Unpacking the Many Natures of Organizational Paradox:From Transformative Dynamics to Bundles of Paradoxesin Grand Challenges

Ferran Torres Nadal

http://hdl.handle.net/10803/688991

Data de defensa: 26-07-2023

DOCTORAL THESIS

Title	Unpacking the Many Natures of Organizational Paradox: From Transformative Dynamics to Bundles of Paradoxes in Grand Challenges
Presented by	Ferran Torres Nadal
Centre	Esade Business School
Department	Department of Strategy and General Management
Directed by	Dr. Lisa Hehenberger Dr. Tobias Hahn

ii

Philosophy is the art of forming, inventing, and fabricating concepts.

<div style="text-align: right;">*Deleuze & Guattari (1991: 2)*</div>

Neither is there, nor will there be, time apart from being, because fate has bound it down to the whole and unmoved.

<div style="text-align: right;">*Parmenides (as it appears in Grayling, 2019: 33)*</div>

It is not possible to step into the same river twice.

<div style="text-align: right;">*Heraclitus (as it appears in Barnes, 1982: 50)*</div>

iv

To the ones that are still here, and to the ones whose absence is deeply felt.

I could have never done it alone.

ACKNOWLEDGEMENTS

We live in an era of rapid technological advancements that cast a shadow of doubt in our academic futures and on the very foundations of what truth, knowledge and science are. At this critical juncture in our history, ideas and conversations have the power to shape the very nature of who we will become. We live in the best of times, we live in the worst of times. The difference between the two lies in the many connections we make. When we focus on what separates us, we remain isolated, locked in our own ignorance. In contrast, when we open our minds to the world and we remain humble, we have the potential to learn and be better. This dissertation is part of my effort to participate in today's conversations, and I have been fortunate enough to taste the best of times during these demanding years thanks to the colleagues and friends I have met along the way. This thesis would not have been possible without them.

To Dr. Tobias Hahn, with whom I have shared countless hours of conceptual discussions, and I have enjoyed every second of them. Tobias' thinking is all over this dissertation and it is all the better because of it. I have learnt so much from him, and yet I feel I have so much more to learn. What is great about Tobias is that he not only is the best conceptual scholar I know (he is as good as it gets), but he is also a very humble, cool, and down-to-earth guy. Tobias, thanks for everything.

To Dr. Lisa Hehenberger, whose passion and dedication to impact taught me a lot about the practical value of doing research. Lisa was one of the first professors I met when I was considering doing a PhD and I have been privileged to be under her guidance during the whole PhD journey. With her I learnt a lot about how the things we love and the

experiences we have had can inform our research and teaching. Thank you for your generosity, Lisa.

To Dr. Ignasi Martí, my unofficial supervisor who has always been there. Doing interviews at Ignasi's side has oftentimes been a cathartic experience. What Ignasi has taught me about the practice and the human dimension of qualitative research is invaluable. Ignasi, thanks for the care you put into each human connection.

I would also like to convey my gratitude to other people that has helped me throughout this journey, Dr. Guillermo Casasnovas and Bennet Schwoon. Guillermo, thanks for your support. Bennet, it is a pleasure to call you a friend.

To my PhD family, who always supported me. Thanks Ignacio and Carlos for all the good moments, and for being awesome. To Shahzeb, my academic brother, thanks for your emotional support during the difficult moments, and for all the good times. Also, I would like to thank the human team of the Entrepreneurship Institute and the Institute for Social Innovation at Esade. Thanks for helping me become a better researcher.

To the paradox community for providing a nurturing environment in which I have been able to grow and develop. Special thanks to the Paradox PhD Reading group and its members during all these years. Thanks to Elsa and Casper for starting such an amazing project that has created many friendships. Jana, co-leading the group with you was a fantastic experience. Iris, thanks for your friendship, and for your great contributions to the reading group.

x

ABSTRACT

Organizational paradoxes pervade grand challenges. Complex social problems are full of many persistent interdependent contradictions that are intertwined in different ways. Understanding how paradoxes relate to one another and unfold over time depending on actors' responses is key to harnessing their generative potential. This understanding starts with the ontological assumptions from which we unpack paradoxes. Rather than being exclusive, different ontological understandings of paradox shed light on different aspects of the phenomenon. Accordingly, in this dissertation I put the focus on different instances of intertwined paradoxes in the context of grand challenges, unpacking them from different ontological perspectives. This dissertation consists of three studies: (1) A conceptual exploration of the dynamics of paradox across construal levels; in this study we bring together dynamic equilibrium and dialectics by introducing the distinction between abstract and concrete paradoxes, the interplay of which we unpack through a morphogenetic framework grounded in a critical realist ontology; (2) A qualitative study of social impact bonds across Europe to explain how institutional entrepreneurs work on the sociomaterial context to knot several paradoxes together and articulate responses to grand challenges; in this study we unpack paradoxical knots from a quantum ontology, highlighting their sociomateriality, and (3) A qualitative study of two organizations in the Spanish housing sector that need to balance commercial and social demands to explain how people morally respond to paradoxes; in this study we unpack the moral dimension of paradox by highlighting its nested nature from a constitutive ontology. Overall, this dissertation contributes to the understanding of (a) the ontology of paradox, as well as (b) the character of knotted, nested, and abstract and concrete paradoxes.

TABLE OF CONTENTS

LIST OF FIGURES

LIST OF TABLES

1

INTRODUCTION

Human's awareness of paradox permeates our understanding of the world since the inception of (philosophical) thought. From the presocratic Heraclitus (Barnes, 1982) to Luhmann's conception of system's theory (Seidl, Lê, & Jarzabkowski, 2021), paradox has been used as conceptual tool to harness the complexity and irrationality of human experience. The depth and richness of paradox research has only deepened since the times in which Heraclitus talked about never stepping in the same river twice. It is no coincidence that paradox has thus gained considerable momentum in the context of organizational theory as a way to make sense of the contradictions we consistently encounter in our everyday organizational life (see Putnam et al. (2016) and Schad et al., (2016) for two thorough and complementary literature reviews showcasing the flourishing of paradox research over the last decades in the context of management research).

This dissertation aims to contribute to the ongoing debate around organizational paradoxes by unpacking its many natures in the context of today's grand challenges. To that end, we will take a deep dive into the ontology of paradox, exploring its realist, socially constructed, and sociomaterial underpinnings. In this process, we will learn more about how paradoxes dynamically unfold in complex, uncertain, and evaluative contexts (Ferraro, Etzion, & Gehman, 2015). In addition, in the chapters of this dissertation that are based on empirical work, grand challenges serve as a setting to explore the sociomaterial and moral character of intertwined paradoxes.

This PhD dissertation follows the variation of *Thesis by Manuscript*. Accordingly, the second chapter of this thesis will unpack the overarching theoretical framework tying together all subsequent chapters (chapters three, four, and five), each of which are based

on essays that have not been published at the time that this thesis is deposited. This second chapter includes the general research question that will be answered through the following chapters. Each chapter unpacks a part of the general research question, exploring different instances of intertwined organizational paradoxes from different ontological perspectives. In the sixth chapter, I will discuss the general contribution of the dissertation, exploring the theoretical and the practical implications, as well as limitations and opportunities for future research. The seventh chapter includes all the references from all previous chapters, including this introduction.

2

OVERARCHING FRAMEWORK

24

ORGANIZATIONAL PARADOXES

Broadly understood, organizational paradoxes are "persistent contradiction[s] between interdependent elements" (Schad et al., 2016: 6), but this definition does not capture the full extent of the term. The use of paradox in organization theory has evolved over the years, in which it has been mobilized "as a label, a lens, a theory, and a meta-theory" (Sparr et al., 2022: 16). The breadth in how paradox is used underscores its depth and richness when we use it for theorizing. Paradox is not only a phenomenon that we encounter time and again in organizations and beyond, but it is also a way to understand how to navigate the many tensions we face in a generative manner (Smith & Lewis, 2011), and a tool to bring incommensurable arguments together (Lewis & Smith, 2014).

In general, paradox theory deals with contradictions between elements that depend on one another, and that coexist and evolve through time (Schad et al., 2016), and portrays tensions arising from competing demands as pervasive elements that cannot be avoided, and that are better understood as an integral component of organizations that can be a source of value (Smith & Lewis, 2011; Smith & Tracey, 2016). In paradox theory "tensions are both contradictory (oppositional, inconsistent, conflictual) and interdependent (interrelated, synergistic, mutually constituted)" (Smith & Tracey, 2016: 457). This lens fosters the conceptualization and operationalization of tensions as a source of "creativity and performance" (Smith & Lewis, 2011: 397). Thus, paradox theory enables one to cast competing positions in a renewed light, not as something that should be avoided, but as an unavoidable element that can generate value.

Our understanding of paradox has deepened over the years (Lewis & Smith, 2022) and the field has become ever more complex. While the success of paradox research has

crystallized in the convergence in the use of certain concepts and frameworks (Cunha &
Putnam, 2019), paradox theory is constantly evolving. Accordingly, existing research has
unpacked the microfoundations (e.g., Miron-Spektor et al., 2018) and antecedents (e.g.,
Zhang et al., 2015) of organizational paradoxes, together with actors' responses (e.g.,
Jarzabkowski & Lê, 2017). These elements come together in the persistence (Cunha &
Clegg, 2018) and dynamics of paradox (Raisch, Hargrave, & Van de Ven, 2018; Smith &
Lewis, 2011), which are central definitional features differentiating it from other
phenomena, such as trade-offs or dialectics (Berti & Cunha, in press).

In an attempt to improve its explanatory power, paradox theory has progressively
expanded its focus from examining isolated paradoxes (e.g., Smith & Lewis, 2011) to
include groups of multiple paradoxes bundled together. Accordingly, the notions of
knotted (Sheep, Fairhurst, & Khazanchi, 2017) and nested (Andriopoulos & Lewis, 2009)
paradoxes were introduced. The former case refers to co-occurring paradoxes at the same
level of analysis that "mutually impact one another in either prismatic (amplifying) or
anti-prismatic (mitigating) ways" (Sheep et al., 2017: 469). The latter refers to co-
occurring paradoxes across different levels of analysis. While knotting and nesting are
already established in the paradox literature and are attracting increasing levels of
attention in the paradox community (as the program of recent international academic
conferences, such as EGOS and AOM, demonstrates (e.g., Waldner, Schrage, & Rasche,
2022)), they do not exhaust the ways in which paradoxes can relate to each other.
Accordingly, in the following chapters of this dissertation we will explore both knotted
and nested paradoxes. In addition, in the third chapter we introduce the distinction
between concrete and abstract paradoxes as a way to differentiate organizational
paradoxes occurring at different construal levels. Their entanglement is distinct from the

one occurring in the case of knotting and nesting, inasmuch as concrete paradoxes are specific instantiations of abstract ones, and their interplay is key to understand the dynamics of paradox.

Bundles of paradoxes are very useful to grasp the increasing complexity of the social world and its problems. For example, Jarzabkowski et al. (2022) shows how the knotting and re-knotting of paradoxical poles in the context of multi-country risk pools is an essential dynamic to unlock the generative potential of the intervention as a response to grand challenges. Accordingly, due to its complex nature, grand challenges are an adequate setting to study organizational paradoxes (Jarzabkowski, Bednarek, Chalkias, & Cacciatori, 2019).

THE CONTEXT OF GRAND CHALLENGES

Grand challenges are complex, uncertain, evaluative and widespread social problems (Ferraro et al., 2015; Gümüsay, Marti, Trittin-Ulbrich, & Wickert, 2022; Schwoon, Schoeneborn, & Scherer, 2022) that are brimming with persistent interdependent contradictions. The housing situation of millions of people around the world, mass unemployment, refugee's struggles to rebuild their lives in other countries, all these complex, boundary-spanning, and impossible-to-predict social problems are overflowing with paradoxes interacting at different levels between a wide array of actors (Jarzabkowski et al., 2019). Multitude of intertwined paradoxes permeate the dynamic nature, antecedents, and responses to these problems (Jarzabkowski 2022).

Exploring what lies at the intersection of organizational paradox and grand challenges is particularly promising because it can provide practical and theoretical

insights. When it comes to practical implications, understanding how to navigate the contradictory yet interdependent demands found in some of the most pressing social problems of our time is key to unlock virtuous cycles and generative outcomes. When it comes to theoretical implications, understanding how paradoxes unfold in complex environment can help better understand the dynamics of paradox, and it can inform our understanding of the nature of bundles of many paradoxes.

Accordingly, paradoxes in grand challenges persist over time (Cunha & Clegg, 2018), while their "moment-by-moment flux" (Bednarek & Smith, 2023: 5) calls for actors' continuous adaptation when articulating their responses. In this context, the complex interactions between the systemic (Schad & Bansal, 2018) and cognitive (Miron-Spektor et al., 2018) underpinnings of paradox come to the fore. Along this line, grand challenges constitute a suitable empirical setting to explore how paradoxical knots work beyond the discursive-based effects of amplification and mitigation (Sheep et al., 2017), and the ways in which the nested character of organizational paradox is used to navigate morally complex scenarios (Reinecke, Van Bommel, & Spicer, 2017).

In the first case, the complex, uncertain, and evaluative character of grand challenges (Ferraro et al., 2015) makes it possible to unpack the sociomaterial character of knots, exploring their material, ideational, and relational effects on paradoxes. In the second case, the moral conundrums that permeate grand challenges facilitate the study of how the moral dimension of responses to paradox is enacted in practice. These examples illustrate how grand challenges represent a fertile setting to explore bundles of paradoxes. At a closer inspection, they also underscore the central role of ontology when expanding

on the foundations of paradox. It makes a difference whether bundles of intertwined paradoxes are understood from a systemic, sociomaterial or constitutive perspective.

THE TASK OF ONTOLOGY

While the theoretical richness keeps expanding the basis of paradox theory to grasp the increasing complexity of the world and its social problems, the ontological underpinnings of paradox are still deeply contested (e.g., Hahn & Knight, 2021; Li, 2021). On the one hand, the inherent view builds on a realist ontology that assumes that paradoxes are inherent in systems (e.g., Schad & Bansal, 2018). On the other hand, the constitutive view builds on an idealist ontology that situates paradox on actors' interactions, language, and communicative acts (e.g., Putnam et al., 2016). Building on these two ontological perspectives, Hahn & Knight (2021) brought together realism and idealism in the form of a quantum ontology that stressed the sociomaterial character of organizational paradoxes.

While at first glance the ontology of organizational paradox may seem an idle aspect that adds unnecessary conceptual complexity, ontology is the key tenet from which we understand, study, and explain the world around us. In the case of paradox, the ontology assumed by the researcher is central to the understanding of the ontological dimensions of salience, latency[1], and how they come together in the dimension of persistence (Hahn & Knight, 2021). Let me illustrate this point with the example of the persistence of paradox (Cunha & Clegg, 2018). An inherent perspective holds latency to be a central construct when it comes to the persistence of organizational paradoxes:

---

[1] "Salience refers to the experience of contradictory, yet interdependent elements by organizational actors", while latency is "the status of organizational paradoxes prior to their recognition by actors" (Hahn & Knight, 2021: 364).

paradoxes persist through their continued existence in systems, irrespective of being perceived by actors (Schad & Bansal, 2018). In stark contrast, a constitutive perspective holds salience as the central construct from where persistence is articulated: paradoxes persist through their continued experience and construction of salient instances by way of discourses and practices (Putnam et al., 2016).

Conceptualizations of persistence as advanced by the inherent and the constitutive view thus put the focus either on latency or on salience and thereby underscore the role of organizational systems or actors, respectively. The inherent view with its underlying systemic approach to organizational paradox postulates that system characteristics hold the potentiality of latent paradox (Hahn & Knight, 2021) and hence also the potentiality for paradox to persist: as long as system characteristics that hold the potentiality for a variety of specific paradoxes do not change, the possibility for organizational actors to experience these paradoxes persists. By contrast, the constitutive perspective emphasizes the role of organizational actors to explain why paradoxes persist (Putnam et al., 2016). From this perspective persistence is not inherently planted into paradox. Rather, paradox resurfaces due to ongoing discourse and practice of actors to construct and to respond to paradox. Hence, a paradox persists as long as actors reenact it through their discourses and practices. This perspective is reflected in the persistence of paradox through leaders' responses to tensions that spurred new tensions (Smith, 2014), through top managers' active efforts to sustain paradoxical tensions by curating an interpretive context for lower-level managers (Knight & Paroutis, 2017), or as managers deploy their power to protect a paradox (Huq et al., 2017). This example illustrates how the ontological assumptions permeating our understanding paradox directly impact how we conceptualize and study it.

30

Despite recent developments around the ontology of paradox, much remains to be said about it. The fact that our understanding of the ontology of paradox is still in its nascent stages becomes evident when we look at the development of other mature fields within organization theory. For example, the first steps in the academic understanding of the ontology of entrepreneurial opportunities mirrored the inherent/constitutive divide of organizational paradoxes. On the one hand, the discovery approach to opportunities defends that opportunities exist objectively outside of entrepreneurs' experience, who need to discover them (Shane & Venkataraman, 2000). On the other hand, the creation approach characterizes opportunities as endogenously created phenomena constructed through entrepreneurs' actions that enact them into existence (Alvarez & Barney, 2007). As the field of entrepreneurship matured, the stark divide between the discovery and creation approaches became progressively more nuanced. A critical realist perspective portrayed opportunities as propensities, providing ontological depth to the understanding of the phenomenon (Ramoglou & Tsang, 2016). More recently, in an effort to go beyond natural sciences' paradigms and explore the sciences of the artificial, a design perspective has portrayed opportunities as artifacts (Berglund, Bousfiha, & Mansoori, 2020). Debates around the nature of opportunities have even prompted reactionary perspectives that advocate for an exploration of the everyday use of the word "opportunity" to demystify its nature from all theoretical baggage (Ramoglou & McMullen, in press). The evolution of the conceptualization of the ontology of entrepreneurial opportunities puts into perspective how much there is yet to explore of the ontology of organizational paradox within and beyond the inherent/constitutive divide.

As mentioned before, the ontology of organizational paradox is currently organized around the constitutive, inherent, and quantum camps. While organizational paradox was already explicitly portrayed as both inherent and socially constructed in Smith & Lewis (2011), it was not until the development of the quantum ontology (Hahn & Knight, 2021) that it was unpacked how this was the case. In the decade that spanned between these two milestones, the constitutive approach received special attention, with a dedicated literature review (Putnam et al., 2016) that situated the locus of paradox in "discourses, social interaction processes, practices, and ongoing organizational activities" (p. 67). In this review, the authors developed the approach around five dimensions: "(1) discourse, (2) developmental actions, (3) socio-historical conditions, (4) the presence of multiples, and (5) praxis" (p. 78). The constitutive view continued receiving support throughout the decade, with many works exploring paradox from a practice perspective (e.g., Jarzabkowski & Lê, 2017). The notion of paradoxical knots emerged within this view to explain how paradoxes can get intertwined in discourse, amplifying or mitigating each other (Sheep et al., 2017).

In contrast, the inherent view of paradox has received scarce attention throughout the years. Few conceptual and empirical studies have explored the ontological and epistemological implications of considering that organizational paradox is inherent in the characteristics of a system. A rare exception is the work of Schad & Bansal (2018) that mobilized the nuanced ontology of (critical) realism (Bhaskar, 2008). The authors used realism to make the case for a stronger focus on the ontological depth of paradox when we consider its systemic embeddedness (in contrast to only focusing on its epistemology). A recent review of paradox in the context of sustainability by Carmine & De Marchi (2022) reiterates the scant attention that a systems perspective on paradox has received

so far, and it articulates an agenda constituted of three interrelated streams, "paradoxical tensions, paradoxical frame/thinking, and paradoxical actions/strategies" (p. 140).

OVERARCHING RESEARCH QUESTION & CHAPTER OVERVIEW

In the scope of this dissertation, I will build on the work done on the constitutive, inherent, and quantum views, exploring different aspects of these ontologies that have so far remained undertheorized. To do so, this dissertation puts the focus on bundles of paradoxes in the context of grand challenges[2]. I started this dissertation with the assumption that ontology is pre-empirical and, as such, it cannot be determined through empirical means. On the contrary, an ontological approach must be chosen at the start of a research project, and all methods and conceptualizations follow from it. Far from defending that there is a "correct" ontological approach or one that is superior to others, I defend that as long as epistemological and methodological coherence is maintained within a research project, all ontologies are equally valid. Thus, to fully understand a complex phenomenon it is necessary to embark in complementary research projects that explore the phenomenon from different ontological angles. Accordingly, to fully understand organizational paradox, I have approached it from three distinct ontologies– critical realism, a quantum ontology, and a constitutive approach (Figure 1)–each of which will be tackled in the following chapters.

Beyond underscoring the role of ontology, this dissertation focuses on intertwined paradoxes, broadly understood. Along this line, throughout the following chapters we will

---

[2] In the chapters based on empirical work (fourth and fifth chapters) grand challenges serve as an empirical setting to situate the research. In contrast, in the chapter based on conceptual research (third chapter), grand challenges play a more tangential role, and they are used to illustrate some of the conceptual arguments developed in the chapter.

explore the notions of knotted and nested paradox from different ontological perspectives, and we will introduce the notion of abstract and concrete paradox.
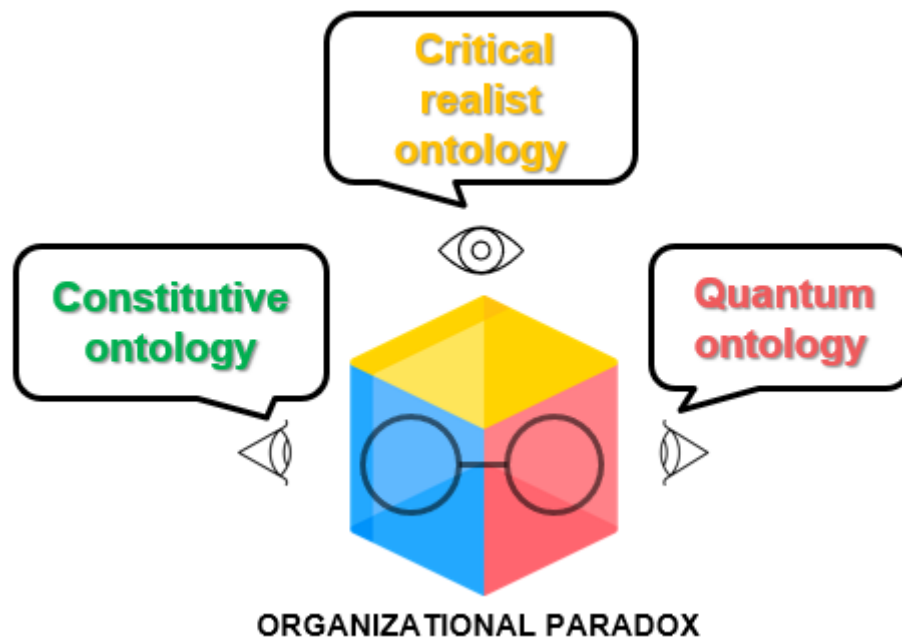
Figure 1. Overview of the three studies of the PhD

Thus, the overarching research question articulating this dissertation bridges both ontology and bundles of paradoxes in the context of grand challenges: *How do organizational paradoxes relate to one another in the context of grand challenges considering different ontological approaches?* In the following chapters I will explore this research question through both conceptual and qualitative means (Figure 2).

