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A Paradox Rarely Comes Alone

A Quantitative Approach to Investigating Knotted Leadership Paradoxes in SMEs

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Abstract

This article uses a paradox knotting perspective to study key leadership challenges among Danish manufacturing and crafting SMEs. As part of an action-learning development programme, 55 middle managers from 11 companies were asked to rate the topicality of 10 leadership paradoxes. Using exploratory factor analysis, three clusters of knotted paradoxes were identified concerning the management of 1) managing organisational flexibility, 2) balancing engagement and control, and 3) dealing with dispersion. Each identified knot consists of two paradoxes and shows how managers involved in one element of a knotted paradox are also likely to be involved in the tensions of the other.

The article contributes to a better understanding of the complexity and interrelatedness of select management paradoxes by demonstrating that paradoxes appear knotted in practice. Furthermore, the empirical and quantitative approach to studying paradoxes and their interrelatedness serves as an important methodological contribution to a field characterised by a high reliance on indirect, qualitative studies.

Keywords: paradox knots, management challenges, paradox entity, factor analysis, quantitative exploration

Introduction

Organisational life is ripe with conflicting demands and tensions (Lewis & Smith, 2014), and middle managers are at the flux of these tensions. Middle managers must be flexible while retaining control, be innovative while maintaining stability, and foster learning while performing, among other things. By themselves, the requirements appear sound but become absurd when juxtaposed in an either-or fashion. Research has shown that when managed poorly, such paradoxes can cause extensive organisational problems (Bartunek, Walsh, & Lacey, 2000; Chung & Beamish, 2010; Gebert, Boerner, & Kearney, 2010).

Paradox theory addresses persistent challenges that arise when contradictory but interrelated requirements create tension (Smith & Lewis, 2011). According to Schad, Lewis, Raisch, and Smith (2016), organisations are pervaded by competing demands that cannot be resolved by making trade-offs. Attempts to resolve paradoxes often employ a salience-making strategy to play down tensions and create what Lindberg, Rantatalo, and Hällgren (2017) refer to as a false synthesis of tensions. Consequently, such conflicting requirements persist over time and are to be managed rather than solved (Smith & Lewis, 2011) as they will continuously reappear in new shapes or forms. Management paradoxes are often portrayed in the same manner as dilemmas juxtapose two conflicting requirements to illustrate the tension between them. A different approach portrays an organisational phenomenon as paradoxical (Brorström, 2017), for example belonging, organising or performing (Lüscher, Lewis, & Ingram, 2006). In contrast, Gaim and Wåhlin (2016) argue that presenting paradoxes by explicating particular tensions facilitates their simultaneous co-existence. While dilemmas are commonly viewed as “either A or B” decisions, paradox theory begs to question “how might we do both A and B at the same time?” (Lüscher & Lewis, 2008).

Paradox theory moves beyond the traditional dilemma and contingency-based approaches and offers a holistic approach to understanding management challenges by shedding light on the complexity and persistence of management problems (Lewis & Smith, 2014; Smith & Lewis, 2011). To managers, paradox theory might appear impractical, as it fails to offer a resolution to difficult problems since managers tend to prefer pragmatic solutions to complexity-oriented approaches (Lüscher & Lewis, 2008). Despite this, paradox theory has helped managers deal with the persistent and often frustrating nature of such problems, allowing organisations to deepen their understanding of complexity and implications (Brorström, 2017).

Within organisational studies, contingency theory is a predominant approach to address tensions, and in particular, their underlying conditions (Qui, Donaldson, & Luo, 2012). This provides a situationally grounded “if-then” approach to resolving tensions, rather than seeing them in isolation. In this paper, we claim that management paradoxes are not to be seen in

isolation but, in line with Manzonian and Volker (2017), as intertwined with other paradoxes. Thus, we hypothesise the presence of such paradox knots as an underlying structure. This responds to Sheep, Fairhurst, and Khazanchi (2017, p. X) call for scholars to “focus on the interrelationships of tensions and paradoxes that function as triggers, mitigators, or amplifiers of other paradoxes and that lead to tangled knots”.

