadership is to identify the most critical paradoxes at work within their organization, then manage these paradoxes adroitly and artfully.

I think his counsel is spot on. And his counsel is just as valid for non-profits, churches, government agencies, educational institutions, and military organizations as it is for companies in the for-profit sector.

Nor is paradox management a challenge merely for managers at the top of an organization. Sub-units of the organization contend with their own set of paradoxes. Here are some examples:

- IT departments struggle with the balance between maximizing network security and optimizing employee access to needed data.
- Sales departments struggle between stroking current customers to keep them happy and expanding into new markets.
- HR departments struggle between standardizing personnel practices and giving managers latitude over personnel matters.

## Priorities for Leadership

So let me conclude with a suggested exercise. Take some time to identify the paradoxes that run through your organization. You might do this by yourself, or as a team exercise with your colleagues, peers, or direct reports.

If you discover more than five paradoxes, highlight the five that you consider most critical. (You don't want to ignore any paradox, of course. But in terms of focused management, it's difficult to concentrate on more than a handful of corporate paradoxes at the same time.)

As a leader, no priority is more important than attending to the critical paradoxes you've identified. What are you doing on a consistent basis to manage the natural tension within the paradox? Is the balance point slipping (through inattention) so that it is no longer where it needs to be? If so, what can you do to nudge things back toward a more appropriate balance point? How do you keep your team's priorities aligned properly to sustain this balance point? These are all essential questions for paradox management.

And just a couple of thoughts in closing. We have centered this discussion on paradoxes which pose threats to survival. There can also be paradoxes of opportunity, i.e., two wonderful prospects which, at first glance, look mutually exclusive. But with creativity, imagination, and innovation, perhaps both are possibilities. As you look for paradoxes in your organization, don't overlook paradoxes of opportunity that may be there.

Second, great spiritual teachers and philosophers often use paradoxical statements to convey key concepts. The very tension within the paradox forces the listener to reflect deeply on the teacher's words. In the same way, simply spending time to reflect unhurriedly on the paradoxes within your corporate culture can yield invigorating perspectives and insights.

Identify corporate paradoxes. Reflect on them. Tackle them. That's your task as a leader.

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