Chapter three is based on a conceptual paper, a previous version of which received a R&R in the Academy of Management Review (the version of the paper presented in this dissertation is based on a **still-in-progress/non-final** revised version). In chapter three we start from a critical realist ontology to unpack the dynamics of paradox. Looking back at how the dynamics of paradox have been described, we encounter two camps, the dynamic equilibrium (e.g., Smith & Lewis, 2011) and the dialectics (e.g., Hargrave & Van

de Ven, 2017) views. While the former stresses equilibrium and persistence, the latter underscores disequilibrium and teleological transformation. Instead of assuming that both processes are incommensurable, we defend that they come together at different construal levels (Lewis & Smith, 2022). In line with the critical realist ontological underpinnings of the chapter, we mobilize Archer's morphogenetic framework as a realist structuration theory (in contrast to Gidden's structuration theory, which is built on a constitutive approach) to unpack the dynamic interplay between abstract and concrete paradoxes. This interplay unfolds through the interaction of system characteristics, actors' cognition and responses to paradox. Our argument arrives at four trajectories that explain the dynamics of paradox across construal levels: stagnation, intensification, deparadoxization, and reparadoxization.

Chapter four is based on an empirical paper in which we take our point of departure from Hahn and Knight's (2021) quantum ontology. Overall, this ontology facilitates the exploration of the sociomaterial character of paradoxical knots between inter-organizational paradoxes. In this study, we mobilize both institutional and paradox theory to explain how an institutional entrepreneur worked on the sociomaterial context to harness paradoxical tensions and produce and maintain collaboration. To unpack this issue, we used a qualitative research design to study Social Impact Bonds (SIBs) across Europe. This form of social outcome contracting is used to articulate responses to complex social problems that requires actors from different sectors to work together and collaborate. Due to the complex nature of the arrangement, each SIB usually requires the presence of an intermediary, an organization that works actively to coordinate actors from different sectors to design and implement SIB. Findings show how intermediaries' (i.e., institutional entrepreneurs') work on the analytical facets of grand challenges construct

complexity, shape uncertainty, and materialize evaluativeness. The mechanisms underlying this (institutional) work unfold by knotting several paradoxes to the central business-society paradox at the heart of the collaborative agreements. Far from only being restricted to amplifying and mitigating effects, a sociomaterial understanding of knots leads to theorizing effects taking place at the relational, ideational, and material level. Thus, the business-society paradox is felt as the actors' own, vibrates, and materializes.

Chapter five is based on an empirical paper in which we start from a constitutive understanding of paradox (Putnam et al., 2016). From this perspective, the experience of salient paradox is inseparable from enacting responses (Jarzabkowski & Lê, 2017). These responses have been described from instrumental perspectives, focused on generating value (Jarzabkowski, Lê, & Van de Ven, 2013). In this chapter, we focus on the normative dimension of responses to organizational paradoxes (Hahn, Figge, Pinkse, & Preuss, 2018), that despite some notable exception (e.g., Pérezts, Bouilloud, & de Gaulejac, 2011) remains undertheorized. Accordingly, we take an ethics-as-practice approach to unpack how people morally respond to the social-commercial paradox in the context of social housing in Spain. To do so, we study two organizations, one working for a bank and another for a hedge fund, that need to manage the properties of their parent organizations in a socially responsible manner. Findings show how the social-commercial paradox is felt differently depending on the organizational level in which it is enacted. Accordingly, the social-commercial paradox is nested across levels, being felt as a paradox between (1) focus on care – focus on contract, (2) social practices – market practices, and (3) reputation – financial returns. Each of these paradoxes are enacted with a different degree of moral charge. Our findings uncover *unnesting* and *renesting* as the mechanisms

through which actors morally charge and discharge responses to the social-commercial

paradox in a dynamic way.

	PhD DETAILED OVERVIEW		
Phenomenon	Organizational Paradoxes		
Type	Conceptual	Empirical	Empirical
Ontology	CRITICAL REALISM	QUANTUM	CONSTITUTIVE
Bundles of paradox	Concrete and abstract paradoxes	Knotted paradoxes	Nested paradoxes
Aspect of the phenomenon	Dynamics of paradox	Institutional work shaping sociomaterial context	Moral Responses
Setting	-	Social Impact Bonds	Social housing
Level of analysis	Individual - System	Inter-organizational	Individual
Data collection	-	(Comparative) Case study Interviews + Observations + Other	(Phenomenological) Interviews + Observations + Documents & Media
Data analysis	-	Connective + Categorizing strategies	Coding + Zoom in critical events
Mode of Inference	-	Induction + Deduction (+ Abduction)	Induction + Deduction
Theoretical lens	Archer's Morphogenetic approach	Paradox Theory + Institutional Theory	Ethics-as-practice + Paradox Theory

Figure 2. Overview of the three central chapters of the PhD dissertation

3

ABSTRACT AND CONCRETE: EXPLAINING THE DYNAMICS OF ORGANIZATIONAL PARADOXES ACROSS CONSTRUAL LEVELS

ABSTRACT[3]

Paradoxical tensions are an inextricable part of organizations. The dynamics of organizational paradoxes have been described from a dynamic equilibrium perspective, stressing reproduction and permanence over time, and a dialectics perspective, stressing conflict and transformation. To explain the dynamics of paradox and integrate the two dominant approaches, we introduce the distinction between abstract and concrete paradox. The former refers to abstract and generalized dualities that pervade actors' decisions and practices, while the latter are the specific conflicting, yet interdependent demands that actors face in a specific organizational setting. We unpack the relationship between abstract and concrete through a morphogenetic framework, a realist structuration theory, to explain the dynamics of paradox through interplay of system characteristics, actors' cognition, and responses to paradox. Our model explains that the dynamics of paradox unfold through the four trajectories of stagnation, intensification, deparadoxization, and reparadoxization. These trajectories depend the perceived (non)malleability of system characteristics, actors' use of either/or or both/and thinking and the responses to paradox they enact (in terms of gray compromise, prioritizing, paralysis, and acceptance). Our model and its four trajectories offer a comprehensive explanation of the reproduction and transformation of abstract and concrete paradoxes.

"No matter how many times you face conflicting forces between self and other, past and future, stability and change, while details of the presenting dilemma may change, the underlying paradox remains."

–Lewis & Smith (2023: 14)

"We started with our products, using materials that caused less harm to the environment. [...] While we're doing our best to address the environmental crisis, it's not enough. [...] Instead of "going public," you could say we're "going purpose.""

–A Letter from Yvon Chouinard, founder of Patagonia (2022)

INTRODUCTION

In 2022, Yvon Chouinard, founder of Patagonia, wrote an open letter in which he announced a new ownership structure for the company, reaffirming the organization's commitment with the planet and his will to continue to address the ever-worsening environmental crisis. At the heart of Patagonia's struggles there had always been an abstract paradoxical tension between socioenvironmental concerns and the need to cater to commercial demands. This abstract "persistent contradiction between interdependent elements" (Schad, Lewis, Raisch, & Smith, 2016: 6) was first instantiated as a concrete paradoxical tension between "sustainability and quality objectives" (O'Rourke & Strand, 2017: 102). Patagonia struggled to accommodate the use of a durable water repellent that improved product quality, but was toxic for the environment at the same time (ibis.). The abstract socioenvironmental-commercial paradox also materialized around the CSR activities of the company and translated in more concrete tensions, such as sustainability campaigns that increased consumption while calling for its decrease (Hepburn, 2013), and in other initiatives that saw the company engaging with "social media in a deliberately inflammatory and political manner" (Dawson & Brunner, 2020: 58) relaying on the fact that Patagonia was "lauded as both a CSR hero and a money-making corporation" (Dawson & Brunner, 2020: 59). Yet over time, the abstract overarching socioenvironmental-commercial paradox became progressively less salient. Eventually,

42

it gave place to a different overarching abstract paradox, the one between the stability of Patagonia's values and commitment to sustainability and the insight that the governance structure of the company had to change in order to adequately address the ecological crisis. The challenge was no longer to balance socioenvironmental and commercial concerns, but to consolidate an ownership structure that made possible "to put more money into fighting the crisis while keeping the company's values intact" (Chouinard, 2022).

Patagonia's struggles highlight the dynamic nature of different organizational paradoxes over time. Some abstract paradoxes, such as the one between socioenvironmental and commercial demands, were reengaged time and again, until fading into latency. Other more concrete paradoxical tensions, such as the one between specific sustainability and quality issues, were sublated with the introduction of new technologies. Despite the commonplace assumption that paradoxes are "impervious to resolution" (Schad et al., 2016: 11), paradoxes are dynamic and can be both reproduced and transformed (Berti & Cunha, in press).

Accordingly, previous scholarship has described the dynamics of paradox from two seemingly contradictory traditions that put the focus either on the reproduction or transformation of organizational paradox. On the one hand, the dynamic equilibrium view assumes the reproduction of paradox that comes back time and again in the form of presenting dilemmas in everyday organizational life (Lüscher & Lewis, 2008; Smith & Lewis, 2011, 2022; Sundaramurthy & Lewis, 2003; Weiser & Laamanen, 2022). On the other hand, the dialectical view argues that paradoxical organizational contradictions are transformed as they are met with resistance and conflict, which unfolds in a teleological

process of recurring antitheses and syntheses (Farjoun, 2017, 2019; Farjoun & Fiss, 2022; Hargrave & Van de Ven, 2017; Raisch et al., 2018).

However, how dynamic equilibrium and dialectics work together to explain the dynamics of organizational paradoxes remains unclear. Both approaches include systemic as well as agentic elements to explain the dynamics of paradox. Some efforts have been made to bridge these two perspectives, clarifying their underlying assumptions (Smith & Cunha, 2020), and delineating their definitional features (Berti & Cunha, in press), but not much is known about how they dynamically work together. This lack of integration results in an incomplete understanding of the dynamics of paradox that is relevant for both theory and organizational practice. Theoretically, understanding the dynamics of paradox is crucial for explaining the nature as well as the occurrence and experience of paradox in organizations. For organizational practice, understanding the dynamics of paradox is essential for deploying adequate responses. It makes a significant difference if an organization has to prepare for the repeated resurfacing of the same paradox or for a sequence of different evolving paradoxes.

Recently, Lewis & Smith (2022: 532) suggested that dynamic equilibrium and dialectical transformation may "operate at different construal levels", insofar as the former offers "insights into persistent, meta-level phenomena" that remain abstract and the latter explains "underlying processes" of concrete dealings with paradox. However, the construal level of paradox, i.e., the role and interplay of abstract and concrete forms of paradox for understanding the dynamics of paradox have not yet been theorized. Rather, extant work on organizational paradoxes applies either a dynamic equilibrium or

a dialectical lens to unpack both metal-level phenomena and underlying processes indiscriminately (e.g., Jarzabkowski, Bednarek, Chalkias, & Cacciatori, 2022).

Thus, the purpose of this chapter is to explain how the construal level of paradox influences the dynamics of paradox. More precisely, we argue that a full understanding of the dynamics of paradox needs to distinguish between the dynamics of concrete (low level construal) and abstract (high level construal) paradoxes and how and why they are reproduced or transformed. To that end, we mobilize Archer's morphogenetic framework (Archer, 1995, 1996) as a meta-theoretical framework (Archer, 2013; Porpora, 2013) to theorize the dynamics of paradox. In this context, "'morphogenesis' refers to the complex interchanges that produce change in a system's given form, structure or state" (Archer, 1996: xxiv) and serves as a structuration approach that integrates the interplay of systemic and agentic factors to explain the change or reproduction of organizational paradox.

Our theoretical framework integrates the construal level of paradox and explains how its interplay with systemic and agentic factors results in four different trajectories of the dynamics of paradox: stagnation, intensification, deparadoxization, and reparadoxization. The two former represent dynamics where actors use either/or thinking and therefore do not experience abstract paradoxes. Here, actors are conditioned by systemic pressures and their cognition to respond to paradox through gray compromise or prioritizing, respectively, which tend to reproduce or intensify concrete paradoxes and the systemic pressures producing them. The two latter trajectories capture paradox dynamics where actors use both/and thinking and therefore also experience the underlying abstract paradox of concrete tensions. Here, systemic pressures and cognition condition responses of paralysis and opposition or acceptance vis-à-vis concrete

paradoxical tensions, respectively. In turn, these responses result in a collapse of the underlying abstract paradox and a deparadoxization of the concrete paradox or the sublation of the concrete paradox and the reparadoxization of the abstract paradox, respectively.

Previous research in the field of management studies has used a morphogenetic framework to understand dynamic processes and structural effects in organizations (Herepath, 2014; Mutch, 2010). In our case, this approach is particularly promising for two reasons: (1) As a realist structuration theory, it helps us unpack the dynamics between the system in which paradoxes are latent, and the experiences of and responses to salient paradoxes; and (2) It makes it possible to capture the contrast between the dynamics associated with the concrete and the abstract through the analytical differentiation between systemic and agentic dimensions[4]. As a result, our morphogenetic model captures the ontological difference between abstract and concrete paradoxes, and is able to unpack how they dynamically interact with each other.

Thus, the main contribution of this chapter is the development of a dynamic model of organizational paradox that integrates dynamic equilibrium and dialectics. To that end, we mobilize the distinction between abstract and concrete paradoxes. In this context, we use a morphogenetic framework as a realist structuration theory to unpack how system characteristics and cognition condition responses to paradox, and how these responses impact system characteristics and the dynamics of paradox. In doing so, we arrive at for

---

[4] The morphogenetic approach is built on a critical realist ontology that characterizes system characteristics (material and ideational) and agency as a dualism. In contrast, Gidden's (1979, 1984) structuration theory builds on constructivism (Leonardi & Barley, 2010) to characterize this relationship as a duality. In so doing, morphogenesis makes it possible to analytically unpack the processes through which system and actors affect each other, while Gidden's conflate these elements and hinders processual explanations (Archer, 1995, 1996).

trajectories that explain how and when paradoxes remain and equilibrium and change at different (construal) levels. On the ontological front, our explanation of the dynamics of paradox complements Hahn and Knight's (2021) quantum account by *dynamically* bringing together inherent and socially constructed features. Our trajectories explain the degree to which the dynamics of paradox depend on ontological and epistemological dynamism and staticity. In addition, we contribute to the understanding of the ontological dimension of persistence (Cunha & Clegg, 2018) that in our conceptualization encompasses instances of transformation and stability at both concrete and abstract levels.

The organization of this chapter is the following. First, we review current understandings of the dynamics of organizational paradoxes in the literature. Then, we present the tenets of the morphogenetic approach. Later, we mobilize a morphogenetic lens to unpack the relation between system characteristics, cognition, and responses to paradox over time, leading to four trajectories explaining the dynamics of paradox across concrete and abstract construal levels. Finally, we discuss implications of our conceptualization for the ontology and epistemology of paradox.

CURRENT UNDERSTANDINGS OF THE DYNAMICS OF PARADOX

Defined as "persistent contradiction[s] between interdependent elements" (Schad et al., 2016: 6), organizational paradoxes are ever-present in organizations, impacting everyday activities and outcomes (Putnam et al., 2016; Smith, Lewis, Jarzabkowski, & Langley, 2017). Organizational paradoxes include contradictory, yet interdependent demands between part and whole (e.g., Jarzabkowski et al., 2022), or stability and change (e.g., Farjoun, 2010), as well as the need to simultaneously cooperate and compete (e.g., Bengtsson & Kock, 2000), explore and exploit (e.g., Raisch, Birkinshaw, Probst, &

Tushman, 2009), or control and collaborate (e.g., Sundaramurthy & Lewis, 2003). Far from being static, these paradoxes haven been conceptualized as a constant ebb and flow between latency and salience (Smith & Lewis, 2011), and as remaining in equilibrium or evolving depending on the interplay of system and actors (Hargrave & Van de Ven, 2017; Raisch et al., 2018). The dynamics of organizational paradoxes have been approached either from a dynamic equilibrium (Smith & Lewis, 2011) or a dialectical perspective (Hargrave & Van de Ven, 2017), stressing equilibrium and reproduction or disequilibrium and transformation respectively.

Dynamic Equilibrium and Dialectics

Because "every paradox grows over the institutional remains of past paradoxes […], which means that interventions occur not over blank organizational pages but over layers of history that potentially collide with newly designed interventions" (Cunha & Clegg, 2018: 27), theories of the dynamics of paradox are necessarily based on a processual and historical understanding. The dynamic equilibrium approach (Lewis, 2000; Smith & Lewis, 2011, 2022) is built on the logic of balance, and it stresses the interdependence between the poles of the paradox (Smith & Cunha, 2020). It explains how paradoxes are dynamically reproduced in an equilibrium between latency and salience. This dynamic unfolds in the form of cycles (Pradies, Tunarosa, Lewis, & Courtois, 2021; Schad et al., 2016; Tsoukas & Cunha, 2017), that can be virtuous or vicious depending on the strategic nature of responses (Jarzabkowski & Lê, 2017; Lewis, 2000; Smith & Lewis, 2011). In contrast, the dialectics approach (Farjoun, 2019; Hargrave & Van de Ven, 2017) is built on the logic of opposition (Smith & Cunha, 2020), stressing contradictions as the key constitutive element of paradox (Farjoun, 2017, 2019; Hargrave, 2021). Building on Hegel (2010), the dialectical view is inherently processual,

48

and explains how paradoxes are transformed in an ongoing process of contestation (Farjoun, 2017; Hargrave & Van de Ven, 2017; Van de Ven & Poole, 1995). When viewed from a dialectical perspective, the dynamics of paradox unfold teleologically, in a process that brings higher understandings of paradox (Raisch et al., 2018).

To explain the dynamics of paradox, both approaches, dynamic equilibrium and dialectics, integrate structural elements, stemming from organizational systems, and agentic elements, referring to organizational actors' interventions vis-à-vis paradoxes. Structural elements are important to explain the dynamics of paradox as paradoxes "persist because of the complex and adaptive nature of organizational systems" (Smith & Lewis, 2011: 389) and are embedded "in broader political, institutional, and social context" (Hargrave & Van de Ven, 2017: 333). Paradoxes have been conceptualized as being inherent and embedded in organizational and larger overarching systems, such as societal and natural systems (Hahn & Knight, 2021; Schad & Bansal, 2018). The characteristics of these systems (Schad & Bansal, 2018) and the systemic pressures they exert on organizational actors (Schrage & Rasche, 2022) influence the emergence and dynamics of paradoxes. System characteristics represent the ontological basis of organizational paradoxes (Hahn & Knight, 2021) in that these "underlying [systemic] ontological features cannot be simply 'wished away'" (Schad & Bansal, 2018: 1495). For instance, organizational paradoxes between stability (e.g., preserving market position) and change (e.g., shifting from internal combustion engines to electric vehicles) for established car makers due to climate change stem from the characteristics of, and resulting pressures from, Earth's climate system and legal requirements from the regulatory system (Gaim et al., 2021). Likewise, the structure of organizational systems shapes the emergence of different paradoxes that organizational actors experience (Berti

& Simpson, 2021). From the perspective of organizational actors, these system characteristics and the resulting pressures, can be opposed (Hargrave & Van de Ven, 2017; Hargrave, 2021), but are not always fully malleable (Schad & Bansal, 2018).

System characteristics are not deterministic, though. For both approaches, dynamic equilibrium and dialectics, organizational actors' interventions vis-à-vis paradox play an important role to explain the dynamics of paradox. In Smith and Lewis' (2011) dynamic equilibrium model, the dynamic ebb and flow between paradox latency and salience[5] results from actors' responses to paradox. According to this approach, based on actors' acceptance of paradox, paradoxes are reproduced through actors' constant move between integrating and differentiating the opposing yet interdependent poles of the paradox. The dialectics approach also links the dynamics of paradox to organizational actors' responses to contradictions, however, here the focus is on explaining transformation rather than reproduction. Dialectics scholars typically argue that paradoxes get transformed as actors go through stages of convergence and divergence (Raisch et al., 2018). Based on a mindset of confrontation rather than acceptance, actors respond to opposing elements through conflict and resistance to reach a temporary synthesis which is challenged by a novel antithesis in turn (Hargrave & Van de Ven 2017; Hargrave 2021). Through this dialectical process, actors can alter systemic contradictions so that paradoxes are transformed, i.e., some get sublated while seeding the ground for new ones. Closely related, as another aspect of agentic factors, both approaches highlight the role of actors' cognition of sensemaking. Most commonly, both/and thinking is

---

[5] Broadly, as defined in Hahn & Knight (2021: 364), "[s]alience refers to the experience of contradictory, yet interdependent elements by organizational actors", and it results from an interplay of systemic conditions, "plurality, change, and scarcity" (Smith & Lewis, 2011: 390) and actor's paradoxical cognition (Miron-Spektor et al., 2018). In contrast, "[l]atency refers to the status of organizational paradoxes prior to their recognition by actors" (Hahn & Knight, 2021: 364), when they remain "dormant, unperceived, or ignored" (Smith & Lewis, 2011: 390).

associated with the acceptance of paradox and dynamic equilibrium (Smith & Lewis, 2011) while either/or thinking is related to an adversarial approach that nurtures paradox transformation through conflict and confrontation (Hargrave & Van de Ven, 2017).