Following the call from Smith and Lewis (2011), we have taken the next step in paradox theorising by empirically probing both the relevance of the suggested paradoxes and their possible interconnections. In this way, we add to the understanding of the complexity of paradoxes as they often interact and co-exist in organisational life. Our point of departure stages our study as an example of what has been characterised as second stage paradox research. The first stage involves naming, identification, and capture of organisational paradoxes. The second stage focuses on exploring so-called nested and knotted paradoxes, paradoxes in the plural, focusing on the ways in which paradoxes intertwine, bundle, and interact with each other (Smith, 2019). Exploration of nested and knotted paradoxes as multiple, bundled sets of paradoxes that interact negatively or positively has been put forth as one particularly relevant avenue for advancing paradox theory (Putnam, Fairhurst, & Banghart, 2016). Scholars are called upon to focus on the interrelationships of tensions and paradoxes that function as triggers, mitigators, or amplifiers of other paradoxes and that lead to tangled knots (Sheep et al., 2017). Cunha and Putnam (2019) encourage situating paradox studies within organisations and their wider context and examining paradoxes as emerging from organising rather than surfacing as isolated problems to be tackled. In line with Cunha and Putnam, this paper hypothesises the presence of paradoxical knots as expressions of organisational phenomena. Through a quantitative study of how 55 middle managers from 11 Danish SMEs relate to various leadership paradoxes, we attempt to contribute to the further development of paradox theory by providing a better understanding of the interrelatedness of management paradoxes in their natural habitat, using the clusters of knotted paradoxes to contribute to understanding the key challenges faced by those middle managers.

Research Aim, Methods, and Materials

This study aims to identify how paradoxes are knotted as latent variables, thereby using a quantitative methodology to contribute to better understanding the entity of paradox management. Paradox studies mainly rely on qualitative methodologies to study the processual aspect of how paradox management unfolds, making quantitative studies scarce, and innovative approaches are called for (Schad et al., 2016). Also, Andriopoulos and Gotsi (2017) suggest that more studies are needed on how paradoxes are shaped by terrain.

The hypothesised clustering (knot) is studied through explorative factor analysis, which proposes an inductive approach to exploring how particular management paradoxes relate to underlying phenomena. Just as IQ tests link performance to capacity, this study links paradoxical topicality to latent management challenges; rather than accepting each paradox as a separate challenge, the exploratory factor analysis shows their relationships in terms of knotted clusters. In line with Li (2019), such an organisation into clusters allows each paradox to be seen as separate expressions of related organisational challenges. These knotted paradoxes are explored in their natural habitat by researching the specific challenges experienced by middle managers in SMEs and showing how paradoxes rarely come in the singular but rather appear and need to be handled as knotted.

This study was conducted in 2018 as part of an action-learning-based (see Revans, 1998) leadership programme on paradox management. This programme was offered to managers from small and medium Danish enterprises within the manufacturing and crafting industry. A total of 55 managers from 11 companies participated in the programme, including line managers, middle- and department managers with various degrees of direct reference, HR managers, and one CEO.

During the six-month duration of the programme, the participating managers worked with a challenging aspect of their leadership practice, while continuously analysing and handling it on the basis of paradox theory and methods. These efforts were supported by a consortium of management consultants and researchers and aimed to improve the competitive power of the companies involved.

Working With 10 Leadership Paradoxes

The participants were initially presented with 10 customised paradoxes (see Box 1) in the form of a white book. These paradoxes were derived from the Danish Industry Foundation's INSPIRE 2016-event (The Industry Foundation, 2016), which gathered 50 top managers to discuss relevant short- and long-term challenges. Based on the reported challenges, the researcher team formulated the 10 paradoxes, which served as a shared framework for describing and analysing leadership challenges throughout the programme. In light of these 10 paradoxes, each participant defined a personal leadership project and worked with a particular challenge from his or her management practice. These projects were supported through a series of events, including presentations, feedback, and collaborative sessions provided by the programme.