Both approaches also highlight that the dynamics of paradox result from the interplay of structural and agentic factors. More precisely, the dynamics of paradox result from organizational actors' ongoing responses to paradox as they continuously revise and rearrange their involvement with organizational systems (Cunha & Clegg, 2018). Actors' cognition as well as system characteristics and the resulting pressures shape and condition actors' responses to paradox. Hargrave and van de Ven (2017) propose theoretically that the distribution of systemic power conditions different responses to paradox, whereas Schrage and Rasche (2022) find that the alignment or divergence of pressures from supply systems and different national business systems shape actors' responses to paradox.

In summary, the dynamic equilibrium and dialectics views portray a divergent picture of the dynamics of paradox. The first highlights persistence and cycles of reproduction of paradoxes in terms of a "processes which, although at times they may appear to be 'solved', eventually resurface, bringing action back to 'where it all started'" (Cunha & Clegg, 2018: 15). The latter focuses on explaining evolution and teleological transformation of paradox, where "every new start [of the paradox] is more than a repletion, a necessarily different start" (Cunha & Clegg, 2018: 15). More recently, several efforts have sought to bring both perspectives together, clarifying definitions of key concepts in both traditions (Berti & Cunha, in press), emphasizing how they complement each other in the context of hybridity (Smith & Cunha, 2020), or offering an integrative perspective altogether (Hargrave, 2021). These efforts suggest that rather than describing

a single process in incommensurable ways, the dynamic equilibrium and dialectics perspectives are actually describing compatible dynamics (Hargrave & Van de Ven, 2017; Raisch et al., 2018). Thus, explaining the dynamics of paradox might encompass both dynamic equilibrium and dialectical transformation.

However, accepting that paradoxes sometimes get reproduced and sometimes get transformed brings up a number of related questions: What are the paradoxes that get reproduced and which are the ones to be transformed? This question is of high practical relevance since it makes a difference for decision makers and organizations whether and when they have to make sure to be able respond to the same recurring paradoxes time and again, or whether and when they need to prepare for the dealing with new paradoxical tensions. Conceptually, it brings up the question how defining paradoxes as "impervious to resolution" (Schad et al., 2016) squares with an understanding of the dynamics of paradox that entails the possibility of paradoxes being transformed. We thus lack a full understanding of the relationship between the reproduction and the transformation of organizational paradox.

Construal Levels: Abstract and Concrete Paradoxes

We argue that a fuller understanding of the dynamics of paradox and the interplay of its reproduction and transformation can be achieved by including the construal level of paradox, as recently evoked by (Lewis & Smith, 2022). In general, the construal level[6] captures "the ways that people encode and retrieve information", characterizing "the

---

[6] Construal level theory (CLT) was developed in the field of psychology (Trope & Liberman, 2010; Wiesenfeld et al., 2017). To develop our argument and characterize abstract and concrete paradoxes respectively, we mobile the distinction between high- and low-level construal present in CLT. However, we stay close to the realist underpinnings of morphogenesis (Archer, 1995) and a systemic approach to paradox (Schad & Bansal, 2018).

mental representations people apply to targets such as people or events on a continuum based on level of abstraction" (Wiesenfeld, Reyt, Brockner, & Trope, 2017: 368). In our context, construal level captures whether organizational actors construe and experience paradoxical tensions as concrete or as abstract phenomena. The former refers to the conflicting but interdependent demands in their everyday doings when facing concrete and mundane tasks in a specific organizational setting, and the latter makes reference to conflicting but interdependent abstract and generalized goals that pervade and underlie actors' decisions and practices.

Interestingly, both the dynamic equilibrium and the dialectics approach to the dynamics of paradox touch upon a distinction between the abstract and the concrete, however, without fully conceptualizing it. The dynamic equilibrium approach distinguishes between concrete, so-called presenting dilemmas 2014(Lüscher & Lewis, 2008; Smith, 2014; Smith & Lewis, 2022) or mid-range tensions (Lewis & Smith, 2022), such as Patagonia's struggle to choose between "sustainability and quality objectives" (O'Rourke & Strand, 2017: 102), and underlying paradoxes that are "persistent, meta-level phenomena" (Lewis & Smith, 2022: 532), such as today-tomorrow or self-other (Smith & Cunha, 2020). From this perspective, organizational paradoxes are abstract persistent phenomena that underlie concrete presenting dilemmas (Lewis & Smith, 2022; Smith & Lewis, 2022). The dialectics perspective's starting point are abstract "organizational contradictions within structural contradictions in society" (Hargrave & Van de Ven, 2017: 325). Paradoxes are one possibility for organizational actors to logically and socially construct concrete understandings of these underlying contradiction, (Farjoun, 2017; Hargrave, 2021; Raisch et al., 2018). From this perspective, organizational paradoxes are the concrete contextualized experience of

abstract underlying contradictions, always "embedded in material artifacts, practices, and arrangements, as well as in society's institutional orders and the 'social totality'"(Hargrave & Van de Ven, 2017: 323).

Traditions		Dynamic Equilibrium (e.g., Smith & Lewis, 2011)	Dialectics (e.g., Hargrave & Van de Ven, 2017)
Construal Level	*Abstract*	Underlying paradox	Contradiction
	Concrete	Presenting dilemma	Paradox
Agency		Located in actor's cognitive capacities	Limited by systemic influences
Responses to paradox		Affect the salience/latency of the paradox, which remains unaffected	Are inseparable from the context in which they are enacted and possess transformative power
Dynamics		Cycles of reproduction	Teleological transformation

Table 1. Traditions explaining the dynamics of paradox: Dynamic equilibrium vs. Dialectics

Accordingly, each of these traditions (see Table 1) unpacks the dynamics of paradox considering both the abstract and the concrete, but emphasizes one or the other. A dynamic equilibrium perspective focuses on the equilibrium of abstract, superordinate paradoxes, materialized in presenting dilemmas; in contrast, a dialectics perspective focuses on the transformation of concrete, material paradoxes, that are instantiations of underlying contradictions. Thus, unpacking the dynamics of organizational paradox requires understanding how the abstract and the concrete unfold over time.

The two approaches also take different stances regarding the role of structural and agentic factors when explaining the dynamics of abstract or concrete paradoxes. To

54

explain the dynamics of paradox, the dynamic equilibrium view emphasizes agentic factors in that it focuses on actors' cognitive capacities to grasp abstract underlying paradoxes (Jarrett & Vince, 2017; Smith & Cunha, 2020) and on the ensuing responses to presenting dilemmas. As long as actors are able to mobilize both/and thinking to understand and experience underlying abstract paradoxes (Miron-Spektor et al., 2018) when encountering presenting dilemmas (Smith & Lewis, 2022), they will be able to accept and work through paradox (Smith & Lewis, 2011). Through these responses to salient paradox, the paradox goes back to its latent state and remains unaffected (Smith & Lewis, 2011). As Lewis & Smith (2023: 14) put it: "No matter how many times you face conflicting forces between self and other, past and future, stability and change, while details of the presenting dilemma may change, the underlying paradox remains". According to this view, actors' agency is limited to enacting responses that fuel the dynamic shift between salient and latent paradox, but these responses do not alter, but rather reproduce the system conditions that hold latent paradoxes (Hahn & Knight, 2021).

The dialectical view emphasizes the role of the concrete systemic influences on actors (Althusser, 1965; Assiter, 1984) when enacting responses to paradoxical tensions (Benson, 1977; Hargrave, 2021). From this perspective, agency is distributed (Farjoun & Fiss, 2022), insofar as the individual "becomes enmeshed in the processual dynamic, not as actors to inform the process, but rather as part of it" (Smith & Cunha, 2020: 102). In this process, responses to concrete paradoxes become inseparable from the context in which they are enacted and the underlying abstract contradictions, that simultaneously condition and are conditioned by these responses (Farjoun & Fiss, 2022). In other words, responses to paradox possess transformative power in that they can change the system characteristics (as response to paradox is enmeshed in the process) (Smith & Cunha,

2020). According to dialectics, the dynamics of paradox can thus be explained as a structuration process in which agentic responses to concrete salient paradox and the systemic transformation of underlying contradictions recursively constitute one another (Farjoun, 2019). Through this process, the poles of the paradox morph over time (Smith & Cunha, 2020), yet underlying contradictions "are not totally discarded, but preserved and merged into the new understandings" (Raisch et al., 2018: 1517).

While existing explanations of the dynamics of paradox emphasize either abstract paradoxes accessed through actors' cognition that remain in equilibrium, or concrete paradoxes changing together with system characteristics, the interplay of the dynamics of concrete and abstract paradoxes has not been explained so far. We lack theoretical understanding of how the dynamics of concrete and abstract hang together and result in the reproduction or transformation of organizational paradoxes. Unpacking the dynamics of concrete and abstract paradoxes is also relevant for organizational practice since it explains the underlying mechanisms of how organizational responses to paradox influence the dynamics of paradox. Building on Smith & Lewis (2022) suggestion that dynamic equilibrium and dialectical transformation may be occurring at different construal levels, we address the question of how the construal level of paradox influences its dynamics. Hence, the purpose of this chapter is to develop a more complete theoretical account of the dynamics of organizational paradox by theorizing the interplay of structural and agentic factors and the construal level of paradox to identity the different dynamic pathways that explain how concrete and abstract paradoxes unfold over time.

For doing so, we mobilize a morphogenetic framework (Archer, 1995, 1996) as a realist structuration meta-theory to propose that the dynamic of paradox can be explained

through the interplay of structural and agentic factors that results in different trajectories of the reproduction and transformation of concrete and the abstract paradoxes. Accordingly, we argue that the dynamics of paradox unfold at two levels, the concrete and the abstract. A morphogenetic lens is useful because it captures the structuration process through which system characteristics, together with cognition and the experience of abstract paradoxes, condition responses to salient concrete paradoxes and how responses to paradox, in turn, shape the system characteristics that hold latent paradoxes. Before proceeding with our theorizing of the dynamic pathways, we introduce the morphogenetic approach.

THE TENETS OF A MORPHOGENETIC APPROACH

Background

We unpack the dynamics of organizational paradoxes across construal levels through a morphogenetic approach, an explanatory program introduced in the social sciences by Margaret Archer. This meta-theoretical approach can be used to break down the elements participating in the process of change or reproduction of the characteristics of a system at different levels (Archer, 2013; Mutch, 2010). It represents a structuration theory that organizes the analysis of the temporal evolution of systems by exploring how system characteristics and agency relate to one another over time to change (morphogenesis) or reproduce (morphostasis) the system (Archer, 2013). Overall, morphogenesis is built on the idea that system characteristics precede and shape actors' actions that, in turn, subsequently transform system characteristics through elaboration or reproduction (Archer, 1995).

Morphogenesis is a useful lens to explain the dynamics of paradox since it captures the dynamic structuration process between systemic and agentic factors. Systemic factors are reflected through the role of system characteristics[7], which we define as a set of objects and patterns that have either a material or an ideational character (Archer, 1995). These objects and patterns are characterized by their interconnections between each other, which constitute different systems, such as the organizational, societal and natural systems. For example, the different departments of a company can be understood as material characteristics of the organization, while the institutional logics governing them (Thornton, Ocasio, & Lounsbury, 2012) can be seen as ideational characteristics. In this context, material refers to "structures and practices" (Thornton et al., 2012: 10), as well as physical objects (Friedland, 2013; Raaijmakers, Vermeulen, & Meeus, 2018). In contrast, ideational refers to "ideation and meaning" (Thornton et al., 2012: 10) or, to put it another way, "anything with meaningful content produced by social intentionality" (Porpora, 2015: 159), such as symphonies, stories, or theories (Popper, 1978).

System characteristics shape, and are shaped by, agentic factors, i.e., people's (inter)actions and cognition. First, system characteristics shape actors' actions. Since actors are embedded in larger systems they are involuntarily placed in relation to system characteristics, which imbues them with specific situational "interests" that come with a tendency to act either toward maintaining the system or changing it (Archer, 1995). An employee working in the CSR department of a company may well seek to stabilize it (because they are benefitting from it) while members of the finance department may want to downplay or abolish the CSR department. While the actions of actors are conditioned by system characteristics, they are not determined because actors possess distinct

---

[7] Our definition of *system characteristics* is closely related with the terms of structural and cultural emergent properties in Archer (1995).

cognitive frames and the capacity to reflect (Archer, 2003; Danermark, Ekström, & Karlsson, 2019). Accordingly, each actor possesses cognitive capacities that give them "the ability to reflect, to generalise, and to think in concepts, all of which hang together and enable co-ordination" (Hofkirchner, 2017: 291).

Second, due to their cognition and their organizational situatedness, actors may perceive system characteristics as more or less malleable in the sense that actors believe that they can alter system characteristics through their actions or not. The perceived malleability of system characteristics may stem from various sources. On the one hand, some system characteristics are less malleable than others by their very nature. For instance, bio-physical laws of nature that shape the dynamics of natural systems are stable and non-malleable for organizational actors (Schad & Bansal, 2018). On the other hand, organizational actors' own capabilities and their (power) position within the organization also shape the perceived malleability of system characteristics. Front line employees in the lower ranks of an organization will perceive organizational system characteristics such as incentive systems or the organizational communication culture as less malleable than members of the top management team who define and shape these organizational system characteristics through their daily decisions (Eggers & Kaplan, 2013; Gaim, Clegg, & Cunha, 2021). Likewise, differences in actors' technical and/or professional capabilities can explain different perceptions of malleability of system characteristics. As a result, from an actor's perspective, some system characteristics appear rather malleable, for instance when a market leader can shape the dominant design of a product and thereby alter the ideational or material characteristics of a product system, while others seem rather rigid, such as when companies face constraints from the biophysical realm, for instance when facing climate change. Structural and cognitive factors shape actors'

perceived malleability together. For instance, when designing defeat devices for polluting diesel engines (Crête, 2016; Ewing, 2016; Rhodes, 2016), Volkswagen's engineers were constraint by bio-physical laws that limit the efficiency of internal combustion engines, by VW's strong market communication on the purported efficiency of VW's diesel cars in comparison to Toyota's hybrid technology, and by a corporate culture of obedience towards the hierarchy. At the same time, engineers relied on their technical capabilities to develop defeat devices.

The Morphogenetic Cycle

Archer (1995) captures the structuration process between system characteristics and agency through a morphogenetic cycle with three partially overlapping phases (Figure 3). These phases are recursive over time in that the outcomes of one cycle constitute the starting configuration of the subsequent one.
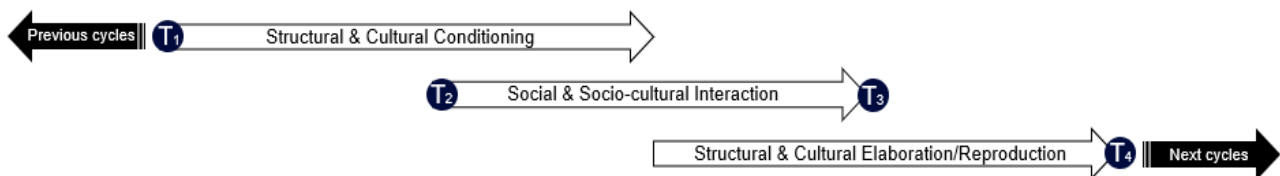
Figure 3. The phases of the morphogenetic cycle (Based on Archer, 1995: 157)

Based on (Archer, 1995, 1996), the phases of the morphogenetic approach can be described as follows: The cycle starts at T_1 with the conditioning phase. System characteristics condition actors' actions as they provide "strategic guidance" that works "by supplying good reasons for particular courses of action, in the form of the premiums and penalties associated with following them or ignoring them" (Archer, 1995: 216). From the point of view of a focal actor, system characteristics produce systemic pressures (Schrage & Rasche, 2022), which work in parallel to agentic cognition (Hofkirchner, 2017) and reflexivity (Mutch, 2010) to shape responses. The phase of the cycle from T_2

to T$_3$ corresponds to the interactional phase in which actors, influenced by both the system characteristics and the cognitive frame through which they grasp the world, take action. Some actors will work toward maintaining the system, while others will seek to change it. Finally, the last phase of the cycle ending at T$_4$ refers to the elaboration or reproduction of the system. This phase captures the effects that the actions taken by actors have on system characteristics. As a realist structuration theory, the morphogenetic cycle is particularly useful to theorize the dynamics of paradox because it captures the processual character of these dynamics and unpacks the interplay of systemic and agentic factors that have been proposed as determinants in prior work on the dynamics of paradox. In the following, we thus use the morphogenetic cycle as our lens to develop our theoretical framework of paradox dynamics over different construal levels.

DYNAMICS OF PARADOX ACROSS CONSTRUAL LEVELS

We use Archer's morphogenetic approach as an analytical framework to explain the dynamics of organizational paradox across construal levels. This framework provides a suitable foundation to unpack the interplay structural and cognitive factors to explain the dynamics of concrete and abstract paradoxes. This dynamic unfolds through an interplay between system characteristics holding latent paradox, organizational actors' cognition that renders concrete and abstract paradoxes salient, and actors' responses to paradox. In this context, a morphogenetic approach serves as a (realist) structuration framework to unpack the trajectories of the dynamics of paradox, unceasingly unfolding by means of reproduction or elaboration.

Using a morphogenetic approach allows us to theorize the dynamics of paradox as an ongoing process that explains how actors' responses to salient paradoxes are shaped

61

by their cognition and their perceived malleability of system characteristics and how these responses in turn alter the system characteristics that hold latent paradoxes. In our reasoning, we argue that the dynamics of paradox can only be adequately theorized by bringing in the construal level of paradox in terms of distinguishing between the experience of concrete and abstract paradoxes. Ontologically, both concrete and abstract paradoxes are inherent in the same system characteristics and thus have a shared state of latency. Concrete and abstract paradoxes are distinct in how actors experience them; more precisely, they differ in both the triggers and the nature of their salience. While concrete paradoxes are rendered salient through scarcity, plurality, and change (Smith & Lewis, 2011), actors make abstract paradoxes salient through paradoxical thinking (Miron-Spektor et al., 2018; Smith & Lewis, 2022). Moving from the experience of a concrete to an abstract paradox thus entails mobilizing both/and thinking in a way that incidental and situation-specific features of the paradox are backgrounded, and the underlying interdependencies are highlighted. Building on the notion that "[c]oncrete representations typically lend themselves to multiple abstractions" (Trope & Liberman, 2010: 441), we assume actors have leeway when choosing the underlying abstract paradoxes that relate with the concrete paradox they encounter. In other words, through paradoxical thinking actors frame concrete paradoxes as a case of a more general underlying abstract paradox. Doing so helps actors to see interconnections between the opposing poles of the concrete paradox and find ways to manage the concrete paradox generatively (Smith & Lewis, 2011, 2022). We thus follow previous research on paradox (Smith, 2014; Smith & Lewis, 2022) in that the experience of organizational paradox starts with the experience of a contextualized and embedded concrete paradox (or "presenting dilemma") (Seidl, Lê, & Jarzabkowski, 2021) which may or may not be followed by the experience of an underlying abstract paradox.

62

The Morphogenetic Dynamics of Paradox

Below, we develop our argument to explain the dynamics of organizational paradox across construal levels based on the interplay of structural factors (captured through the perceived malleability of system characteristics) and cognitive factors (captured through actors' either/or or both/and thinking). Depending on whether actors mobilize either/or thinking or both/and thinking, they will only experience concrete paradox, or both concrete and abstract paradoxes respectively. Following recent developments in paradox theory that cognition is insufficient to explain actors' responses to paradox but needs to be complemented by structural embeddedness (Berti & Simpson, 2021; Hahn, Sharma, & Glavas, in press) we also take into account whether actors perceive the system characteristics that hold latent paradox as malleable or non-malleable. As a result, our argument renders four dynamic trajectories, leading to the stagnation, intensification, deparadoxization, and reparadoxization of organizational paradox. For each of these trajectories our morphogenetic framework explains how both actors' cognition and the perceived (non-)malleability of system characteristics condition responses to paradox and how these responses, in turn, alter system characteristics, influencing how concrete and abstract paradoxes unfold over time.

Before developing the four dynamic trajectories in detail, we sketch out the morphogenetic dynamics underlying our argument. All four trajectories evolve through the repeated and ongoing deployment of morphogenetic cycles where the starting point of any given cycle is the result of previous morphogenetic cycles. A morphogenetic cycle of the dynamics of paradox starts with the phase of conditioning and the characteristics of the organizational system that hold latent paradoxes (Hahn & Knight, 2021). In the conditioning phase the interplay of the perceived malleability of system characteristics (a

structural factor), and actors' either/or or both/and thinking (a cognitive factor) shape a tendency to experience and respond to paradox in different ways. Triggered by conditions of scarcity, plurality, and change (Smith & Lewis, 2011) concrete paradoxes are rendered salient (Smith, 2014; Smith & Lewis, 2011, 2022) in terms of a contextualized and embedded experience (Seidl et al., 2021) of a concrete paradox during actors' everyday activities. In this context, according to Smith and Lewis (2011; 2022), if actors mobilize either/or thinking, they only experience concrete paradoxes, while if they use both/and thinking they also experience abstract paradox.

In the subsequent interactional phase, shaped by the interplay of their perceived malleability of system characteristics and their cognition actors deploy *responses to paradox*. This phase is characterized by the interaction between salient paradoxes and actors. Experiencing and enacting salient paradoxes inevitably involves constructing responses to them (Jarzabkowski & Lê, 2017). To put it another way, experiencing paradox comes with generating dynamic responses built on social interactions (ibid.). As Berti and Simpson (2021) highlight, responses to paradox depend not only on cognition but also on the structural constraints and the resulting leeway actors have to enact responses to paradox. We argue that the dynamics of paradox depend on a) whether actors' responses to paradox are based on the experience of concrete *and* abstract paradoxes or only on concrete ones and b) whether they perceive the system conditions that bring about these paradoxes as malleable or not. Most importantly for the dynamics of paradox, depending in these factors, actors' responses to paradox will differ to the degree to which they alter the system characteristics that hold paradoxes.