This study focuses on the managers' perceived topicality of these 10 paradoxes, using them to identify paradox knotting and key leadership challenges. The validity of the paradoxes was confirmed by the participating managers, who accepted them as indicative of their management challenges. Despite hardly being an exhaustive list of potential

management paradoxes, only one of the 55 managers had problems identifying with any of the 10 paradoxes, and only one manager suggested an additional paradox that was not covered already.

Box 1

The 10 Paradoxes Employed in the Leadership Programme

1. Individual leadership vs distributed leadership:
Leadership as a managerial action *and* as a collective endeavour
2. Inside-out vs outside in:
Managing closed *and* open knowledge flows
3. Talent vs Competence:
Personnel development for the few *and* the many
4. Mobility vs stability:
Committing employees with high *and* low seniority/employability
5. Employees vs entrepreneurs:
Inclusion of permanent employees *and* free agents
6. Distance vs proximity:
Leading from a distance *and* being present
7. Digital vs analogue:
Leading employees with high *and* low technological dexterity
8. Local vs global:
Leading with differentiation/decentralisation *and* standardisation/centralisation
9. Purpose vs performance:
Leading for passion *and* efficiency
10. Leadership vs management:
Addressing the need for both effectiveness *and* development
(Bévort et al., 2017; Nielsen et al., 2019)

Methods

The data specific to this paper stems from a questionnaire, which, among other items, addressed how the participating managers perceived the topicality of the 10 leadership paradoxes in relation to their organisations. Several other methods for data production were employed during the project, including interviews, observational recording, game-based

processes, and self-reports. In this paper, these predominantly qualitative sources contribute to interpreting the quantitative findings.

Participants were provided with elaborate descriptions through a white book (Bévort et al., 2017) that described the leadership paradoxes in 10 separate chapters. A short summary of each paradox was provided as supplementary description. Data were collected using the online questionnaire SurveyXact©. This allowed the participating managers to nominally identify which paradox was considered the most or least topical, as well as to indicate the organisational topicality of each of the 10 paradoxes on a 0-100 ratio scale. All 55 participants returned the questionnaire (N=55, response rate 100%), making the data representative of the population studied (see Box 2).

Box 2: Descriptive Data

Table 1

Participant Management Seniority

Management seniority	Count (n)
Managing other managers	10
Managing both employees and other managers	13
Line manager	28
Managing a function	3
Unanswered	1

Table 2

Paradox Importance and Topicality

	Importance		Topicality	
Leadership Paradox	Most important (count)	Least important (count)	Mean (rating)	Std.dev.
1	9	1	66	25
2	4	2	57	28
3	4	0	65	23

4	4	4	47	26
5	0	16	32	26
6	0	8	56	31
7	1	1	65	21
8	5	14	48	33
9	11	0	75	22
10	14	2	77	23
(None)	1	6	-	-
(Unanswered)	2	1	-	-

Note. Topicality means and standard deviation are rounded off to whole figures.

To little surprise, the classic leadership paradoxes concerning 10) Leadership vs Management and 9) Purpose vs Performance are rated as highly topical. More exotic items, such as 5) Employees vs Entrepreneurs and 6) Distance vs Proximity, are reported as less topical to the organisations involved.

Analysis: Identifying Paradox Clusters

To investigate the hypothesised existence of knotted paradoxes, an exploratory factor analysis was conducted to examine whether such an underlying construction could be identified. According to Field (2009), factor analysis measures underlying or latent variables that cannot be directly assessed. In factor analysis, a mathematical model is set up to estimate such variables, whereas principal component analysis transforms the variables into a new set of linear combinations (Stevens, 2002). Explorative factor analysis aims to reduce a large set of variables into a smaller set of factors, which represent their common, underlying dimensions (Hair, Black, Babin, & Anderson, 2010). Based on the perceived topicality of the 10 leadership paradoxes, this paper identifies three distinct factors, which are framed as knots.

A principal component analysis (PCA) was conducted on the 10 items with oblimin rotation (oblique). The Kaiser-Meyer-Olkin (KMO) measure verified the sampling adequacy for the analysis (KMO = .519), which is barely adequate. This low KMO is caused by three items $>.5$ ¹. Bartlett's test of sphericity $\chi^2(45) = 104.978$, $p < .001$, indicated that correlations

¹ According to the anti-image, three individual items have low KMO values: Item 1 (.432), Item 6 (.400) and Item 10 (.353). These low values are attributed to the small sample size (N=55), but as the sample represents the whole population, these factors are considered valid.

between items were sufficiently large for PCA. An initial analysis was conducted to obtain eigenvalues for each component in the data (see Table 3). Four components had eigenvalues over Kaiser's criterion of 1, and in combination would have explained 64.034% of the variance. The scree-plot justifies the inclusion of both fourth and fifth factors, but given the limited sample size, and that factor four would only include Item 3, the fourth and fifth factors were discarded. In combination, the remaining three factors account for 53.702% of the variance, which indicates the explanatory value of the derived model (Table 3).

Table 3

Components and Total Variance Explained

Total Variance Explained ^a							
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings ^b
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
1) Individual vs Distributed leadership	2.731	27.313	27.313	2.731	27.313	27.313	2.099
2) Inside-out vs Outside-in	1.415	14.150	41.463	1.415	14.150	41.463	2.167
3) Talent vs Competence	1.224	12.239	53.702	1.224	12.239	53.702	1.611
4) Mobility vs Stability	1.033	10.332	64.034				
5) Employees vs Entrepreneurs	0.949	9.494	73.528				
6) Distance vs proximity	0.896	8.963	82.491				
7) Digital vs Analogue	0.702	7.020	89.512				
8) Local vs Global	0.449	4.493	94.004				
9) Purpose vs Performance	0.332	3.321	97.325				
10) Leadership vs management	0.267	2.675	100.000				
Extraction Method: Principal Component Analysis.							
a. Only cases for which Datasæt = 1 are used in the analysis phase.							
b. When components are correlated, sums of squared loadings cannot be added to obtain a total variance.							

Tables 4 and 5 show the factor loadings after rotation. The items that cluster on the same factors suggest that factor 1 represents the issue of organisational flexibility, factor 2 balancing management and control, and factor 3 dealing with dispersion. As mentioned above, factor 4 was discarded, as it would only have included one significant item. Due to hypothesised correlations between the 10 items, oblique rotation was used. Pattern (Table 4)

and structure (Table 5) matrices are illustrated below (values <.50 have been suppressed to facilitate interpretation).

Table 4

Pattern Matrix

	Component		
	1	2	3
1) Individual leadership vs Distributed leadership		-.663	
2) Inside-out vs Outside-in		-.506	
3) Talent vs Competence	.504		
4) Mobility vs Stability	.772		
5) Employees vs Entrepreneurs			
6) Distance vs proximity			.758
7) Digital vs Analogue	.808		
8) Local vs Global			.799
9) Purpose vs Performance		-.686	
10) Leadership vs management		-.802	

Extraction Method: Principal Component Analysis.

Rotation Method: Oblimin with Kaiser Normalization.a,b

a. Rotation converged in 10 iterations.

b. Only cases for which Datasæt = 1 are used in the analysis phase.

Table 5*Structure Matrix***Structure Matrix^a**

	Component		
	1	2	3
1) Individual leadership vs. Distributed leadership		-0.629	
2) Inside-out vs. Outside in		-0.573	
3) Talent vs. Competence	0.576		
4) Mobility vs. Stability	0.787		
5) Employees vs. Entrepreneurs	0.558		
6) Distance vs. proximity			0.769
7) Digital vs. Analogue	0.740		
8) Local vs. Global			0.776
9) Purpose vs. Performance		-0.731	
10) Leadership vs. management		-0.778	

Extraction Method: Principal Component Analysis.