The effects of actors' responses to paradox on the system characteristics that hold and shape paradoxes is captured by the final, so-called reproduction/elaboration phase of the morphogenetic cycle. Here, the system characteristics in which latency is inherent get reproduced or elaborated depending on actors' responses to concrete (and abstract) paradoxes. By influencing system characteristics, the way actors respond to salient paradoxes shape their latency for subsequent instances of the morphogenetic cycle that unfold. The sequence of morphogenetic cycles thus explains the *dynamics of concrete and abstract paradoxes* over time in terms of how actors' cognition and perceived malleability of system characteristics shape the experience of, and responses to, paradox which in turn reproduces or alters the underlying system characteristics that hold and condition paradoxes. The ongoing unfolding of morphogenetic cycles through the three phases of 1) structural and cognitive *conditioning* of actors' experience of and responses to paradox, 2) actors' *interaction* with the system to enact responses to paradox, and 3) these responses' *reproduction or elaboration* of system characteristics thus explain the dynamics of concrete and abstract paradoxes as an interplay of structural and agentic factors. Based on this morphogenetic approach, in the following, we unpack four dynamic trajectories of paradox across concrete and abstract construal levels. In so doing, we arrive at four dynamic trajectories of paradox over time: the trajectories of stagnation and intensification where actors only experience concrete paradoxes, and the trajectories of deparadoxization and reparadoxization when actors experiences both concrete and abstract paradoxes (see Figure 4). It is important to note that the dynamics of paradox unfolds over the repeated unfolding of sequential morphogenetic cycles. For the sake of analytical and theoretical clarity we explain these dynamics through the three phases of these cycles and their repeated unfolding over time.
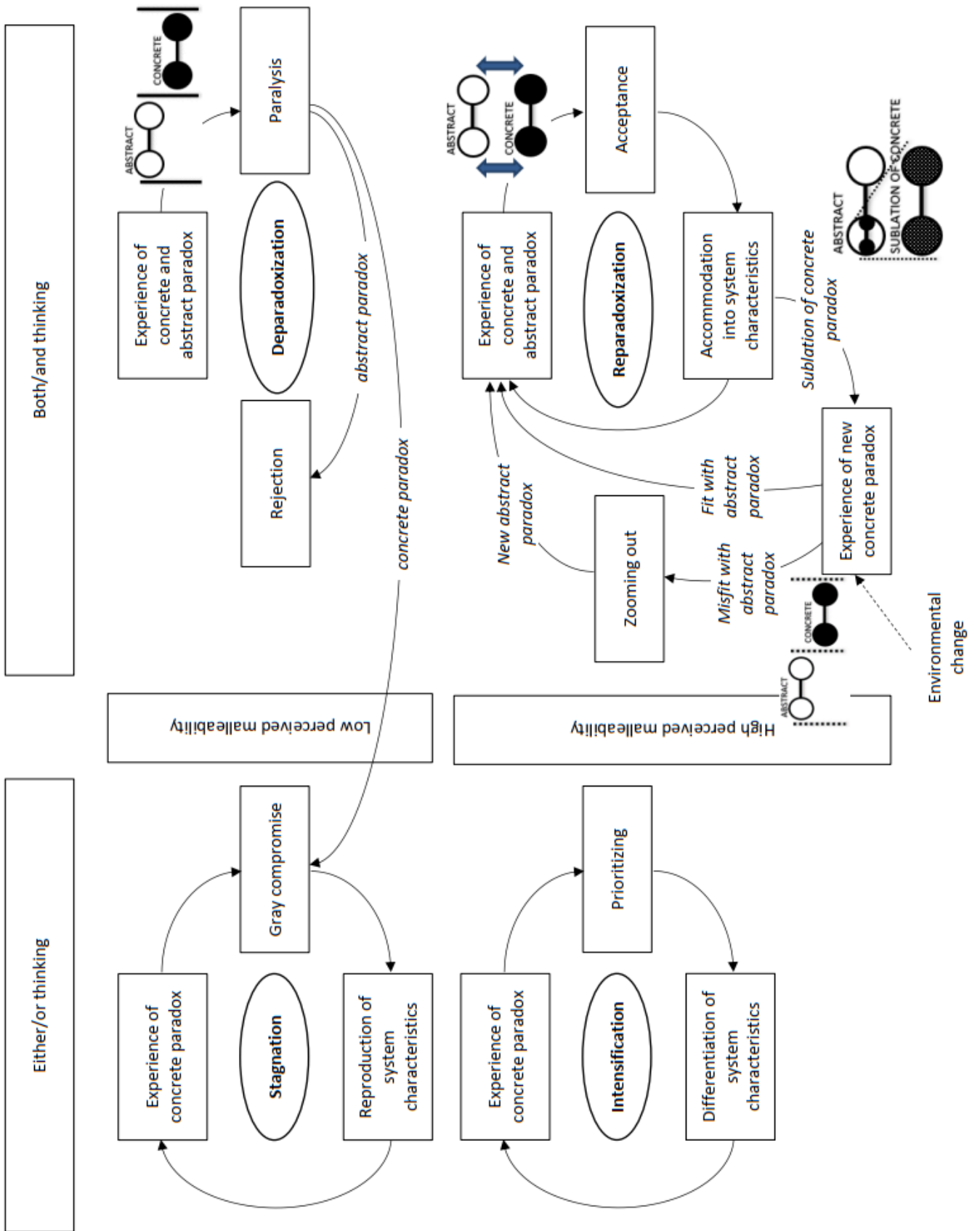
Figure 4. Trajectories for the dynamics of paradox

Stagnation

The dynamic trajectory of stagnation captures the reproduction of concrete paradoxes. This trajectory is conditioned by actors' either/or thinking and a perceived non-malleability of system characteristics. Using either/or thinking when experiencing a concrete paradox means that actors stress contradictions between the opposing poles of the concrete presenting dilemma and tend to keep these opposed elements separate (Putnam et al., 2014; Smith & Lewis, 2011). Through this thinking, actors are locked in experiencing concrete paradoxes, remaining unable to access underlying abstract paradoxes and the capacity to grasp interdependences that comes with them (Smith & Lewis, 2022). With either/or thinking actors seek to deny or avoid paradoxical tensions and circumvent the discomfort they generate (Jarzabkowski et al., 2013). A perception of non-malleability of system characteristics implies that actors see themselves in situations that they cannot change. Here, actors perceive that they have little agency to change the situation that brings about the paradoxical demands (Berti & Simpson, 2021) because of structural or organizational constraints (Hahn et al., in press) or the physical limits of a system (Schad & Bansal, 2018) in which they are embedded.

Either/or thinking and the perceived non-malleability of system characteristics lead actors to foreground the contradictory nature of the experienced concrete and specific paradoxical demands of their everyday doings. Such an experience of paradox has been associated with a feeling of discomfort (Stohl & Cheney, 2001). In turn, to alleviate this discomfort actors tend to avoid tensions to alleviate the discomfort by leaning towards one pole of the tension (Jarzabkowski et al., 2013). However, because actors perceive system characteristics to be non-malleable, they do not see possibilities to change organizational systems so that concrete competing paradoxical demands would be

resolved or avoided. Therefore, in the interactional phase of the morphogenetic cycle, actors try attending to the poles of the paradox but will not succeed to stay true to either pole. They will have a tendency to enact a response of gray compromise in which "actors can 'average' or combine the black and white into gray such that a middle ground is found that is not really true to either black or white" (Ashforth, Rogers, Pratt, & Pradies, 2014: 1464).

A response of gray compromise is characterized by catering to competing needs in a way that neither is satisfied. In other words, actors who feel disempowered vis-à-vis the concrete paradoxical demands they are facing feel that they make little progress on moving towards resolution towards either pole through their either/or thinking. Rather, they get stuck in a middle-ground between competing demands that end up coming up time and again (Sundaramurphy & Lewis, 2003). Seeking a gray compromise between concrete paradoxical demands does not change the underlying causes of the paradoxical demands; rather, trying to accommodate both poles tends to reproduce the structures that generate these demands in the first place. Accordingly, in the final phase of the morphogenetic cycle, this response reproduces the status quo of the organizational system and its characteristics and the concrete paradoxes they hold. Under a *dynamic of stagnation*, due to the lack of malleability from the actors' perspective, system characteristics are slightly rearranged at best. Hence, they will maintain the essence of the latent paradox intact, which will eventually resurface. As morphogenetic cycles unfold repeatedly, this reproduction comes without growth, leaving actors stagnated in a reappearance of similar concrete paradoxes and a fruitless repetition of similar responses of gray compromise that never fully satisfy competing demands.

This trajectory can be illustrated by cases where the tensions that decision makers face have their roots in bio-physical constraints based on natural laws, resulting in perceptions of low malleability. Tensions related to environmental sustainability often refer to such constraints as they are concerned with the chemical or physical characteristics of pollutants and the underlying reaction mechanisms (Schad & Bansal, 2018). For instance, Hengst et al. (2020: 259) report how development engineers in a consumer good company faced tensions regarding the sheer impossibility to marry product functionality and lower energy use, "[asking] us whether we are aware of the physical laws at hand." These tensions could not be resolved but were addressed through compromises.

Intensification

The dynamic trajectory of intensification describes the transformation of concrete paradoxes over time. As with the trajectory of stagnation, intensification refers to the dynamics of concrete paradoxes only as it occurs when actors mobilize wither/or thinking to make sense of the paradoxes they experience. Like with the previous trajectory, actors thus have a tendency to frame concrete paradoxes in terms of trade-off choices and tend to lean to one pole of the paradox to avoid or resolve the tension. In the conditioning phase, actors' experience of paradox is restraint to concrete paradoxical tensions with an emphasis on their contradictory aspects. Yet, in contrast with the trajectory of stagnation, here, actors perceive that the system characteristics that bring about the paradox are malleable. This means that actors feel that through their responses to paradox they are empowered to change organizational conditions that lead to the experience of concrete paradoxical demands (Berti & Simpson, 2021). As either/or thinking invites the emphasis of one pole of the paradox over the other, and considering that actor feel that they have

the opportunity to influence the conditions of the organizational system at their will, they have the tendency to selectively focus on the one pole of the concrete paradox that they prefer.

Following their either/or thinking and the perceived empowerment to influence the organizational system, in the interactional phase actors will tend to respond by prioritizing and emphasizing one pole of the concrete paradox over the other. With such a response actors establish a hierarchy of the more favorable pole over the other one (Hahn, Preuss, Pinkse, & Figge, 2014), excessively focusing on and engaging with that one pole and opposing the other (Lewis, 2000). This results in one pole dominating or overriding the other pole of the paradox (Jarzabkowski et al., 2013).

Most importantly, since actors have influence on the organizational system, these responses alter the system characteristics that hold the concrete paradox in a way that the opposites between the two poles of the paradox are intensified. Because the prioritization of one pole of the paradox is selective and hierarchical, it is opportunistically biased. Actors seek to change organizational rules, routines, and practices in favor of their preferred pole of the paradox. However, as prior research on paradox shows, as soon as the focus is excessively put on one pole and the other is subordinated, the differences between the poles get progressively more intensified (Archer, 1995; Gaim, Clegg, Cunha, & Berti, 2022; Sundaramurthy & Lewis, 2003). For example, Sundaramurthy & Lewis (2003), explain how focusing on either control or collaboration in the context of corporate governance fosters vicious cycles driven by groupthink and distrust in which the overemphasized pole gets progressively reinforced. Accordingly, such emphasis on one

70

pole brings the paradox back with greater strength, making the difference between control and collaboration more intense.

Unlike in the previous case where system characteristics are perceived as non-malleable, in this trajectory system characteristics can be changed and rearranged in meaningful ways by actors' actions in response to paradox. In the final phase of the morphogenetic cycle, due to actors' efforts to influence the system characteristics in favor of their preferred pole of the concrete paradox, these system characteristics evolve towards intensifying the differences between the two poles of the paradox. Over time through the repeated enactment of the morphogenetic cycle, a *dynamic of intensification* unfolds where actors' prioritization of one pole of the concrete paradox translates in a change of organizational characteristics in a way that underpins and emphasizes that pole. However, as different actors favor different poles and exogenous factors beyond the influence of organizational actors pushing for the opposite pole take effect, the differences between the two poles become more and more engrained in system characteristics and the intensification of competing demands will gain momentum (Gaim et al., 2022).

The trajectory of intensification can be illustrated through cases where organizational leaders adopt an either/or approach to address governance questions in their organizations. Leaders have the dedicated tasks to define and implement the mechanisms and incentives through which different parts and tasks of their organization are governed. As Sundaramurphy and Lewis (2003) highlight, such governance tasks come with a tension between control and collaboration. Due to their position and hierarchy, leaders regularly have influence on the organizational system and will hence perceive that they can alter the characteristics of the organization. However, when leaders, following

71

either/or thinking, excessively prioritize either control or collaboration, tension will be intensified over time. An excessive prioritizing of control over collaboration nurtures distrust which gradually reinforces polarization, as well as myopic behavior and impression management oriented towards explicit short-term targets. In turn, the more leaders implement control-based governance structures, the deficits of an all control-based governance bring back the necessity of collaborative elements and hence intensify the control-collaboration tension. Conversely, excessively prioritizing collaboration over control fuels group think which over time results in consensus seeking and threat rigidity. Likewise, the more leaders implement control-based governance structures, the more the control-collaboration tension is intensified as the shortcomings of an all-collaborative governance structure get apparent over time (Sundaramurphy & Lewis, 2003).

Deparadoxization

The following two dynamic trajectories of deparadoxization and reparadoxization are different from the ones developed above in that actors mobilize both/and thinking to make sense of the experience of paradox. Through both/and thinking, actors render salient abstract paradoxes that underlie the concrete presenting dilemmas that actors experience in their daily organizational lives (Smith & Lewis, 2011; 2022; Smith, 2014). Activating abstract paradoxes represents a cognitive act that establishes a fit between the two poles of the concrete paradox, in terms of specific competing demands stemming from actors' contextualized everyday experience, and the two poles of the abstract paradox that capture the concrete demands in terms of more generalized competing yet interdependent elements. In other words, by activating an abstract paradox, actors cognitively establish a correspondence between the two specific poles of the concrete paradox and the two general poles of the abstract paradox so that the concrete paradox becomes a specific case

of the abstract one. Experiencing an underlying abstract paradox highlights the interdependence of the two competing poles (Smith & Lewis, 2011; Smith 2014). In divesting a concrete paradox of its incidental features and making it a case of a more general abstract paradox, while retaining its central elements, actors are more likely to also see synergies between the competing poles of the concrete paradox, and not only contradiction. While experiencing abstract paradoxes implies that actors divest concrete paradoxes of their contextual embeddedness and immediate practical impediments, it helps actors to see the interdependence between the competing demands of the concrete paradox (Huq, Reay, & Chreim, 2017). For example, in the case of Patagonia, the experience of the abstract paradox between socioenvironmental and commercial demands, highlights the interdependence of the sustainability and quality poles of the concrete paradox.

The dynamic trajectory of deparadoxization captures the concealment and marginalization of paradox over time. Since actors in this trajectory actors use both/and thinking, it involves the dynamics of concrete and abstract paradoxes. At the same time, while actors approach paradox through both/and thinking, this trajectory is marked by actors' perceiving as non-malleable the system characteristics in which latent paradoxes are inherent. Mobilizing both/and thinking renders abstract paradoxes salient, which, in turn, underscores the interdependence between the competing poles of the concrete paradox. While in this trajectory, due to the salient abstract paradox, actors see the interdependence between the poles of the concrete paradox, due to their perceived non-malleability of system characteristics, they are devoid of agency and remain incapable to act on the synergies. The conditioning phase of this trajectory obscures actors' possibilities to develop suitable responses to paradox as it tends to bring up "situations in

which oppressive power conditions restrict the ability for organizational members to make legitimate choices in the face of interdependent contradictions" (Berti & Simpson, 2021: 253).

While actors grasp the interdependence of the poles of the paradox through both/and thinking, at the same time, they feel that they are unable to act in a meaningful way to address the concrete paradox they face because they perceive that they do not have agency over the organizational system characteristics that bring about the paradox. Being aware of potential synergies but at the same time not being able to realize these synergies results in a situation marked by absurdity, frustration, and paralysis. Paradox has often been associated with absurdity (Lewis, 2000; Berti & Simpson, 2021), but paradoxical both/and thinking is usually portrayed as a way to generatively deal with this issue (Smith & Lewis, 2011). While absurdity is fueled by seemingly inconsistent demands (Putnam et al., 2016), absurdity leads to paralysis when actors are devoid of agency to act upon the situation (Berti & Simpson, 2021) because they lack "adequate conditions of agency" (Berti et al., 2021: 72). Absurdity and the ensuing paralysis are further heightened when actors actually have an idea on how to act vis-à-vis the concrete paradox (because the mobilize both/and thinking and make an underlying abstract paradox salient) but cannot implement these ideas because they lack the agency to do so.

In this trajectory, the interactional phase is thus marked by an "absurd and paralysing impasse" (Berti et al., 2021: 71) that is characterized by "perpetual oscillation between non-existent alternatives" (Putnam et al., 2016: 83). Due to the perceived non-malleability of system characteristics, while the actor understands how the poles of the paradox are interconnected and how, in theory, to respond in generative ways, they are

unable to enact such responses. Hence, the reproduction phase, of the morphogenetic cycle of this trajectory leaves system characteristics unchanged. Over repeated enactments of this morphogenetic cycle, in this paralyzing and absurd situation actors realize that system pressures stemming from system characteristics cannot be accommodated with their current both/and thinking. They are therefore likely to reject the abstract paradox and seek to deparadoxize the situation. Through deparadoxization actors seek to conceal paradox (Schneckenberg, Roth, & Velamuri, 2023; Seidl et al., 2021) by pushing it "to a place where it is less troublesome" (Luhmann, 2006: 92) to make it latent again. Here, the entire idea of paradox being a useful framing of the situation is rejected. At this point, the abstract paradox collapses and it is abandoned, returning to its latent state.

When the abstract paradox is rejected through deparadoxization, actors abandon both/and thinking and the concrete paradox at hand is not perceived as a case of an underlying more general abstract paradox any longer. Without the salient abstract paradox, over time in this trajectory, actors relapse to the dynamic trajectories that work without a salient abstract paradox, in this case, stagnation, since actors do not perceive to have agency over the system characteristics holding the paradox. Overall, the *dynamic of deparadoxization* displaces the focus of actors' attention away from the abstract paradox, rendering it latent again. Actors discard the abstract paradox after it fails to accommodate the poles of the concrete paradox. As a result, with regard to the concrete paradox, actors relapse to the trajectory of stagnation. In an effort to move away from absurdity and paralysis actors reject the debilitating abstract paradox, and turn to gray compromises in an (albeit futile) effort to meaningfully act on the concrete paradox through finding some middle ground between the competing poles of the concrete paradox.

An illustrative example of deparadoxization can be found in the case of the Volkswagen diesel scandal (Crête, 2016; Ewing, 2016; Rhodes, 2016). As Gaim and colleagues (2021) describe, development engineers were confronted with a both/and framing that purported that diesel engines could be powerful, cheap, and clean at the same time. However, "[d]elivering on the top-level paradoxical promise of a diesel car that is 'fast, cheap and green' begot a paradox at lower levels that proved to be an engineering enigma" (Gaim et al., 2021: 956). Technically speaking, delivering a diesel engine that was powerful, fuel efficient, and low on pollutants such as NOx and dust emissions, is technically close to impossible (Ewing, 2016), hence leaving development engineers with a perception of low malleability. Given the absurdity that resulted from the combination of Volkswagen's top management's insistence on the 'fast, cheap, and green' marketing massage and the technical limitations of delivering on that promise, engineers rejected to abstract paradox. Instead, they focused on the concrete paradox (that Gaim et al., (2021) refer to as "lower level") and addressed this tension through a grey (and in this case even: false) compromise between the competing demands by implementing a defeat device that "sustained the appearance that VW's clean diesel embraced performance, efficiency and emission" (Gaim et al., 2021: 957). Eventually, this 'solution' did not remove the concrete paradox, but it came back after the scandal was revealed publicly. As this example of a trajectory of deparadoxization illustrates, the abstract paradox is rejected as not useful as actors perceive the underlying system constraints as non-malleable. Consequently, they fall back on the concrete paradox that they seek to address through grey compromise, resulting in a trajectory of stagnation.

Reparadoxization

The dynamic trajectory of reparadoxization describes the ongoing refueling of paradox over time. However, as we explain in the following, this refueling of paradox does not work through a simple reproduction of paradox but occurs through a process of dialectical transformation of concrete paradoxes and the evolution of abstract paradoxes. Like in the previous trajectory, actors mobilize both/and thinking and thereby render abstract paradoxes salient, which highlights the interdependence between the poles of the concrete paradox in that actors perceive the latter as a special case of the former. However, in contrast to the trajectory of deparadoxization, here, actors perceive that the system characteristics that hold the paradox are malleable, which means that they feel empowered to act on the organizational system to realize synergies between the competing demands of the concrete paradox (cf. Berti & Simpson, 2021). In other words, while both/and thinking fosters actors' willingness to work through the concrete paradox, the perceived malleability of system characteristics grants the possibility of doing so. Hence, the conditioning phase of the morphogenetic cycle of this trajectory invites actors to adopt generative responses to paradox.

Being able to act on the desire to achieve synergies between competing poles of the concrete paradox brings calmness (Smith & Lewis, 2011), which in turn fosters a response of acceptance of the paradoxicality of the situation. Perceiving the concrete paradox as a case of a more general abstract paradox helps actors to see interdependencies between the poles of the concrete paradox despite their contradictory aspects. Thus, in the interactional phase actors tend to adopt a *response of acceptance* that "involves understanding contradiction, tension and ambiguity as natural conditions of work" (Jarzabkowski & Lê, 2017: 436). In this context, actors embrace and work through the

concrete paradox (Lewis, 2000; Lüscher & Lewis, 2008; Smith & Lewis, 2011; Van de Ven & Poole, 1995). This situation results in a temporary dynamic equilibrium (Smith & Lewis, 2011) where actors repeatedly activate the abstract paradox to inform their response to accept and embrace concrete paradoxes. Yet, accepting and working through the concrete paradox alters system characteristics by way of building new processes, structures, and providing additional resources that bridge the two poles of the paradox. For instance, in their study of hybrid organizations Battilana, et al. (2015) show how actors by working through paradox over time create organizational structures and rules that accommodate the competing social and commercial activities without resolving the tension between the two.

In the final phase of the morphogenetic cycle of this trajectory, there is thus an elaboration of system characteristics characterized in a way that organizational characteristics such as rules, incentive systems, or norms accommodate competing yet interdependent demands. The response of acceptance, and actors' embracing the paradox alters system characteristics and the latent paradox they hold in a way that over time the concrete paradox will be experienced less intensely (Gaim et al., 2022). Over time, as this morphogenetic cycle unfold repeatedly and as actors repeatedly activate an abstract paradox to enact responses of acceptance, the organizational characteristics will progressively accommodate the concrete paradox and render it latent, yet without eliminating it. Rather, as morphogenetic cycles unfold and the new organizational characteristics get progressively established and institutionalized, the concrete paradox gets normalized (Child, 2020). In this situation, provided that the system remains stable, the focal actor stops experiencing the concrete paradox as problematic.