Rotation Method: Oblimin with Kaiser Normalization.^a

a. Only cases for which Datasæt = 1 are used in the analysis phase.

The significance values of the factor loadings are determined by the limited sample size. A sample size of at least 55 allows factor loadings $\Rightarrow .685$ to be considered significant. The structure matrix presents the correlation between each variable and factor, and the pattern matrix displays the regression coefficients for each variable on each factor. Cross-examination of pattern and structure matrices for suppressor effects (see Graham, Guthrie, & Thompson, 2003), found items in factor 2 to have more similar influence than indicated by the pattern matrix, which impacts interpretation below.

Results

Analysis reveals three factors, which account for 53.702% of total variance explained. According to Hair et al. (2010), it is not uncommon within the social sciences to consider models explaining less than 60%. No significant overlap is found between the three factors, as each item (paradox) only corresponds to one of the three factors. While including a fourth factor would have allowed the model to account for 64.034% of the variance, the limited

sample size cautions us against extracting too many components and relying on single item components.

The main factor derived accounts for 27.313% of the total variance. Both the pattern and structure matrices indicate significant loadings on Items 4 and 7. The pattern matrix indicates Item 7 (.808 vs Item 4's .772) to be most influential, but cross-examination reveals Item 4 to have a slightly better correlation (.787 vs Item 7's .740). While Item 5 would logically have fitted into this category, its loading (.558) is not significant. Factor two accounts for 14.150% of the total variance. The pattern matrix indicates significant loadings on Items 10 (-.802) and 7 (-.686). The structure matrix confirms this order of influence, as both items have significant factor loadings (Item 10: -.778, Item 9: -.731). While Item 1 would logically have fitted into this category, its loadings (-.663 and -.629) are not significant. This factor is of particular interest, as its loadings are all negative. This would commonly be accounted for by scale or question reversal but is not the case with these items, as is discussed further below. Factor three accounts for 12.239% of the total variance. The pattern matrix reveals significant loadings on Items 8 (.799) and 6 (.758), which is also found in the structure matrix (.769 and .776). This factor has no further near-significant items, and no further items seem to logically belong to this category.

In line with our hypothesis, the factor analysis succeeds in identifying an underlying construct consisting of three factors.

Discussion

The analysis reveals three factors, each consisting of two items from the paradox topicality survey. These principal components point towards key organisational and leadership challenges for the participating managers to deal with. As leaders engaged in dealing with one of the items of a factor, the model states that they are most likely to also be engaged in the other item of that factor, or at least tensions thereof.

The 10 paradoxes were originally presented to the participating managers as separate perspectives from which to observe their management challenges. While the participants were encouraged to focus on a particular paradox, the analysis makes it evident that they are intermingled and perhaps even unviable to separate. According to Smith and Lewis' (2011) conception of a paradox, the interrelatedness of its elements is a definite feature, which also appears to be the case at an inter-paradox level.

Knot 1: Managing Organisational Flexibility

The first knot combines *P4: Employee Mobility vs Stability* with *P7: Digital vs Analogue Generations* in a positive correlation. Both paradoxes concern the management of

institutional flexibility as they, each in its manner, express the tensions between organisational core and periphery.

In light of P4, companies must continuously adapt to market dynamics. Due to its flexicurity model, the Danish labour market is geared toward a high degree of job mobility. According to 2017 OECD figuresⁱ, approximately 25% of the Danish workforce had less than one year of seniority, allowing companies to adapt quickly. This constitutes a series of challenge to managers (see Larsen, 2010), who can expect a similar proportion of the employees to be replaced within a year. Due to this flexibility, managers have to take into account a diversified workforce in terms of seniority and mobility (Nielsen et al., 2019). Company traditions and long-term human resource development efforts are expected to impact senior staff, while task content and future employability are key to engaging the 25% (see Larsen, 2010). This is echoed in the non-significant item P5 addresses: how the performance of a staff of senior, core employees develops with its routine, but are supplemented by various kinds of free agents, either to temporarily provide more hands on deck or to provide specific expertise. Such organisational flexibility generates a series of tensions. On a task level, managers must be able to facilitate interactions that create opportunities for novel solutions (Arena & Uhl-Bien, 2016), thereby exploiting the tension generated between senior (core) and junior (periphery) staff in a positive and engaging manner. To make this possible, managers must be able to attract and make the temporal relationship meaningful, without causing a sense of drift to core staff.