However, as Raisch at al. (2018) argue, periods of convergence marked by dynamic equilibrium are interrupted by periods of divergence. During phases of dynamic equilibrium actors exploit the correspondence between the concrete and the abstract paradox to exploit synergies between opposing aspects and demands. However, as organizational environments evolve (for instance through social movements, changes in legislation or technology), new demands and challenges emerge. With the two poles of the previous concrete paradox converging more and more, new demands become a novel antithesis which gives raise to new concrete paradoxes. As these new concrete presenting dilemmas emerge, actors seek to make sense of them as a case of the same abstract paradox again; that is, they use the abstract paradox to reparadoxize the new concrete presenting dilemma to highlight the synergies between the concrete paradox's poles by establishing a correspondence between the concrete and the abstract paradoxes. Raisch et al. (2018) describe this phase of divergence in dialectical terms. We build on their reasoning but highlight the role that the abstract paradox plays in this context. Raisch et al. (2018) illustrate how Nestlé used the abstract paradox of stability vs change to navigate different concrete paradoxes that evolved in a dialectical manner through the repeated activation of the abstract paradox whenever a new antithesis for the concrete paradox emerged. They describe how Nestlé first used the stability-change paradox to accommodate the tension between exploitation and exploration through ambidexterity to understand that both are relevant for economic value creation, thereby normalizing this concrete paradox. However, when external pressures and demands for social creation emerged as a new antithesis to the focus on economic value (that accommodates the previous concrete paradox between exploitation and exploration), the management activated the abstract paradox of stability vs change again. Now exploitation and exploration were both together subsumed under the stability pole of the abstract paradox

in terms of economic value creation (while in the previous iteration the former stood for stability and the latter for change), and social value creation being linked to the change pole. A new synthesis and dynamic equilibrium in terms of sustainable business was facilitated through the activation of the abstract paradox. The new concrete paradox got reparadoxized in that the abstract paradox enabled actors to see the synergies between the competing poles in terms of a notion of sustainable business that accommodates both poles. In the case of Patagonia, this accommodation in turn changed organizational system characteristics towards a novel governance structure that reflects this new dynamic equilibrium.

Throughout this process actors successfully made sense of concrete paradoxes as "another incarnation of the […] tension between stability […] and change (Raisch et al., 2018: 1517). The dynamic trajectory of reparadoxization of the concrete paradox thus occurs in an iteration between dynamic equilibrium (in phases of convergence) and sublation (in phases of divergence). During the former phase concrete paradoxes get normalized through evolving organizational characteristics, while in the latter the concrete paradox gets sublated (Hargrave, 2021; Raisch et al., 2018) through changes in the external environment that bring about a new antithesis and new concrete paradoxes, that in turn get reparadoxized again by activating the abstract paradox.

In this context, sublation (Hegel, 2010) refers to the preservation of "the useful parts" of the previous concrete paradox, while "moving beyond the prior thesis and antithesis limitations" (Raisch et al., 2018: 1510). The sublation of the concrete paradox comes with both preservation, with the two previous poles being accommodated into one pole, and transformation, with the appearance of a new pole. The *dynamic of*

reparadoxization of concrete paradoxes thus encompasses a dialectical transformation of concrete paradoxes that are first accepted and normalized through the activation of an abstract paradox and later sublated through new demands from changing organizational environments. Hence, the activation of an abstract paradox explains how concrete paradoxes evolve in a trajectory of reparadoxization that works through iterative phases of dynamic equilibrium and dialectical sublation. As long as actors succeed to make sense of the upcoming concrete paradoxes by recurring to the same abstract paradox (stability vs change in the example of Nestlé used by Raisch et al. (2018)) this trajectory continues and the abstract paradox is reproduced as it keeps on being useful for actors to navigate and respond to concrete paradoxes.

So far, we have described the reparadoxization of concrete paradoxes where the abstract paradox is reproduced. However, actors may not always be successful in establishing a correspondence between the next concrete paradox and the abstract paradox they had used so far to fuel the recurring reparadoxization of concrete paradoxes. In such cases, reparadoxization requires an evolution of the abstract paradox as well. When actors fail to establish a correspondence between the poles of the concrete and the abstract paradox, respectively, the concrete paradox no longer appears as a case of the abstract one. As a consequence, the abstract paradox is not useful any longer to highlight synergies between the competing poles of the concrete paradox and to facilitate actors' generative responses to concrete paradoxes. Yet, as long as actors continue to perceive organizational system characteristics as malleable, they will not reject the idea of paradox altogether (as with the trajectory of deparadoxization). Rather, they will seek to activate a new abstract paradox that is useful again to establish a correspondence with the concrete paradox at hand. We argue that this evolution of the abstract paradox works through the cognitive

mechanism of zooming out (cf. Schad and Bansal, 2018). Here, actors construe a new overarching paradox at a higher level of abstraction, leading to an evolution and reparadoxization of the abstract paradox. Once actors cognitively activate a new useful abstract paradox, the process of reparadoxization of concrete paradoxes as described above is set in motion again. Thus, the reparadoxization of abstract paradoxes by zooming out occurs at longer cycles compared to the reparadoxization of concrete paradoxes through cycles of dynamic equilibrium and sublation fueled by the same abstract paradox. What becomes obvious though is that a full understanding of the dynamics of paradox depends on the distinction between, and the interplay of, concrete and abstract paradoxes.

DISCUSSION AND CONCLUSIONS

In this chapter we offer a processual account of the dynamics of organizational paradoxes across construal levels. By doing so, we conceptualize the dynamics of paradox as an interplay between concrete paradoxes, systemically embedded and encountered during everyday doings and interactions, and abstract paradoxes, cognitively accessed through both/and thinking. To unpack this interplay, we mobilize a morphogenetic lens (Archer, 1995) through which we explain how system characteristics and cognition come together to condition responses to paradox, which in turn impact system characteristics and how paradoxes unfold over time. More precisely, we provide an explanation of the dynamics of paradox that are grounded in both actors' thinking (i.e., either/or vs. both/and) and system characteristics (i.e., malleable vs. non-malleable), addressing recent calls to consider "the systemic and embedded nature of paradoxes by situating them within organizations and society" (Cunha & Putnam, 2019: 102). We explain how the interplay of system characteristics and actors' responses to salient paradox translates into

the four dynamic trajectories of stagnation, intensification, deparadoxization, and reparadoxization.

Main Contributions

As our main contribution, we unpack the underlying processes of the dynamics of organizational paradoxes integrating dynamic equilibrium (e.g., Smith & Lewis, 2011) and dialectic (e.g., Hargrave & Van de Ven, 2017) perspectives. While at first glance these perspectives may seem incommensurable in that equilibrium focuses on the reproduction of paradox and dialectics on its transformation, we build on suggestions that the two processes may occur at different construal levels (Lewis & Smith, 2022). By differentiating between concrete (low-level construal) and abstract (high-level construal) paradoxes, we offer a more comprehensive theoretical account of the dynamics of paradox. We unpack how the interplay of cognitive and structural factors translates into four different dynamic trajectories that explain how abstract and concrete paradoxes remain unchanged *and* evolve over time. In doing so, we also integrate previous approaches based on dynamic equilibrium and dialectics.

We build on, and integrate, Smith & Lewis' (2011) dynamic equilibrium model in that we consider the generative power of activating abstract paradoxes through both/and thinking, which is a cornerstone to articulate our trajectories of deparadoxization and reparadoxization. We go beyond dynamic equilibrium by incorporating trajectories in which actors mobilize either/or thinking (Smith & Lewis, 2022) and are unable to cognitively access abstract paradoxes (i.e., stagnation and intensification). Thereby, the trajectories we describe cover the dynamics of paradox across different cognitive approaches. On the dialectics front, our trajectories integrate dynamics based on

transformation (Hargrave & Van de Ven, 2017) and sublation (Raisch et al., 2018), accounting for the cases in which paradoxes change. Echoing Hargrave and Van de Ven's (2017) process model, we also incorporate the effects of power and agency through the notion of *perceived malleability of system characteristics*, for an actor with (no) power or agency will perceive system characteristics as (non-)malleable. By focusing on the point of view of a focal actor, our dynamic model accounts for trajectories in which actors encounter dynamic trajectories that are characterized by paralysis and stagnation. By doing so, we go beyond Raisch's et al. (2018) learning spiral by showing how and when paradoxes stagnate or how and when the differences between the poles are amplified in a way that neither learning nor dynamic equilibrium is achieved.

The trajectory of reparadoxization is the one that best captures how the dynamic equilibrium and the dialectics perspectives come together, as it explains how both/and thinking in a context of perceived malleability of the system spurs generative equilibrium, and subsequent sublation over time. Moreover, in situations in which the dynamic equilibrium is eroded and dissipates (Weiser & Laamanen, 2022) we explain how actors can cognitively reengage with abstract paradox through the mechanism of zooming out and reparadoxization. Thus, our model integrates the dynamic and the dissipative equilibrium models by showing how, rather than being mutually exclusive, they occur diachronically one after the other through the sequential reparadoxization of concrete and abstract paradoxes. The other trajectories of our model (i.e., stagnation, intensification, and deparadoxization) integrate insights from the dark sight of organizational paradoxes through the notions of pragmatic paradoxes (Berti & Simpson, 2021), intensification (Gaim et al., 2021) and trade-off (Berti & Cunha, in press), as well as developments on the Luhmannian front of a systems perspective through the notion of deparadoxization

(Schneckenburg et al., 2023; Seidl et al., 2021). Overall, our processual explanation of the dynamics of paradox explains what cognitive and structural conditions are likely to result in different trajectories and hence offers a fine-grained understanding of both the underlying processes and the boundary conditions through which paradoxes unfold over time.

A key implication of bringing together dynamic equilibrium and dialectics by mobilizing and developing the distinction between concrete and abstract paradoxes is the convergence in the use of the concept of *paradox*. As observed in Lewis & Smith (2022: 532), from a dynamic equilibrium perspective, paradoxes are understood as "persistent, metal-level phenomena", while from a dialectics perspective they are the "underlying processes" characterized by their "contextual embeddedness". In our conceptualization, we bring together both perspectives conceptually, proposing that organizational paradoxes are both concrete and abstract phenomena. In doing so, we complement Berti and Cunha's (in press) effort to integrate the terminology around paradoxes, dialectics, and trade-offs. We also offer a conceptual foundation for the distinction between presenting dilemmas and paradoxes (Lüscher & Lewis, 2008; Smith, 2014; Smith & Lewis, 2022) by conceptualizing "presenting dilemmas" as contextually embedded (concrete) paradoxes. With this conceptual shift we expand rather than constrain the use of the term organizational paradox to include concrete and ever-changing instantiations of tensions characterized by contradiction and interdependence. This allows us to portray paradox as both contextually embedded and cognitive abstraction, highlighting the ontological and epistemological depth of the phenomenon (Schad & Bansal, 2018). In turn, the dynamics that result from unpacking both concrete and abstract construal levels encompass both dynamic equilibrium and dialectical features. We thus go beyond Berti

and Cunha's (in press) model by unpacking the dynamics of the concrete *and* the abstract, showing how paradoxes at each of these levels is reproduced or transformed.

Ontological and Epistemological Implications

Our argument has important implications for the ontology of organizational paradox with regard to its dynamics. By adopting a morphogenetic lens, our model adds to prior understandings of the dynamics of paradox by clarifying how exactly inherent and socially constructed elements come together to articulate the dynamics of paradox. By doing so, we go beyond Hahn and Knight (2021: 365) who hint towards a dynamics of paradox that "has inherent and socially constructed features" but keep these features separate in that they locate the unfolding of paradox over time, on the one hand, in the ongoing potentiality of paradox in organizational systems, and on the other hand, in the repeated social enactment of, and response to, salient paradox. Our model explains the interplay of both elements. The four trajectories of our model explain how the dynamics of paradox are the result of different degrees of stability and dynamism in the inherent and socially constructed features of paradox.

To unpack the interplay between the inherent and the socially constructed we rely on the distinction between abstract and concrete paradoxes, and their ontological and epistemological foundations. While concrete and abstract paradoxes are both inherent and socially constructed, the contextually embedded character of concrete paradoxes necessarily underscores their inherent features, and the cognitive character of abstract paradoxes puts the focus on their socially constructed ones. In other words, the dynamics of paradox unfold through the interplay of the ontological and epistemological dimensions. In unpacking the interplay of both ontology and epistemology we thus go

beyond Schad and Bansal's (2018) insights that the ontological dimension of paradox had so far remained undertheorized vis-à-vis its epistemological dimension, for we explain how the dynamics of paradox result from the interplay of structural (i.e., inherent, ontological) and cognitive elements (i.e., socially constructed, epistemological).

In general, the trajectories characterized by *perceived malleability* (i.e., intensification and reparadoxization) are characterized by ontological dynamism, insofar as actors' responses to paradox change system characteristics. In contrast, the trajectories characterized by *perceived non-malleability* (i.e., stagnation and deparadoxization) are characterized by ontological staticity. We use the trajectory of deparadoxization and reparadoxization to illustrate this argument. Deparadoxization occurs only at the surface and from the perspective of actors' experience (Gaim et al., 2021). As system characteristics and latent paradox remain unaltered due to their perceived non-malleability, this dynamic is thus characterized by ontological staticity, and, at the same time, by epistemological dynamism, built on a shift of actors' way of thinking that puts the focus away from abstract paradox (Seidl et al., 2021). Accordingly, deparadoxization builds on an epistemological dynamism in which actors seek to invisiblize the paradox (Tuckermann, 2019), first by moving away from the experience of an abstract paradox that cannot fruitfully accommodate the concrete experience of competing demands, and second by (futile) efforts to resolve the concrete paradox through gray compromise. In contrast, the dynamic of reparadoxization first relies on ontological dynamism, in that system characteristics are changed through actors' responses to accommodate the concrete paradox. At the same time, these responses to concrete paradox relies on the repeated cognitive engagement with a certain abstract paradox, representing epistemic staticity, as suggested by the dynamic equilibrium model (Smith & Lewis, 2011). As

concrete paradoxes get normalized and sublated because changing system characteristics integrate and accommodate the concrete paradoxes, actors seek to reengage the abstract paradox to establish a fit with, and reparadoxize, new concrete paradoxes that occur. Yet, our model also captures the dynamics of abstract paradoxes and, hence, epistemic dynamism. It explains that as the organizational environment changes over time, actors reparadoxize the abstract paradox in a process of epistemological dynamism through zooming out (Schad & Bansal, 2018). Our four trajectories thus explain how ontology and epistemology dynamically co-constitute the dynamics of paradox over time.

Our explanation of the dynamics of paradox also contributes to the understanding of the ontological dimension of persistence, a definitional feature of paradox that "has been assumed rather than theorized and elaborated" (Cunha & Clegg, 2018: 15). Our trajectories underpin that the ontology of persistence is necessarily processual and path-dependent by nature. However, it goes beyond prior studies that highlight the dynamic nature of persistence. Smith and Lewis (2011) see persistence as the result of an ongoing oscillation between latency and salience, and Cunha and Clegg (2018) point out that paradoxes develop on the basis of prior instances of paradox and related interventions by organizational actors. Our morphogenetic model unpacks the underlying dynamic processes of persistence. By doing so, we show that paradoxes can persist in different ways and at different (construal) levels. Hence, resurfacing of paradox does not necessarily imply "bringing action back to 'where it all started'" (Cunha & Clegg, 2018: 15). By bridging dynamic equilibrium and dialectics, we offer an explanation of persistence that does not fall prey to simplistic assumptions of paradox 'staying around forever' because of being "impervious to resolution" (Schad et al., 2016: 11). Rather, concrete paradoxes may well get unraveled through organizational responses and

systemic change. In contrast, abstract paradoxes remain stable, grounded in the cultural foundations of our social arrangements, and ingrained in actors' way of thinking. These abstract paradoxes fade in and out of salience as actors repeatedly mobilize them until their capacity to accommodate the experience of concrete paradoxes depletes. Our understanding of the dynamics of paradox thus complexifies persistence and shows how it does not simply imply that paradoxes remain unchanged over time. On the contrary, we show how persistence is characterized by the inherent potentiality of concrete paradoxes planted in system characteristics (irrespective if over time are transformed or not), and the repeated cognitive engagement with ever-accessible abstract paradoxes (irrespective if over time their relationship with concrete paradoxes gets depleted). In other words, concrete paradoxes are persistent insofar as they hold the potentiality to persist, and abstract paradoxes are persistent, insofar as they are always accessible in actors' cognitive capacities.

Conclusions

We have arrived at a conceptualization of the dynamics of paradox that bridges dynamic equilibrium and dialectics by introducing the distinction between abstract and concrete paradoxes. Through a morphogenetic approach, we have unpacked the dynamic interplay of abstract and concrete paradoxes by explaining how structural factors, actors' cognition, and responses to paradox come together to articulate four trajectories describing the dynamics of paradox. Lewis and Smith (2023) point towards an understanding of the many paradoxes we face in our lives characterized by both change and permanence. Following this insight, in this chapter we have shown how paradoxes get transformed and remain in equilibrium at different construal levels.

4

THE WORK OF INSTITUTIONAL ENTREPRENEURS HARNESSING THE BUSINESS-SOCIETY PARADOX IN GRAND CHALLENGES

ABSTRACT[8]

Responses to grand challenges require collaboration between actors from different sectors, which inherently produces friction and paradoxical tension between organizations. However, how collective efforts arise out of conflict in the context of grand challenges remains poorly understood. Accordingly, in this chapter we explain how institutional entrepreneurs work on their immediate context to shape underlying paradoxes and produce collaboration. We address this research question with a qualitative study in the context of the development of the European Social Impact Bond (SIB) market. SIBs are a novel form of cross-sector collaboration built around outcomes-based contracts and used to tackle grand challenges. SIBs usually require intermediary organizations to bring all actors together and articulate collective responses to grand challenges. In this context, we zoom in intermediaries' work when navigating the business-society paradox between the different organizations. Findings show how institutional entrepreneurs' work affects their immediate sociomaterial context, shaping the system characteristics in which the business-society paradox is inherent, and knotting it with the shared-individualized, control-flexibility, and simplicity-complexity paradoxes. In doing so, the business-society paradox inherent in grand challenges becomes owned, vibrates, and gets materialized along the analytical facets of complexity, uncertainty, and evaluativeness respectively. Our explanation highlights the sociomaterial nature of paradoxical knots, going beyond amplifying and attenuating effects.

"*Don't worry about friction, in the end it provides the shine*"

–Brabant Outcomes Fund Infographic, 4th lesson learned

INTRODUCTION

We live in an era with widespread systemic issues (Mair & Seelos, 2021) involving public and private actors, ranging from income inequality (Berrone, Gelabert, Massa-Saluzzo, & Rousseau, 2016) to climate change (Wright & Nyberg, 2017). These issues are understood as grand challenges, "specific critical barrier(s) that, if removed, would help solve an important societal problem with a high likelihood of global impact through widespread implementation" (George, Howard-Grenville, Joshi, & Tihanyi, 2016: 1881). These challenges are uncertain, complex, and evaluative (Ferraro et al., 2015). To achieve a positive societal impact, these dimensions need to be addressed and managed.

Responses to locally manifested grand challenges may start with a single organization spurring the scaffolding process necessary to organize transformation (Mair, Wolf, & Seelos, 2016), but as the implementation of the solution to grand challenges moves from local to larger scales, organizational responses require a collective effort (Ferraro et al., 2015; George et al., 2016). Collaboration requires actors from different sectors (i.e., public, private, and civil society) to work together, which inherently comes with paradoxical tensions (Ashraf, Ahmadsimab, & Pinkse, 2017; Jarzabkowski, Bednarek, Chalkias, & Cacciatori, 2022; Stadtler & Van Wassenhove, 2016). In this context, actors seek to reduce tensions between them (Battilana, Leca, & Boxenbaum, 2009) *or* engage tensions as paradoxes to maintain a generative dynamic equilibrium (Jarzabkowski et al., 2022; Smith & Lewis, 2011).

94

In the context of grand challenges, the work of institutional entrepreneurs needs to address paradoxical tensions in a complex, uncertain, and evaluative setting (Ferraro et al., 2015) in order to be effective. However, how collective efforts arise despite of and out of conflict and tensions between the organizations involved in responding to grand challenges remains poorly understood. If addressing grand challenges requires cooperation (George et al., 2016; Sawyer & Clair, 2021), it becomes paramount to understand the mechanisms through which a wide array of competing logics (Gümüsay, Claus, & Amis, 2020) are channeled towards productive outcomes. Clarifying how an organization acting as an institutional entrepreneur harnesses tensions leading to partnerships and collaboration around large scale efforts to respond to grand challenges (Arslan & Tarakci, 2020) uncovers a critical antecedent to collaborative endeavors and sheds light on the agency of certain organizations when responding to grand challenges. Thus, the purpose of this chapter is to explore the work of an institutional entrepreneur on its immediate sociomaterial context to harness paradoxical tensions and produce collaboration and respond to grand challenges.

To that end, we study the development of social impact bonds in different European countries. Social impact bonds are a financing mechanism through which actors from different sectors come together to articulate responses to complex societal problems. In this context, intermediary organizations are usually needed to bring different actors together and articulate collective responses to grand challenges. We conceptualize intermediary organizations together with the social impact bonds they deploy as institutional entrepreneurs whose work on the sociomaterial context is used to address the business-society paradox at the heart of the collaborative agreement. Findings show how the work of institutional entrepreneurs addresses the three analytical facets of grand

challenges (Ferraro et al., 2015) by knotting paradoxes to the business-society paradox. More precisely, institutional entrepreneurs' work knots the shared-individualized, control-flexibility, and simplicity-complexity paradoxes to the central business-society paradox, which makes actors feel they own the paradox, and makes the paradox vibrate and materialize, respectively. In turn, these knots construct complexity, shape uncertainty, and materialize evaluativeness making it possible for actors to collaborate and organize responses to grand challenges.