The second element, P7, concerns the management of meaningfulness and whether meaning-making processes should focus on the organisational community or a more individualised approach. These tensions are particularly evident when managing across generations, as the needs and demands of Generations X, Y, and Z are vastly different (Hernaus & Vokic, 2014). Generation Z is often portrayed as *digital natives* who prefer a playful and experimental approach, although it often challenges procedure, much to the frustration of employees of previous generations. Organisational meaning has become a topic for negotiation (Kamp, 2011). Employees from earlier generations are more likely to accept and adapt to existing structures, norms, and values, whereas new generations are more likely to engage in, rather than accept, their definition (Hjalager, 2017). The inherent conflicts sparked by such differences stress the importance of effective management (Hansen, 2015).

Together, these paradoxes appear to express an underlying tension in managing the adaptive space between organisational operation and innovation described by Arena and Uhl-Bien. According to them, the key challenge becomes a matter of exploiting the constructive tensions, while diminishing non-constructive conflict that emerges with organisational flexibility. While organisational flexibility allows for companies to adapt to market

dynamics, at the same time it opens up to periphery elements that constitute challenges to the stability generated by its core in terms of procedures, values, or meaning. Concerning management, this knots the paradoxical relationship between organisational flexibility and stability, thereby providing insights into how flexibility challenges the organisation.

Knot 2: Balancing Engagement and Control

The second knot combines *P10: Management vs Leadership* with *P9: Passion vs Performance*, but in a negative correlation. A negative correlation implies that leaders who select P10 and P9 as topical to their organisation would score low on perceived ability to handle this dimension successfully, and vice versa, indicating a knot that diminishes when there is a feeling of mastering the two sub-paradoxes. To understand why this is so, it can be useful to consider the ontology of paradoxes and the way they appear for practitioners. As recently argued by Li (2019), persons confronted with a pair of opposites will experience this differently depending on their level of experience:

[A] person will experience tension when his or her expectation of something exceeds his or her capacity for achieving it. Otherwise, the person will not experience tension if his or her expectation falls below his or her capacity (the negative asymmetry case) or if his or her expectation is at the same level as his or her capacity (symmetry or zero asymmetry). (Li, 2019, p. 7)

Might there be something to these two sets of pairs that comes across as paradoxical—mutually contradicting or irreconcilable—for the inexperienced leader, and less so with more competence?

In organisation and management theory, leadership and management are portrayed simultaneously as two equally important *activities* and as two profoundly different *approaches*—an ambiguity that can puzzle a newcomer to the practice field. Bennis and Nanus (2007) describe leadership and management as key areas of managerial attention: “doing the right things and doing them right.” To Bass (2010), the two activities overlap but are not identical, or as argued by Kotter (1990), the two are complementary but distinct systems.

Leadership is often described as building an organisational vision and commitment to pursuing it, while management concerns the structural underpinning and administrative support. They supplement each other and are equally relevant. However, they may require different “faculties” of the practitioner. In simple terms, these are imagination, narration, and persuasion for the first; and systematics, control, and command for the latter. However, these faculties may be associated with different normative approaches—“soft” versus “hard”—that may appear incompatible (Lunenburg, 2011), and have increasingly been presented as such,

even in the literature (du Gay & Vikkelsø, 2017). This tendency to normatively frame leadership versus management can explain why it appears as connected with P9 on passion and performance—which often in everyday parlance are similarly treated as opposing styles, rather than activities. A purely performance-based approach employs KPIs and other performance measures as common tools for driving and directing efforts (Henriksen & Larsen, 2017), while a passion-oriented approach would be associated with cultivating employee commitment and empowerment, either for the occupational job (Mathieu & Zahac, 1990) or in terms of organisational commitment (Zaraket, 2015). Yet as Barnard (1938) emphasises, it is equally important to create a commitment to an organisational purpose as it is to secure a system of coordinated action. Although the appropriate mix may differ, any organisation requires leadership *and* management, as well as passion *and* performance.

Both paradoxes combine what for the insecure leader can feel like matters of “hard” versus “soft” styles, perhaps even with moral overtones. The experienced leader may see them as equally important, possible to combine depending on the need of the situation and thus without preconceived norms. In this sense, they lose the “paradoxicality” with experience (as seen with Li, 2019). The demographics of the managers involved in our case may help to illuminate why this knot was particularly salient. A major part of the managers were promoted blue-collar workers with little or no formal management training, who during the programme expressed a strong “thirst” for advice and sparring. However, some of them found it difficult to pinpoint the most important challenges for the organisation; they wanted “tools,” but also showed reluctance to commit to these. Due to the negative relationship in this knot, addressing the tensions of the involved paradoxes would diminish such insecurity by providing tangible approaches to central managerial tasks. The more experienced the manager, the less elements appear paradoxical and insolubly knotted, but a balance or mix that shall be found in the concrete situation. This also suggests that managerial capability and competence may not simply be a question of adopting what Smith and Lewis (2011) describe as a paradoxical mindset of being accepting of and energised by tensions; such a mindset, and its tolerance for, and even ability to transgress tensions, may grow with experience. Such capacity development would benefit from ongoing opportunities for double-loop learning and experience with leadership tensions and the changing nature of paradoxes, which, according to Lüscher and Lewis (2008), may be facilitated through action-based approaches.

Paradox Knot 3: Dealing With Dispersion

The third paradox knot addresses management in a globalised, specialised, and geographically dispersed yet interconnected economy and the complexity it brings in terms of dealing with diversity in workforce composition, consumer preferences, and institutional

environments. This knot combines P6: *Distance vs Proximity* with P8: *Local vs Global*. Together, we suggest they form a knot of “dispersion.”

P6 addresses the tensions of creating a sensation of community and closeness in a distributed workforce. As business is no longer bound by time and place, neither are project teams, managers, or experts (Henriksen, Hjalager & Larsen, 2017). Through effective use of information technology, teams can meet up virtually and collaborate across time zones and continents, allowing resources to be used effectively and flexibly (Cleland & Garies, 2006; Eissa et al., 2012). However, flexibility and distribution come at the cost of intimacy, as employees often feel detached from both management and colleagues, and managers often find it hard to lead, and not only manage from afar (Larsen, Hjalager, & Kjær, 2016). While distance management provides opportunities to communicate in an unbound, flexible manner, much is lost in terms of nonverbal expression, eye contact, and emotional connectivity. While physical presence is more expensive and time-consuming, it allows for relationships to be built, as well as for a range of human resource development processes that would be cumbersome at a distance. Lojeski and Reilly (2008) propose the concept of virtual distance to describe the sense of psychological detachment that emerges when communication is mediated by technology. However, the imposed distance also fosters opportunities for self-governance and the development of self-directedness (Henriksen et al., 2017). As a project manager considers whether to pay a visit to a particular construction site, paradox thinking would weigh the pros (getting a holistic impression, management attention) against the cons (travel time, feelings imposed by direct supervision) while addressing the decisional contingency.

P8 addresses the tensions of balancing local specificities with the need for global (in the sense of all-encompassing or corporate-wide) cohesion and harmonisation (Bartlett & Ghoshal, 1989). Tensions are constructed from the competing demands in the form of standardisation vs adaptation, differentiation vs integration, and centralisation vs decentralisation in connection with governance models, marketing strategy, belief systems, and collaborative processes. How should companies integrate local with global customs, demands, and regulations? Should the company attempt to standardise its business culture and impose its local customs onto its branches, or should it diversify and “let a thousand flowers grow” as the saying goes, while allowing large differences to emerge?