Overall, the main contribution of this chapter is to explain how the work of an institutional entrepreneur on the sociomaterial context to foster collaboration and respond to a grand challenge works through the relational, ideational, and material dimensions of knotting. We thus go beyond previous understandings of knots of paradoxes based on the constitutive view (e.g., Sheep et al., 2017) in that we unpack them from a quantum perspective that underscore their sociomaterial character. In doing so, we also contribute to the development of the relational, ideational and material dimensions of social-symbolic work (Lawrence & Phillips, 2019).

INSTITUTIONAL ENTREPRENEURS AND ORGANIZATIONAL PARADOXES

Grand challenges are institutionally complex phenomena, abounding with paradoxical (inter)organizational tensions (Jarzabkowski et al., 2022), "persistent contradiction[s] between interdependent elements" (Schad et al., 2016: 6). On that account, organizational scholars have approached grand challenges *either* from an institutional *or* a paradox perspective. The former focuses on field dynamics and conceptualizes tensions as conflicts that are best avoided or resolved (Grodal & O'Mahony, 2017). The latter takes paradox as the unit of analysis and underscores the

complementary and synergic aspect of tensions, which should be embraced and continuously engaged (Jarzabkowski et al., 2022).

However, while there has been calls to bring together paradox theory and an institutional complexity perspective (Smith & Tracey, 2016), there is still a dearth of theorizing bridging both camps. We can find a recent notable exception in Gümüsay et al. (2020), in which the authors explain how a hybrid organization addresses competing institutional logics through elastic hybridity, fully embracing the "both-and" approach characteristic of paradox theory. But the promise of working with both lenses goes beyond studying hybrid organizations, and extends to the study of grand challenges, ripe with paradoxical tensions (Bednarek, Cunha, Schad, & Smith, 2021), and the organizations participating in collective responses to them (Kroeger, Siebold, Günzel-Jensen, Saade, & Heikkilä, 2022). Thus, to conceptualize a complex institutional environment in which central actors harness paradoxical tensions to tackle grand challenges we mobilize *both* institutional (Thornton & Ocasio, 1999) *and* paradox (Smith & Lewis, 2011) theories (Smith & Tracey, 2016).

Institutional Entrepreneurs Fostering Collaboration…

Collaboration between actors from different sectors is needed when responding to grand challenges (Ferraro et al., 2015; Kroeger et al., 2022). In this context, institutional theory is particularly useful because (1) it introduces the figure of the institutional entrepreneur, "who leverage resources to create new institutions or to transform existing ones" (Maguire, Hardy, & Lawrence, 2004: 657), and (2) it provides the conceptual apparatus to characterize the processes through which these entrepreneurs influence their context with their (institutional) work. New institutions are necessary to move away from

previous ways of working in which each actor is moved by its own particular logic and to spark collaboration (DiBenigno & Kellogg, 2014; Ramus, Vaccaro, & Brusoni, 2017) to respond to grand challenges.

Thus, institutional entrepreneurs in the context of grand challenges are characterized by "initiat[ing] divergent changes" (Battilana et al., 2009: 68) in the form of "new institutional arrangements" (Xing, Liu, & Cooper, 2018: 681) that foster public-private collaborations. In this process, these actors reflexively (Lawrence & Phillips, 2019) seek to break away from competitive dynamics (Berrone et al., 2016) to collaboratively create value (DiVito, van Wijk, & Wakkee, 2021), effectively challenging the "field's shared understanding of the goals to be pursued and how they are to be pursued" (Battilana et al., 2009: 69). Thus, we understand institutional entrepreneurs as actors who choose to take that role and purposively work to "shape […] conventions and manage the social controls that underpin them" (Lawrence & Phillips, 2019: 198-199).

Therefore, in the process of creating collaboration, institutional theory acknowledges the existence of competing institutional logics (Thornton & Ocasio, 1999)[9] in the public and private sectors (Saz-Carranza & Longo, 2012). The institutional perspective offers the conceptual vocabulary to recognize the sociocultural contingence and value-driven character of competing logics in grand challenges (Gümüsay et al., 2020), and the central role a driven actor can play when shaping a field (Greenwood & Suddaby, 2006). However, within the institutional tradition, the focus is mostly put on dyads of competing logics whose clashes must be resolved through the implementation

---

[9] "[S]ocially constructed, historical pattern[s] of material practices, assumptions, values, beliefs, and rules by which individuals produce and reproduce their material subsistence, organize time and space, and provide meaning to their social reality" (Thornton & Ocasio, 1999: 804).

of "structures at the organizational and field level" (Smith & Tracey, 2016: 457), such as a backstage space that allows conflicting logics to coexist (Mair & Hehenberger, 2014).

… By Harnessing Paradoxes

While the institutional approach underscores contradictions between actors that must be overcome, paradox theory frames paradoxical tensions as synergic and interdependent opposites that require continuous engagement over time (Smith & Lewis, 2011; Smith & Tracey, 2016). From this perspective, paradoxical tensions between competing logics are inherent in the system characteristics in which grand challenges arise (Hahn & Knight, 2021; Schad & Bansal, 2018). These paradoxes need to be engaged to achieve positive results in the long run (Jarzabkowski et al., 2022; Smith & Lewis, 2011). An institutional entrepreneur looking to create system change by means of promoting collaboration between sectors will need to face and harness these paradoxical demands between actors (Henry, Rasche, & Möllering, 2022; Stadtler & Van Wassenhove, 2016; van Hille, de Bakker, Ferguson, & Groenewegen, 2018).

When an institutional entrepreneur seeks to bring actors together to respond to grand challenges, it does not face isolated paradoxes, but it encounters many knotted paradoxes (Jarzabkowski et al., 2022). Paradoxes are knotted insofar as they "mutually impact one another" (Sheep et al., 2017: 469). For example, when studying interorganizational systems in the context of responding to grand challenges, Jarzabkowski et al. (2022: 1480) found that the market-development, part-whole, and short-long term paradoxes were knotted between each other, "constructed as inseparably entangled and interdependent". Paradox theory informs the complex nature of responding

to grand challenges by conceptualizing the many multi-faceted competing, yet interrelated demands faced by institutional entrepreneurs.

The Apparatus of the Institutional Entrepreneur

Many organizations from different sectors need to come together and collaborate when responding to grand challenges (Kornberger, 2022). Collaboration in the context of grand challenges is inherently paradoxical (Jarzabkowski et al., 2022). However, these paradoxes are not always visible, as they may remain unperceived their latent state (Hahn & Knight, 2021; Smith & Lewis, 2011). Each (organizational) actor uses its own apparatus, "the setup and contextual conditions of a measurement" (Hahn & Knight, 2021: 369), to shape the possibility space of latent paradoxes and enact salient paradoxes (ibid.). This means that different actors in a similar organizational situation may face potentially different paradoxes and experience them differently, which can complicate finding common ground. The institutional entrepreneur needs to work on the deployment of a shared apparatus encompassing "sociodiscursive and material factors" (Hahn & Knight, 2021: 374) to harness paradoxical tensions and generate collaboration. In other words, when trying to articulate collective responses to grand challenges, institutional entrepreneurs need to work on the sociomaterial context to harness paradoxical tensions and produce collaboration.

Separately, institutional and paradox theories offer a way of seeing responses to grand challenges either as an effort of an institutional entrepreneur to resolve conflicting tensions to generate collaboration (institutional perspective) or as responses to multiple paradoxes that remain latent until enacted salient through an apparatus (paradox perspective). Institutional and paradox perspectives complement each other to offer

insights into how an institutional entrepreneur harnesses the tensions inherent in grand challenges by working on the immediate sociomaterial context (i.e., the entrepreneur's apparatus). Critical to our approach, is the figure of the institutional entrepreneur with the agency and power to harness paradoxical tensions (Berti & Simpson, 2021) and foster collaboration when responding to grand challenges.

Far from seeing the institutional entrepreneur as a person-centric "heroic figure" (Aldrich, 2011), we characterize it as the organization and the immediate sociomaterial resources (Hahn & Knight, 2021; Orlikowski & Scott, 2008) mobilized to respond to salient tensions and generate or transform institutions (Maguire et al., 2004). In other words, we reconceptualize the well-established construct of the institutional entrepreneur by leveraging the recent quantum turn in the paradox literature in which sociomateriality becomes central to understand the character of organizational paradox (Hahn & Knight, 2021). With this in mind, we redefine the notion of the institutional entrepreneur as the sociomaterial actant that is both the focal organization and the apparatus used to enact salient tensions and operationalize responses. This shift in understanding of the institutional entrepreneur underscores the intimate relation between the work it does on its sociomaterial context and the paradoxes that will be experienced by the different actors.

Grand challenges are (1) complex, (2) uncertain, and (3) evaluative, inasmuch as (1) they involve "many interactions and associations, emergent interactions, and nonlinear dynamics", (2) "actors cannot define the possible future states of the world", and they (3) implicate "multiple criteria of worth" (Ferraro et al., 2015: 364), respectively. An institutional entrepreneur seeking to create divergent change as a response to grand

challenges needs to work on a shared apparatus across the dimensions of complexity, uncertainty, and evaluativeness to shape and manage the paradoxical demands inherent in grand challenges. Accordingly, while there are several studies about paradoxes in cross-sector collaborations around grand challenges (Jarzabkowski et al., 2022; Stadtler, 2018; Stadtler & Van Wassenhove, 2016), the work done by an institutional entrepreneur on the aforementioned dimensions of its immediate sociomaterial context to affect paradoxes between actors and kickstart collaboration remains unclear. To address this gap we ask: *How does the work of an institutional entrepreneur on its immediate sociomaterial context (i.e., apparatus) affect inter-organizational paradoxes to produce collaboration in grand challenges?*

METHODS

Empirical Setting

We addressed the research question with a qualitative study in the context of the development of the European Social Impact Bond (SIB) market. SIBs are a novel form of cross-sector collaboration – the first SIB was implemented in the UK in 2010 (Disley, Giacomantonio, Kruithof, & Sim, 2015) – used to tackle grand challenges and built around an outcomes-based contract. In this collaboration the risk (usually) shifts from the public sector to private investors, who will be paid back (and even obtain benefits) only if the social endeavor is successful (Warner, 2013) (see Figure 5). SIBs come with tantalizing possibilities to tackle social issues, but are clouded in uncertainty and approached with caution by some academics and practitioners (Berndt & Wirth, 2018; Fraser, Tan, Lagarde, & Mays, 2018).
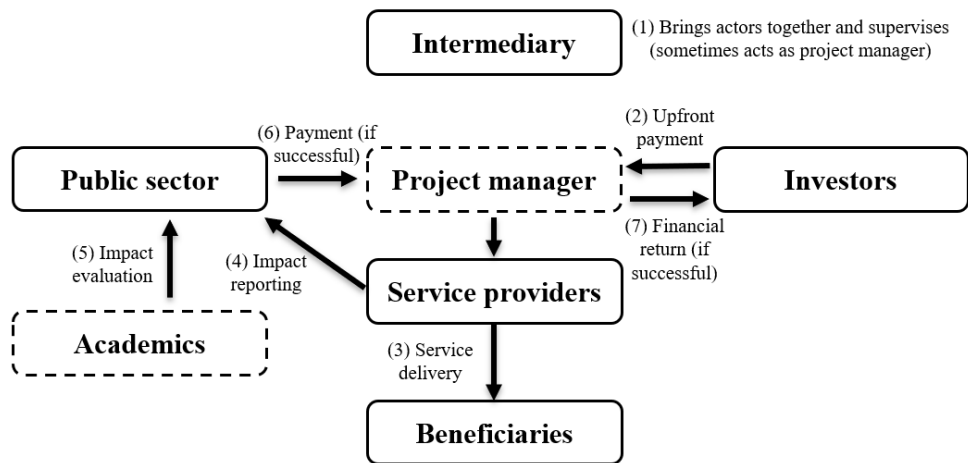
Figure 5. Model of a social impact bond (based on Cooper, Graham, & Himick, 2016; Tiikkainen, 2019)

The development of SIBs in different European countries is a particularly suitable setting to study how the tensions in responses to grand challenges are harnessed because SIBs are institutionally complex financing vehicles whose development and implementation generate significant friction (Maier, Barbetta, & Godina, 2018) and require the cooperation of a multitude of actors from different organizations and sectors (Cooper, Graham, & Himick, 2016; Tiikkainen, 2019) (see Table 2).

Actor	Role in the social impact bond	Tensions when implementing SIBs
Intermediary (Institutional entrepreneur)	Organization that brings all (key) actors that are part of the SIB together. It acts as an institutional entrepreneur, seeking to create systemic change by means of changing how public services are contracted and delivered. It may be involved in the capacitation of other actors, and supervising all the phases of the SIB, from the feasibility study to the evaluation of the execution. Cases in which there is no intermediary, other organizations need to assume this role.	They may lack specific expertise, or come with ready-made templates that do not fit the specificities of the context. Their efforts to raise interest and gain support, may be perceived as overselling the benefits of SIBs. If they do not adhere to scientific standards, to push for the implementation of financial instrument just for the sake of it. When/If the intermediary reduces its involvement, other actors may become uncoordinated.

Actor	Role in the social impact bond	Tensions when implementing SIBs
Project manager	Organization that collects investments, manages the implementation of the SIB, and distributes payments. This organization may become involved in the SIB after winning a competitive tender, or the intermediary itself may take this role.	PM are caught between all actors and they need to navigate competing demands from all of them. Their lack of knowledge and vague contract make paradoxical demands salient.
Public sector	It may be the state or municipality. The public sector is the problem owner of the societal issue the SIB is seeking to solve. It is usually the outcome payer in case the intervention is successful – In some cases, the outcome payer can also be an outcome fund (e.g., Brabant outcome fund). It usually shifts the risk of the intervention to the investor – In some SIBs in Scandinavian countries, municipalities act as investors as well.	Limited, heavily regulated budgets that are bounded to structural silos. The newness and complex structure of the SIB, together with a lack of implication of civil servants and political leadership complicate the implementation. Ethical issues regarding the marketization and doing RCT with vulnerable people causes tensions.
Investors	Organizations investing in the SIB. They assume the risk of the social intervention, which means that if the intervention does not achieve a pre-agreed threshold of impact, they do not get their investment back. In contrast, if the intervention is successful, they get the investment back with an additional return on investment.	The high risk, low reward of SIBs, together with the lack of knowledge and the lack of trust on other actors are sources of tensions. In addition, SIBs are hard to evaluate, and they require a change of logics, from competing to collaborating, from market to social.
Service providers	Organizations implementing the social intervention. They are usually expert organizations in their field (e.g., employment, children welfare, etc.), that shift from invoicing activities to invoice by specific results.	SIBs require new ways of working, and may add additional pressure because of the shift towards an outcomes-based contract. Establishing adequate communications with the project manager, the public sector, other service providers, and beneficiaries is also challenging.
Beneficiaries	Group of individuals who benefit from the social intervention. They may not be aware that are part of an intervention stemming from a SIB.	Some SIBs have complex processes of getting beneficiaries in the project or very stringent conditions of the type of beneficiaries that are eligible for the intervention.

Actor	Role in the social impact bond	Tensions when implementing SIBs
Academics	They help in the design and in the evaluation of the intervention if it needs to adhere to scientific standards. Their role is specially important if the SIB is aimed at testing an intervention to check if it is successful.	The lack of interest in social science standards of some actors, and the challenges of getting data are sources of tensions for academics.

Table 2. Actors and roles in social impact bonds

SIBs take a lot of different configurations, depending on the context (Arena, Bengo, Calderini, & Chiodo, 2016). For example, unlike the "model" SIB in which the public sector shifts the risk to the private one, in the case of Sweden, municipalities participating in the SIB and commissioning the project also act as investors, which aligns public and private interests.

In general, SIBs are mobilized by an intermediary that sets up the vehicle and convenes other actors who play complementary roles in achieving the ultimate societal outcome. We view the intermediary together with the SIB itself as co-constituting the figure of the institutional entrepreneur working on the sociomaterial context produce collaboration. Here we use the term collaboration loosely, inasmuch as it entails "a co-operative relationship among organizations" (Phillips, Lawrence, & Hardy, 2000: 24), but it relies on a social outcomes contract as a mechanism of control. Intermediaries in the context of SIBs can be understood as institutional entrepreneurs because they seek to generate system change, and change certain goals and how they are pursued (Battilana et al., 2009). They pursue this divergent change by working in the implementation of a financing mechanism that makes actors from different sectors come together, change their way of working, and collaborate. In this process, the institutional entrepreneur works on

the implementation of the SIB, which becomes the apparatus of the other actors in the collaboration, effectively shaping the possibility space of latent paradox (Figure 6).

Institutional entrepreneur

Focal organization - Intermediary

TENSIONS

Apparatus - Social Impact Bond

TENSIONS

TENSIONS

POWER

Public actors

Private actors

Beneficiaries
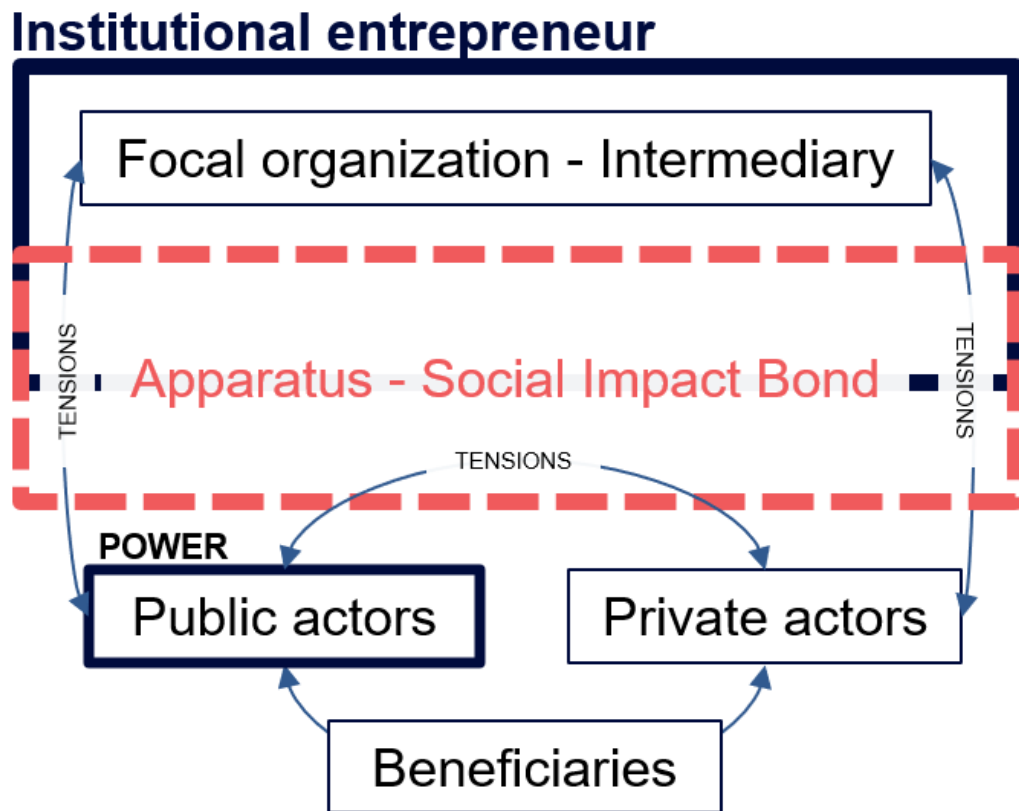
Figure 6. Organizations responding to a grand challenge and its apparatus

Research Design

In this context, we undertook a comparative case study (Saka-Helmhout, 2014; Yin, 2018) of the development of SIBs in different European countries. Comparing different countries is particularly useful because it allows us to capture variance on the degree of involvement of intermediary organizations, which provides counterfactual examples throughout. First, we started the study with a theoretical sampling of cases (Eisenhardt, Graebner, & Sonenshein, 2016; Eisenhardt & Graebner, 2007) based on the broad idea of studying the interorganizational tensions present when responding to grand challenges in general, and how they were harnessed in SIBs in particular. To that end, we focused on countries where the SIBs market was under development: Finland, Denmark,

106

Sweden, The Netherlands, and Spain. Even though SIBs take different configurations (Arena et al., 2016), to capture both contradictions and interdependencies of paradoxical tensions, the selection of interviewees aimed at covering the range of stakeholders participating in SIBs – public administration, investors, service providers, and other supporting actors – while focusing on the role of central organizations (Jarzabkowski et al., 2019) – the intermediary (see Table 3).

Intermediary	Country	Type of material (number of items)		Use in data analysis
Main case Strong state intermediary	Finland	Interviews (21)	Public sector (8)	Main data source used to understand (1) the paradoxical tensions present in SIBs and (2) how these tensions are channeled by an institutional entrepreneur.
			Project manager (3)	
			Service provider (3)	
			Investor (1)	
			Intermediary (3)	
			Other (3)	
		Documents (8)	Internal presentations and reports	Support data useful for (1) triangulating inferences about the strategies used to channel tensions and (2) contextualizing interviews.
		Websites (11)		
		Webinars & Conferences (1)		
Private intermediary in the initial stage of SIB market creation	Spain	Interviews (1)	Intermediary (1)	Sources used to observe and understand the process of creating the SIBs market in a less mature field than the Finnish one. One of the authors was able to attend meetings between the intermediary and the public sector where they discussed the launch of a SIB.
		Observations & Notes (5)	Field observations of meetings (2)	
			Notes of calls with intermediary (3)	
		Documents (10)		
		Websites (1)		
		Webinars & Conferences (4)		

Intermediary	Country	Type of material (number of items)		Use in data analysis
Private intermediary who fades away	The Netherlands	Interviews (6)	Public sector (1)	Sources used to contrast the Finnish case, in which the intermediary was a central state actor, with a case in which the organization harnessing the SIB was a consultancy that rapidly diminished its involvement after deploying the SIB.
			Investor (2)	
			Intermediary (1)	
			Other (2)	
		Documents (6)	Public reports	
		Websites (5)		
Strong state intermediary relying on consultancies	Sweden	Interviews (6)	Service provider (3)	Sources used to complement and contrast with the Finnish case. Sweden is characterized by also having a strong state actor, but it relies on consultancy companies.
			Investor (1)	
			Intermediary (2)	
		Documents (2)	Internal presentation and public report	
		Websites (2)		
Not a clear intermediary – Strong public sector	Denmark	Interviews (4)	Service provider (1)	Sources used to complement and contrast with the Finnish case. Denmark is characterized by a less mature SIB field, and by a stronger aversion to private actors.
			Investor (2)	
			Other (1)	
		Websites (5)		
Varied	Other	Interviews (2)	Interviews with international actors (2)	Support evidence used to understand the global context in where SIBs are used, and global challenges that appear.
		Notes (1)		
		Documents (2)	Public documents	
		Websites (4)		
		Webinars & Conferences (2)		

Table 3. Data sources divided per country and their use in data analysis

We started interviewing participants in SIBs from the aforementioned countries that were known to one of the authors, who has longstanding experience in the impact investing and venture philanthropy field. We found subsequent interviewees with snowballing sampling (Grodal, 2018), which was particularly useful in a nascent market in which not many actors were involved. During data collection and the initial wave of coding, we sharpened our research question and theoretical framing, which lead us to

zoom in on the Finnish case, where it became clear that a single organization was harnessing paradoxical tensions to create collaboration, and zoom out to compare it with the case of other countries (Jarzabkowski et al., 2019) depending on the involvement of the actor channeling tensions. Therefore, cases were finally selected and organized "on the basis of theoretically justified causal conditions" (Saka-Helmhout, 2014: 197): the role and involvement of the intermediary which, together with the SIB being deployed, was acting as an institutional entrepreneur. When approaching different countries, we leveraged the knowledge about the European social impact bonds market of one of the authors to find out about organizations acting as potential intermediaries/ institutional entrepreneurs and have an *a priori* idea of their involvement. We complemented these insights with information in publicly available databases about SIBs[10]. To improve the reliability of *ex-ante* inferences, during interviews we explicitly asked about the role and involvement intermediary organizations (if there were such organizations), and we adjusted our characterization of them accordingly.