Traditionally, local-global tensions have attracted the attention of international management and global leadership scholars (Nielsen & Bevort, 2017), and fewer scholars have approached local-global tensions as a paradox (see, e.g. Mendenhall et al., 2020; Nelson, 2018; Nielsen, 2018; Nielsen et al., 2019; Osland, 2000) rather than a dichotomy or continuum. Also, the traditional focal point of research exploring the tensions between local

and global has done so in an international or global context. However, it is important to note that geographical dispersion may take many forms, of which international geographical dispersion and collaboration across borders and national cultures is but one. In light of systems thinking, the interconnectedness of such factors might call for more holistic, rather than reductionist approaches to dealing with the complexity it generates (Waddock, 2019). The overriding question of how much should be left to local judgement and how much should be harmonised is relevant for even locally operating companies that may be dispersed in different locations and branches even within one country.

In combination, these paradoxes describe vastly different but also somewhat related organisational phenomena. While the two address the dispersion of boundaries in terms of time, space, and culture, the managers involved in this study also experienced dispersion in terms of cross-organisational collaboration, silo-busting, matrix structures, and similar agile forms of organising that would somehow challenge more traditional conceptions of organisational belongingness. Neither distance-proximity nor local-global feature explicitly in the *categorisation of organisational tensions* model of organisational paradox (Smith & Lewis, 2011). Our suggested knot dispersion paradox may firstly be perceived as a belonging-organising paradox. However, the pervasiveness of international ties as well as physical distance leads us to suggest that dispersion may be an increasingly important meta-perspective that frames the specificities of all of the paradoxes of the model. More research is needed into this knot, especially in the wake of the COVID-19 crisis, and in particular, its effects in terms of forced dispersion and social distancing (Mendenhall et al., 2020).

Implications and Conclusion

On the basis of the managers' perceived topicality of the 10 paradoxes, the study's exploratory factor analysis identified three paradox knots: 1) Managing organisational flexibility involves the various tensions that emerge as an adaptive space when organisations exploit various kinds of flexibility. 2) Balancing engagement and control is a converse problem that diminishes when addressed, which reflects a lack of formal management training among the participants. 3) Dealing with dispersion concerns the dissolution of customary boundaries that impacts organisational belongingness and how we work.

This paper responds to the call for empirical studies of organisational paradoxes (Cunha & Putnam, 2019), quantitative approaches (Schad et al., 2016), and the call for identifying and studying paradoxical knots (Cunha & Putnam, 2019; Smith & Lewis, 2011) by addressing a multiplicity of competing demands. The factor analysis showed how six of the 10 paradoxes were entangled, both as pairs and with underlying organisational phenomena. In line with its hypothesis, this study identifies three paradoxical knots, each connecting two of the study's 10 management paradoxes to a managerial challenge. This

aligns with Andriopoulos and Gotsi's (2017) attention to how paradoxes are shaped by terrain. Given a greater sample size, the knots would likely have included more paradoxes, making the connection more profound, or resulted in additional knots and inter-knotting.

While the quantitative approach uncovers a system of related- and interconnectedness, such findings had to be understood through qualitative assessment. In line with Cunha and Putnam (2019), this study situates its findings among the involved managers as predominantly promoted blue-collar workers, labour market flexicurity, and business dispersion, shedding light on the organisational conditions that shape how paradoxes unfold.

By knotting management paradoxes to organisational phenomena, this paper sketches a model for further exploring the relatedness of management paradoxes, both in terms of paradoxical knotting and organising. In response to Smith and Lewis (2011), this model contributes to framing multiplicities of competing demands, rather than dualities. This contributes to both a more complex, and perhaps more messy understanding, to bringing the paradox field closer to the managerial practice it concerns.

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ⁱ https://stats.oecd.org/Index.aspx?DataSetCode=TENURE_AVE [accessed June 30, 2020]