Overall, our main data source are 40 semi-structured interviews done between October 2019 and April 2021. Interviews were conducted online through Zoom or Microsoft Teams, recorded and transcribed (except one interview that was done in a written format via email). They lasted between 27 and 120 minutes, with an average length of 60 min. Interviewees' names have been changed to maintain their anonymity. All interviews were semi-structured, and characterized as "an active process of listening and asking questions to gather 'insider accounts'" (C. Smith & Elger, 2014: 114). At first, the objective of interviews was to gather both "'information' – knowledge about events and processes that we wish to analyse – and 'perspectives' – concerns, discursive

---

[10] https://golab.bsg.ox.ac.uk/knowledge-bank/indigo/impact-bond-dataset-v2/
https://sibdatabase.socialfinance.org.uk/

strategies, and cultural frameworks" (C. Smith & Elger, 2014: 114-115) concerning inter-organizational tensions in the process of initiating and maintaining collaboration in social impact bonds. Throughout the development of the project, interviews progressively shifted towards a "theory-driven" approach more focused on talking about specific aspects, such as the role of intermediary organizations acting as institutional entrepreneurs, helping refine theory (Pawson & Tilley, 1997; C. Smith & Elger, 2014). Interviews were complemented with extensive field observations and notes, and data from different sources: public and private documents, websites, and webinars and conferences (see Table 3 for a detailed account of data sources and how they are used during data analysis).

Following Hahn & Knight's (2021) quantum ontology of organizational paradox, we work with both latent – "dormant, unperceived, or ignored" (Smith & Lewis, 2011: 390) – and salient or experienced paradoxical tensions. While we consider latent paradoxical tensions to be grounded in system characteristics (Schad & Bansal, 2018), we also recognize the sociomaterial character of the salient paradox (Hahn & Knight, 2021). This sociomateriality implies that the experience of tensions will be unique to each actor, and it will be critically affected by its immediate sociomaterial context. In other words, while all actors are part of the same system, interdependent contradictions are felt differently depending on the actor that is responding to the challenge, and the apparatus being mobilized.

Data Analysis

This study started with the idea to develop an empirical critical realist analysis (e.g., Hu, Marlow, Zimmermann, Martin, & Frank, 2020) of the underlying cultural and

structural mechanisms leading to inter-organizational paradoxical tensions in the context of grand challenges (Jarzabkowski et al., 2019). After analyzing the initial interviews, the role of the intermediary in SIBs emerged as a critical factor when navigating the different tensions present in the data. We went back to the literature, and we connected our emergent findings to the notions of institutional entrepreneurship and work (e.g., Battilana et al., 2009; Lawrence & Phillips, 2019), as well as, the literature on knotted organizational paradoxes (e.g., Sheep et al., 2017). In so doing, inspired by the quantum ontology (Hahn & Knight, 2021), we shifted our focus to the sociomaterial character of paradox and paradoxical knots. Bringing these elements together, we sharpened the research question to explore how institutional entrepreneurs (i.e., intermediaries in our context) worked on the sociomaterial context to produce collaboration and coordinate to respond to grand challenges.

During data analysis we moved between deduction and induction (Eisenhardt et al., 2016) to theorize about issues related with observed tensions, and abduction to be able to theorize about latent paradoxes and underlying mechanisms that cannot be empirically observed (Kistruck & Slade Shantz, 2021; Schad & Bansal, 2018). More precisely, the approach to the raw data analysis followed both categorizing and connecting strategies: by alternating continuously between the categorizing approach, based on finding regularities in the data, and connective strategies, based on finding the narrative or sequence of events behind it, we were able to provide comprehensive accounts of the mechanisms at play (Eisenhardt et al., 2016; Maxwell, 2012). In the following we unpack in more detail the different phases of data analysis.

Phase 1: Preparing a map of all the actors and SIBs in our data. Due to the complexity of our setting, which included a high number of different actors spread around several countries, our first goal was to familiarize ourselves with the data. To that end, we mapped all the actors we interviewed, categorizing them depending on the SIB they participated in and the type of actor they were within the SIB (e.g., investor, intermediary, etc.). The interviewees in our sample participated in more than 15 SIBs across different countries, and covered all the different types of actors involved.

Phase 2: Coding for paradox. When we had mapped and organized our data, we focused on finding inter-organizational paradoxical tensions between the different organizational actors involved. In our initial coding (Corbin & Strauss, 1990), we put the focus on finding tensions that are persistent, interdependent, and contradictory (Andriopoulos & Gotsi, 2017). While we identified multiple paradoxes spanning all known types (Smith & Lewis, 2011), we realized the central paradox in our data was the one between the interests represented by the business side of the SIB and the ones related with societal concerns (e.g., Pamphile, 2022). In addition, when looking into the paradox across the different contexts, it became clear that the role played by intermediaries was key to understanding how this central business-society paradox emerged and developed amidst many other paradoxical tensions.

Phase 3: Refining the theoretical lens and research question. With our initial findings, we went back to the literature. This prompted a shift towards trying to understand how the intermediaries in different European countries worked as institutional entrepreneurs to shape the sociomaterial context in the context of grand challenges. We

112

put the analytical focus on the knots between the social-commercial paradox and other related paradoxes that came with SIBs.

Phase 4. Coding for and connecting institutional work, knotted paradox, and grand challenges. Going back to the data, we used both categorizing and connecting strategies (Maxwell, 2012). Categorizing strategies included the use of the Gioia method (Gioia, Corley, & Hamilton, 2013), in which we coded for (1) the relational, ideational, and material aspects of institutional work (red sections in Figure 7), (2) knotted paradoxes (yellow sections in Figure 7), and (3) effects on the business-society paradox (blue sections in Figure 7), extracting both 1st and 2nd order concepts. Then, we used connective strategies to produce a theoretical account of *how* the work of intermediaries knotted the shared-individualized, control-flexibility, and simplicity-complexity paradoxes to the central business-society paradox, making it feel owned, vibrate, and get materialized respectively. In turn, these knotted paradoxes have an effect on the analytical facets of grand challenges, constructing complexity, shaping uncertainty, and materializing evaluativeness (*aggregate dimensions* column in Figure 7). Throughout this phase we zoomed in and out (Jarzabkowski et al., 2019) of the intermediary organization to understand how they worked, and the effects this worked produced.

1st Order Concepts	2nd Order Themes	Aggregate Dimensions

Adapting the SIB template	→	Localizing the apparatus
Bringing actors together / Finding a champion to lead the process	→	Co-creating the apparatus
Shared, co-created apparatus / Adapted, championed by public sector	→	(Knotted) Shared-individualized paradox
Shared goals / Alignment of social and commercial perspectives	→	Owning the business-society paradox

Constructing complexity

Framing the issue / Creating a common language	→	Making the apparatus stable
Array of causes / Range of operationalizations / Teleological variation	→	Making the apparatus fluid
Rigid contract and regulation / Flexible operationalization and meaning	→	(Knotted) Control-flexibility paradox
Meanings of the social pole / Meanings of the commercial pole	→	Vibration of the business-society paradox

Shaping uncertainty

Define practicalities / Social science standards / Get data	→	Sharpening the apparatus as a measuring tool
Measurements are simple / Measurements capture preventive interventions and complexities	→	(Knotted) Simplicity-complexity paradox
Discussing measures of social impact / Discussing measures of financial return	→	Materializing the business-society paradox

Materializing evaluativeness

| Institutional work on the apparatus | Knotted paradox | Effect on the business-society paradox | Effect on the analytical facets of grand challenges leading to collaboration |

Figure 7. Coding tree for the SIBs data

FINDINGS

The Business-Society Paradox

This chapter aims to explain how institutional entrepreneurs work on their sociomaterial context to harness the generative power of organizational paradoxes and successfully articulate responses to grand challenges. Our findings show how intermediary organizations acting as institutional entrepreneurs work on establishing SIBs as a shared apparatus to harness paradoxical tensions when responding to grand

challenges. For example, in the Finnish case, the role of the entrepreneur was explicitly mentioned in several occasions; Nilo, a project manager, explained:

> *We have been very lucky in Finland, because [the institutional entrepreneur] has taken a big role in building the capacity on the authority side. This is definitely something that, for example, the other Nordic countries have been missing. That's why the development in those countries has been much slower than in Finland. The training, education, and convincing of authorities about SIBs has been done by [the institutional entrepreneur], and that has been a great benefit for the market in Finland.*

Overall, findings show how responses to grand challenges are underpinned by both business and society logics, which co-constitute the underlying business-society paradox (Pamphile, 2022). On the one hand, the social needs are championed by actors in the public sector, displaying a public good logic (Ashraf et al., 2017). For example, Benjamin who works as a project manager in Finnish SIBs, felt that the response to a grand challenge such as the well-being of children should not involve private money:

> *Mainly, I would say that with the politicians, and the hard part is how do you privatize these very sensitive fields of children protection, and at least one politician seems to think that this is no place for a private company, or even less for a private equity investor to step into this field.*

In contrast, as explained by Linda, a civil servant working in the Finnish Ministry, actors in the private sector display a market logic (Saz-Carranza & Longo, 2012), which consistently point towards economic vocabulary and the business case for SIBs:

> *I would say that one thing that all the time comes [with investors] is the relationship between the risk and profit because in Finnish SIBs investors can lose all their money; there isn't any guarantee for money, so they feel that there's quite a big risk and the profit isn't that big.*

Thus, institutional entrepreneurs in different countries do institutional work on its immediate sociomaterial context to produce collaboration by way of impacting the central business-society paradox. Findings show how the institutional work on the sociomaterial context shapes system characteristics in which the latent business-society paradox is

inherent, knotting it with the shared-individualized, control-flexibility, and simplicity-complexity paradoxes. This process of knotting impacts the inter organizational business-society paradox that is central in the response to grand challenges along the facets of complexity, uncertainty and evaluativeness to produce collaboration. Overall, the work of the institutional entrepreneur constructs complexity (Jarzabkowski et al., 2019; Perkmann, Phillips, & Greenwood, 2022), shapes uncertainty (Rindova & Courtney, 2020), and materializes evaluativeness (Berndt & Wirth, 2018; Reimsbach, Schiemann, Hahn, & Schmiedchen, 2020).

Constructing Complexity

Grand challenges are characterized by their complexity (Ferraro et al., 2015). Against this backdrop of complexity, with a wide array of simultaneously competing and synergic demands, institutional entrepreneurs need to deploy a shared apparatus that narrows the complexity of the latent business-society paradox (Hahn & Knight, 2021) in a way that when it is enacted salient it feels local and owned (Pradies, 2023) by the different actors that need to collaborate. However, reducing complexity does not mean to completely get rid of it, but it needs to be transformed and (re)constructed to leverage the "benefits from combining different logics" (Perkmann et al., 2022: 15). Therefore, institutional work needs to be directed towards constructing complexity in a way that leverages the idiosyncrasies of actors from different sectors.

Localizing the apparatus. In the case of SIBs, institutional entrepreneurs seek to change how services are contracted and how interventions are delivered in an effort to find solutions to systemic problems. As Anja, who is now working for a Finnish Municipality, but had worked in Finland's institutional entrepreneur, puts it, "there's a

116

systemic change we're actually doing with SIBs". In this context, SIBs need to reduce the scope of the grand challenge, for maintaining its complexity makes inherent latent paradoxes too difficult to handle. This can be appreciated when Marcus, a service provider on the Finnish case, reflects on the challenges of the first SIBs in Finland to decrease sick leaves.

> *I would say that the one biggest problem that we saw already in the beginning was that it was too ambitious. You got to be more specific, I think, in these areas. You got to target the real problem and not everything. And the problem with this was it was looking at overall wellbeing of employees, which gets much harder when we talk about sick leaves.*

However, while some complexity must be sacrificed, the institutional entrepreneur needs to *construct* complexity to reap the benefits of bringing together actors from different sectors (Perkmann et al., 2022). A key step when constructing complexity in a way that the business-society paradox can be harnessed constructively is to localize the apparatus. The work of localizing consists in adapting the apparatus of the institutional entrepreneur to the local characteristics of the market. In the case of SIBs, the "ideal" form of SIBs, stemming from its first implementation in the United Kingdom to address recidivism (Disley et al., 2015), needs to be adapted to "the local nature of urban problems" (Williams, 2018: 10). This can be seen when August, managing the operations in the Swedish intermediary organization, explains how they adapted the model:

> *We had been following the development in other countries, for instance in the U.K., and we saw that there were some elements of the social impact bond, it was quite similar to what we did in our social investment case. But there were also some differences, for instance with the stakeholders and the governance model. So, our idea was to try to see if we added a few components from the SIB model to our context would that support, would that make the tool even sharper, if you say so. So that was basically why we started to work with social outcomes contracts.*

The strife that comes with correctly constructing complexity, avoiding an apparatus that is too generic or simple, can be illustrated with the cases in which there is

no clear intermediary, such as Denmark. Henrik, working in a knowledge organization of Denmark focusing on social investments, explains how he feels that in his country "there is a very large focus on being able to show a business case upfront" and that "the focus is quite a lot on predefined evidenced based interventions that [they] already know in a way". So, instead of engaging in the construction of a complexity that leverages the full extent of the collaboration between private and public actors to deliver innovative interventions in response to grand challenge, they focus on what they already know. The lack of an institutional entrepreneur constructing a localized complexity through a shared apparatus, leads to a simplified apparatus that significantly reduces the potentiality space for latent paradox, but they lose significant generative potential of engaging in collaboration.

Co-creating the apparatus. The process of localizing the apparatus starts with a process of co-creation in which the different actors participate in setting up the sociomaterial context through which the response of the grand challenge is going to be operationalized. For SIBs this is reflected during the modelling phase, in which all the different actors come together. As Anton, the leader of the Finnish intermediate organization puts it:

> *I just mentioned the social impact modeling because for us that is the most important part, is when we are preparing the social impact bond or outcomes contract approach. During that process, we are using a co-creation… We call that impact co-creation which means that we really invite all possible stakeholders, all possible players who are interested in that particular issue to the same table. And then we start that discussion again with those people […], what we want to achieve by 2030 and what could be that measurable goal. We want to be sure that all important players understand similar enough that phenomenon and everything which is important in terms of that. So, we are talking about different kinds of public sector people, academics, possible service providers who are interested in this. And even with possible investors, to make them all understand the phenomena of the issue in the same way. So we are really interacting with lots of different kind of professionals, different kind of players.*

118

But while intermediaries from different countries referred to co-creation in this process of localizing the apparatus, the institutional entrepreneur consistently prioritized the public sector. In other words, the intermediary organization recognized the centrality of the public sector (Xing et al., 2018), and their power (Berti & Simpson, 2021) when navigating competing demands (Perkmann et al., 2022). Anja makes it very clear when discussing how they thought about implementing the SIB as intermediaries:

> *We were always thinking whether we should start from the investors or whether we should start from the service providers. But since in Finland, the public system, the municipalities are so strong, we decided that it's very important to get them involved in the first place.*

This insight is reinforced by observations of the Spanish case, in which the SIBs market is being constructed, and the intermediary started by engaging with the public sector. At first, they started pursuing SIBs as a minor contract with the municipality of a Catalan city, who financed the viability plan. After that, the idea of the SIB was picked up by the government of Catalonia. In this process they looked for champions within the public administration. The aim of some of the first meetings with the administration was to get some key actors from the public sector to champion the project and introduce the SIB in the municipality strategy. As one of the authors captured in the fieldnotes.

> *[The champion from the Catalan administration] exits the room and the people from [Spanish intermediary] engage with [the other people from the Catalan administration present in the meeting] to discuss how well the meeting has gone. It seems that the real objective of the meeting was to make [the champion from the Catalan administration] take decisions. [One of the attendants from the Catalan administration] agrees with [an attendant from the intermediary organization] on the fact that [the champion from the Catalan administration] has made some decisions that are now rock solid.*

Knotting the shared-individualized paradox with the (owned) business-society paradox. The shared-individualized paradox is a belonging paradox (Smith & Lewis, 2011) underpinning the complexity facet. It refers to the competing, yet interrelated needs

of having an apparatus that is both shared and co-created by the different actors, and tailored enough to all individual stakeholders involved (specially the champion in the public sector) so everyone feels the paradox as their own. The institutional work on complexity by the institutional entrepreneur localizes the apparatus through which paradoxical demands are grasped, and constructs a specific complexity (Perkmann et al., 2022) that (key) stakeholders can feel as their own (Pradies, 2023) by co-creating the apparatus. Localizing and co-creating the apparatus shapes system characteristics to give place to the shared-individualized paradox, which gets knotted to the business-society one. This knot constructs a complexity for the business-society paradox that the different stakeholders can relate to, and when it is enacted salient it is accepted and perceived as one's own.

In the case of the implementation of SIBs in Finland, the work of the intermediary organization acting as an institutional entrepreneur in enmeshing the different SIBs into the strategies of municipalities, while bringing all actors together, made actors acknowledge the business-society paradox as their own. When the contradictory, yet interdependent ways of working of the Finnish administration and private investors became salient, public actors foregrounded the importance of working through paradoxical demands because they were "all Finnish actors". As Matti, one civil servant from a Finnish Municipality explains:

> *I think the biggest idea is that we all have the same goal, to get more people into work despite the benefits, social benefits and unemployment benefits, and to get the idea that it benefits us all if more people are working. You maybe know that Finland has very much elderly people here, and we want to get our youngsters into work, but it's very hard because the demands of the private corporations tend to be too high to our job-seekers. This is the main problem, and it is a problem to all of us. Understanding this, that we have the same goal, I think that is the epiphany that makes our goal together. I think so. It's now easier, because we are planning together, so long, so these little obstacles have faded away.*

120

In other words, the knot between the business-society paradoxes and the shared pole turns stakeholders into *paradox owners*, inasmuch as they embrace the business-society paradox in a way that they are willing to work through it (Lüscher & Lewis, 2008) despite difficulties.

However, intermediaries construct a local complexity championed by the stakeholder group that holds the most power. The work of finding a champion in the administration tailors the apparatus to the public sector, and inevitably individualizes the business-society paradox. The knot between the business-society paradox and the individualized pole reinforces ownership for the public sector. As Leevi, who works in the Finnish public administration puts it:

So that has been quite seamless and especially now with the implementation team, there's not really been any issue with anything, because we defined everything we needed to do together in the partnership agreement and now it's been just the technical implementation. And we have found, and I would argue they have also found, that everything has worked according to plan and whatever technical issue we have faced, it's been a common issue.

At the same time, the knotting between the business-society paradox and the individualized knot may reduce ownership for other actors. As Vilho, a Finnish academic puts it:

People who are doing public procurement to me they don't seem to be very good at it. So that they are making deals that clearly provide bad incentives and this is not [...] Do they have sufficient kind of technical skills in terms of thinking about what are their implications of this? What are the implications for incentives for these contracts? And that certainly happened here, although I don't think in the end matters so much but that was something that I was very frustrated with because this was... We were so close to getting it perfectly right...

The role of the institutional entrepreneur/intermediary is key to strike the right balance between reducing the complexity inherent in responding to grand challenges and constructing a complexity that actors accept.

When there is a lack of an institutional entrepreneur constructing a complexity that is accepted by the different actors, the paradoxical tensions that arise are rejected, and actors respond defensively. The case of the SIB in The Netherlands, in which a big consultancy acted as an intermediary to set up the SIB, and then faded away during its execution, illustrates the case in which when scarcity makes tensions salient, and paradoxes are not felt as one's own, tensions escalate, and even lead to the collapse of the SIB as an apparatus. As one employee in the public sector in the Netherlands explained:

> *The contract process with the [SIB in the Netherlands #1] was guided by a law firm. It wasn't that we were just doing something, but we were directly on the table. We directly faced each other and had a fight with each other. Not that we were fighting all the time, but if there was a delicate subject, then we had to fight, and we saw each other. The [SIB in the Netherlands #2], there was an intermediary [...] [that] dealt with the social entrepreneur, and it dealt with the investor, and it dealt with us, and it dealt with the university. What happened is that we, as a group, as partners, didn't construct a relationship with each other. We didn't look each other in the eye. We didn't know exactly what the stakes were or what we thought that they think was important. We had a different view about something, then it kind of... How do you say it? It's not that [the big consultancy company that acted as intermediary] deliberately didn't tell us or whatever, but it was lost in translation. What happened... The contracting time was very easy, but when we really started with the social impact bond, then we actually had to do the process we had done in the [SIB in the Netherlands #1] in the first three months. We had to do that over again, but then with much higher stakes.*

Shaping Uncertainty

Grand challenges are characterized by being uncertain, inasmuch as future outcomes are impossible to predict, and the whims and desires of the different stakeholders are always in flux (Ferraro et al., 2015). The fluidity and dynamism of grand challenges (Gümüsay et al., 2022) require institutional work that shapes uncertainty (Rindova & Courtney, 2020) to make the most out of the lack of definite outcomes, processes, and desires. The institutional entrepreneur works on shaping uncertainty by leveraging the "incomplete knowledge" of actors to "enact a new market order" (Rindova

122

& Courtney, 2020: 793). Thus, the institutional work on shaping uncertainty makes the immediate social material context through which salient paradoxical tensions are enacted (i.e., the apparatus) fluid, while preserving the necessary rigidity to have a shared understanding. In turn, the institutional work shaping uncertainty, knots the control-flexibility paradox with the business-society one, making it vibrate.

Making the apparatus both stable and fluid. The institutional entrepreneur shapes uncertainty by acknowledging and embracing the (dynamic) range of goals and desires of the different stakeholders involved in responding to the grand challenge. In the case of SIBs, the intermediary acting as an institutional entrepreneur establishes a shared sociomaterial context between the different actors that is simultaneously fluid and stable. Understanding how each actor perceives the proposed form of collaboration allows the institutional entrepreneur to leverage the malleability of its own apparatus, the SIB, while simultaneously establishing it as the basis for a shared understanding.

On the one hand, making the apparatus stable starts by creating enough stability to have a shared understanding. Anton, from the Finnish intermediary organization, explains how they first need to establish common ground:

> *The first question is that, how we want to frame the issue with which we want to work. For example, if we are talking about wellbeing among families, first we want to understand that what wellbeing is really meaning in terms of family life, what wellbeing includes. […] And then we have to understand that what kind of changes we have to make happen in order to be able to achieve that final call. And that is the starting point for our work. We are not talking about resources, we are not talking about any kind of intervention. We are talking about the final call, we are talking about the root causes, and then we are talking about those changes, which we really have to make happen in order to be able to achieve the final goal.*

On the other hand, shaping uncertainty comes by making the apparatus fluid. In the context of SIBs, this means they can be understood differently (Carter, 2020) from the array of causes leading to them, the range of interventions they enable, and the goals they

pursue. For example, SIBs can just be an alternative providing additional value. As Maria, adviser for the Finnish ministry explains:

> *In the employment offices those people who are working there, they thought first "is this kind of competition… this is something that it's not good to have this kind of model and this private money". But we had a lot of discussions and we had a lot of personal training in employment offices, and we explained that this is a possibility to… this is an extra possibility to other people services, because many times we don't have enough services for unemployed immigrants. And this has been a very good opportunity to them.*

In some occasions, due to its newness and rising popularity, SIBs are just seen as goal in itself by the public administration. As Noah, working in the consultancy company that acted as an intermediary at the formative stages for some of the SIBs in the Netherlands explained:

> *And then it became more of a goal in itself, like there would be an alderman at the municipality that was just really keen to have a SIB because it made it look good. And it required public-private cooperation, and, you know, that is a good marketing tool, right? And investors were more keen to get it done because of the neatness of it, the innovation element to it, rather than a SIB just as a mechanism to address a social issue, right?*

SIBs are also perceived as a path toward systemic change. As Anja, from the organization acting as an intermediary in Finland explained:

> *[The SIB] is also changing the culture and I think that's the systemic change which we are doing. […] I think from this, we could get better ways to do the procurement. This could be the way to do the negotiations between the service providers and the municipalities.*

Knotting the control-flexibility paradox with the (vibrating) business-society paradox. The control-flexibility is a paradox of organizing (Lüscher & Lewis, 2008; Siggelkow & Levinthal, 2003; Smith & Lewis, 2011) underpinning the uncertainty facet. It refers to the interrelated, yet competing demands of having a definite way of working, while simultaneously being flexible enough to adapt to unforeseen developments. The

institutional work on making the apparatus both stable and fluid constructs the possibility space for the (latent) control-flexibility paradox, and shapes its salient instance for actors, knotting it with the central business-society paradox. In the case of SIBs, as Noah, from the consultancy organization acting as a sort of an intermediary in the formative period of some of the SIBs in the Netherlands, highlighted:

> It's also an interesting paradox in a way because I think one of the reasons to pursue a SIB is the fact that by defining outcomes, you create the flexibility in the delivery. It's normally certified as a contractor based on a very specific process. And now you eliminate that. We only look at the outcomes, so be more flexible. [...] But then, because you have a contract that defines "okay, these people are going into the program, and these are not" that it's very rigid in a way. And that's not always helpful.

In the above quote, it can be seen how the apparatus becomes both stable and fluid, giving place to the control-flexibility paradox. The institutional entrepreneur shapes the control-flexibility paradox in a way that promotes action out of uncertainty. Through the institutional work of making the apparatus both stable and fluid, the control-flexibility paradox becomes knotted with the central business-society paradox. On the one hand, the control pole provides security for investors. As Noah continued explaining:

> And so, in your ideal way you would have more of a flexible SIB. But the issue is that everyone wants security, everyone wants some sort of safeguarding. Investors, they're putting up money and we have no idea, based on what is going to be paid back, like, why would they invest and how it works. So, you put it to a contract that makes it more rigidly-like.

On the other hand, flexibility comes with strategic ambiguity to minimize resistance (Edman & Arora-Jonsson, 2022; Jarzabkowski, Sillince, & Shaw, 2010). The knotted relationship between the control-flexibility, and business-society paradoxes directly affects the latter by making it *vibrate*. We use the term *vibration* to explain how the society and business poles, and their operationalization adopt different meanings

while at the same time always remain narrow enough to provide the basis for a shared understanding that avoids paralysis. For example, the business pole adopts the meanings of "cost effectiveness, marketing, and reputational", while the society pole adopts the meanings of "social impact" or "systemic change", but they always are in the range of commercial and social concerns to foster collaboration and promote action.

As an apparatus, the SIB, directs the attention towards future social and commercial outcomes, the meanings of which remain open and unactualized. In Figure 8 we zoom in the 1st order codes of the notion of vibration to show the many ways in which the meanings of SIBs variate. The causes, operationalizations, and goals of SIBs are understood in many different ways. This allows each actor to decide on the (symbolic) meaning of the business-society paradox. In this process, the poles of the business-society paradox vibrate, effectively shaping uncertainty.
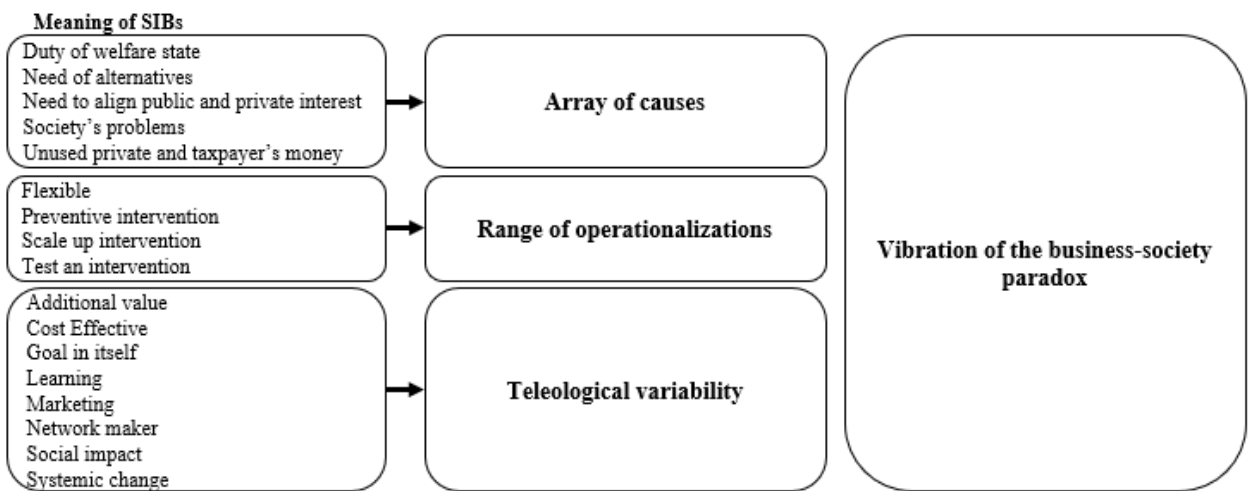

Figure 8. The many meanings of SIBs

While knotting between the control-flexibility paradox and the business-society one makes the latter vibrate and achieve strategic ambiguity (Jarzabkowski et al., 2010),

126

too much vibration can overstretch the business-society paradox. Actors that are more knowledgeable about the SIB may perceive ambiguity as overselling. As exemplified by the words of Marcus, a service provider who has participated in several SIBs projects:

If you go and promise everything, between heaven and earth, like I saw that they did, these guys from [the Finnish intermediary organization], so then it's easy to get the customers, but then you have to deliver. And then if the expectations are wrong, then we know what happens. They will be unhappy. That's clear. And then, the outcome will probably be less good. Because you see that everything I say boils down to this design of the actual project. What is it that you want to achieve, and what do you promise? And that tells you how much you should have funding and how you should design the thing. So it's the question of being professional right from the start.

Materializing Evaluativeness

Evaluativeness refers to the different ways in which grand challenges are evaluated, as different actors have different perspectives on different issues (Ferraro et al., 2015). Evaluations from market and social perspectives need to be addressed simultaneously to achieve collaboration (Gümüsay et al., 2022). To be able to align competing evaluations of grand challenges, institutional entrepreneurs work on sharpening the apparatus to use it as a measuring device. In doing so, they materialize evaluativeness, and the underlying business-society paradox.

Sharpening the apparatus as a measuring tool. We found that the institutional work of the institutional entrepreneur on the evaluative facet of grand challenges brings together society and business logics by grounding them in social impact and financial returns and measuring them. The work around measuring aligns the variable ontologies of grand challenges (Ferraro et al., 2015), setting the common ground for collaboration. In the context of SIBs, the work on evaluativeness requires working on the practicalities to measure social impact and financial returns. As Anton, from the Finnish intermediary organization puts it:

We don't want to develop any core, we really want to be proactive preventive, and it's always a question of how we are able to measure that we have done something well, because you don't know because you are proactive that prevent how you are able to prove that you have done well.

Working on sharpening the apparatus as a measuring tool that provide reliable measurements required a scientific approach, which came with technical challenges. As Vilho, a Finnish academic, explained the questions that were discussed the most were related with "how exactly to implement randomization? Which register do we get data from? How do we approach the register keepers in a way that this legal for them to give it? How should we interpret these results?". By turning the apparatus into a measuring tool, the evaluations of the different actors converge, as the underlying business-society paradox gets materialized.

Knotting the simplicity-complexity paradox with the (material) business-society paradox. The simplicity-complexity is a performing paradox (Smith & Lewis, 2011) that comes with measuring. On the one hand, measures need to be simple to make them more understandable and avoid paralysis. On the other hand, measures need to be complex to capture the nuances of grand challenges, and be an acceptable proxy of the elements actors actually value. The work on the apparatus related with evaluativeness shapes system characteristics to give place to the simplicity-complexity paradox, which gets knotted with the business-society one. This knot makes the business-society paradox measurable, making it easier to work through competing logics, but imposing constrains on action insofar as it materializes it (Gaim et al., 2021). Through an apparatus that has been sharpened for measurement and the knot with the simplicity-complexity paradox, the business-society paradox is materialized in terms of financial return and impact measurement.

128

In this context, materializing the business-society paradox is a performative process of deciding about the social impact and financial returns. In this process, the (socio)*material* dimension of the apparatus becomes apparent, insofar it forces the different stakeholders to materialize (Reimsbach et al., 2020) their discourses (Orlikowski & Scott, 2015). Materializing the paradox is a process through which the society and business logics underlying the SIB are continually enacted and "dynamically produced-in-practice" (Barad, 2007; Orlikowski & Scott, 2015: 699), temporarily fixed on the contract and its revisions.

Materializing the paradox requires to strike a balance between simple measures and complex ones, for the former may facilitate action, but disregard one of the poles, and the latter may provide detailed information leading to systemic change, but impede action. The role of the institutional entrepreneur is key to attain that balance. Along this line, materializing is an iterative process, and requires learning. After all, as a civil servant in a Finnish municipality remarked, "the measurement of the social output is difficult", and Nilo, from the Finnish Project Management organization, expressed the same sentiment, highlighting that measuring had been "a continuous learning process". In the Finnish case, the institutional entrepreneur explained how, at first, the process of materializing failed to capture the inherent complexity of social issues. In the words of Anton, "those indicators in our first case, the occupational wellbeing, we had only one indicator", which was the number of sick leave days. This simplicity was necessary to get actors from different sectors and under the influence of different logics to collaborate; as Anton explained, "because that was a first […] in Finland and I wasn't able to find any other indicators which could have been understood in a similar way by investor, service providers, and everybody". While this simple materialization worked to bring actors

together and spur action, it failed to properly capture the underlying complexity behind occupational wellbeing, and the social and commercial evaluations were being misrepresented. This can be illustrated with Nilo's words:

One company, they had a very heavy layoff scheme, and what happens when the negotiation for the layoff scheme are ending, those who were laid off, they left for sick leave immediately, and those were not laid off, then they got sick, because they relaxed, and they were on the safe side, so they could take sick leave which they didn't dare to take earlier. In this one case, the number of sick leave days exploded when we started operations due to a reason that was not linked to our performance at all.

The institutional entrepreneur improved materialization in subsequent cases. For example, in the integration of immigrants in the Finnish labor market, they promoted the use two indicators, taxes and unemployment benefits, that materialized social and commercial valuations by measuring them in euros. As Nilo explains, comparing euros to euros facilitates things, insofar as "if we increase the tax load for authorities, we get part of that increased tax load. If you reduce the unemployment benefit payments, we get part of that saving". But at some point, actors need to make a compromise, and beneficiaries end up getting "lots of benefits that we can't measure. We are measuring one factor, but we are losing other factors".

The case of Denmark, in which there was no clear institutional entrepreneur working in finding a balance between simplicity and complexity provides an illustration of the pathway materialization can take when there is no knowledgeable actor behind it. In this case, materialization leans towards excessive simplification. When prompted about the role of academics in randomized control trials, Lars, who works for an investment organization in Denmark who acted at times as a sort of intermediary trying to coordinate different actors, highlighted the following:

We are not really... Because again every time you try to say trial, or randomization, or really do an effects study, the municipalities are like "Whoa, whoa, whoa. That's

too tricky, we don't want that. It's expensive. It's difficult. We're not sure whether it's ethical to do that". Stuff like that. [...] Afterwards, you try to make the best evaluation you can do but often it's not on a random trial or randomization of people or anything. Because again the mindset and understanding of this is not really how we do social work in Denmark. It's more about how you feel, not really on facts.

DISCUSSION AND CONCLUSIONS

Main Contributions

In this chapter we have explained how the purposeful work of institutional entrepreneurs in the context of grand challenges fosters collaboration. The institutional entrepreneur's work affects the immediate sociomaterial context, shaping the system characteristics in which the business-society paradox is inherent, and knotting it with the shared-individualized, control-flexibility, and simplicity-complexity paradoxes. By doing so, the business-society paradox inherent in responses to grand challenges requiring cross-sector collaboration becomes owned, vibrates, and gets materialized along the facets of complexity, uncertainty and evaluativeness respectively. The institutional and paradox perspectives offer the conceptual framework to explain how collaboration arises out of the purposeful actions of institutional entrepreneurs, who "influence [the] institutional structures" (Patterson & Beunen, 2019: 7) and "shared, social understandings" (Lawrence & Phillips, 2019: 190) that shape the possibility space of latent paradox, and *how* salient paradoxes are experienced. In the case of SIBs, we have explained how the work on the SIB as an apparatus through which actors enact tensions, shapes the possibility space of the latent business-society paradox kickstarting collaboration by constructing complexity, shaping uncertainty, and materializing evalutiveness (see Figure 9).
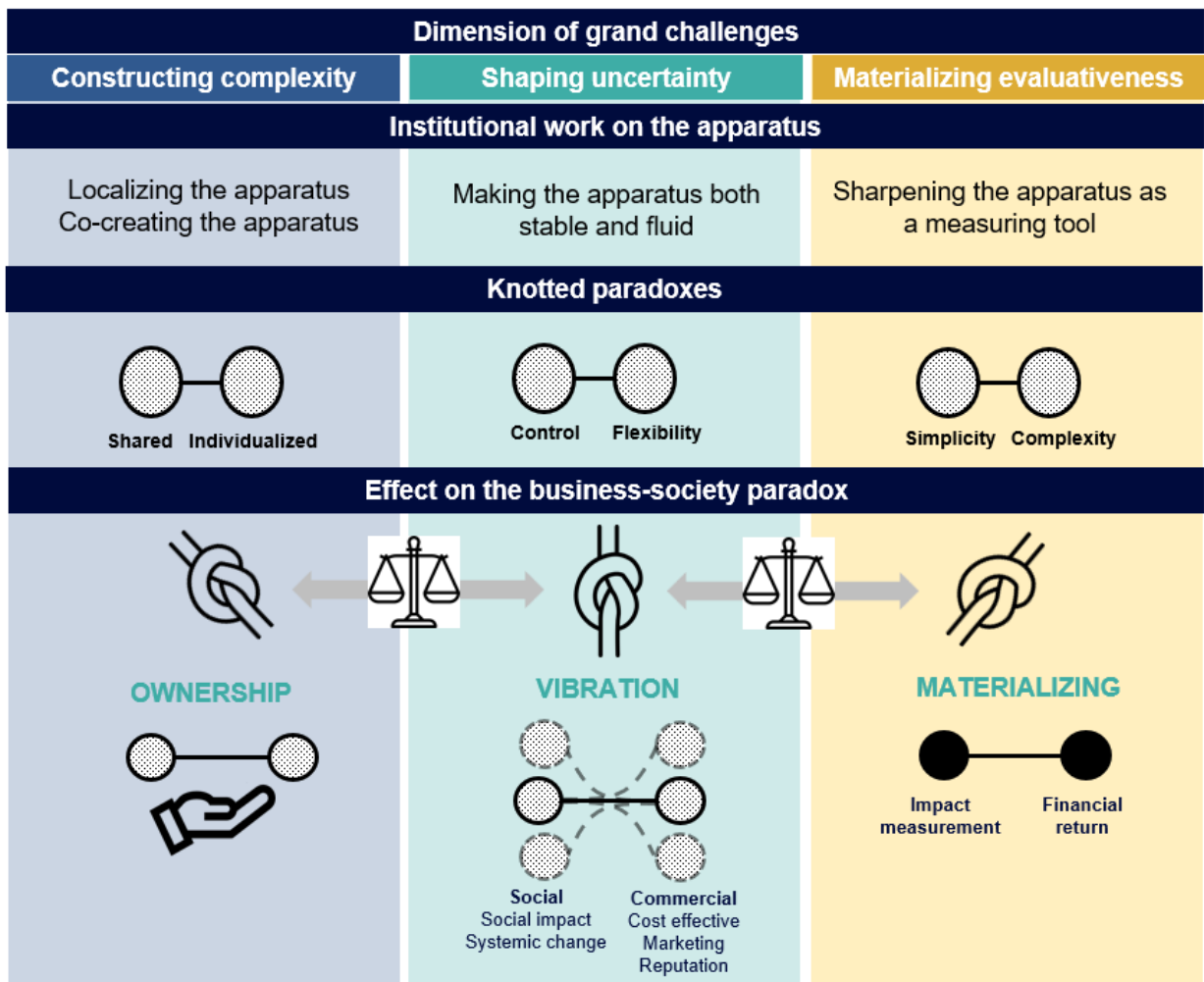
Figure 9. The mechanisms of constructing complexity, shaping uncertainty, and materializing evaluativeness

Thus, in this chapter we show the mechanisms through which an institutional entrepreneur harnesses paradoxical tensions in grand challenges. With this we contribute to the literature on institutional entrepreneurship by showing how strategic agency is deployed to harness field and organizational level tensions (Levy & Scully, 2007). In the process, we revitalize *institutional entrepreneurship* by approaching it from a quantum perspective (Hahn & Knight, 2021) that recognizes the sociomaterial aspect of the actant. We contribute to paradox literature by showing how the institutional entrepreneur fulfils the role of a boundary organization (Jarzabkowski et al., 2019), bringing actors together and shaping the sociomaterial context to respond to grand challenges. Therefore, the

institutional entrepreneur mobilizes an apparatus that constructs complexity, shapes uncertainty, and materializes evaluativeness. With it the institutional entrepreneur shapes both the possibility space of latent paradox and the enactment of salient paradox (Hahn & Knight, 2021; Knight & Hahn, 2021). In that regard, we show how the collective salience of paradoxical tensions (Sharma, Bartunek, Buzzanell, Carmine, Endres, Etter, Fairhurst, Hahn, Lê, Li, Pamphile, Pradies, Putnam, Rocheville, Schad, Sheep, & Keller, 2021) is strategically curated (Knight & Hahn, 2021) and managed by the institutional entrepreneur. Thus, starting collaborative efforts to respond to a grand challenge already entails setting the stage for the paradoxical tensions that will be experienced and that, ultimately, will promote action.

Implications for the Sociomaterial Nature of Knottedness

Our findings shed light on the sociomaterial nature of paradox knots. While Sheep et al. (2017: 481) depict knots in situations in which "organizational members talk their paradoxical circumstances into being", our sociomaterial approach explains how institutional work can shape system characteristics to give place to knotted paradoxes. The institutional work shapes the system characteristics in which the business-society paradox is inherent to give place to knots with the shared-individualized, control-flexibility, and simplicity-complexity paradoxes. Thus, paradox knots not only emerge from and are planted in discourse (Sheep et al., 2017), but can also be grounded in sociomaterial system characteristics. In turn, knots have an effect on the sociomaterial dimensions of the business-society paradox: both the material, and ideational system characteristics in which the paradox is inherent get affected, impacting how the paradox is experienced as well. Thereby, we offer further insight into the effect of knots beyond attenuation and amplification (Sheep et al., 2017), inasmuch as they can promote

ownership, induce vibration in the ideational aspect of another paradox, and inform its materialization.

In terms of the dynamics of paradox knots, our findings show how balancing the knots and attaining equilibrium (Jarzabkowski et al., 2022) between the business-society paradox and the other (knotted) paradoxes fosters collaboration and systemic change. Striking the right balance between the shared-individualized, control-flexibility, and simplicity-complexity paradoxes makes it possible to address the facets of complexity, uncertainty, and evaluativeness, respectively. However, these facets and the underlying knotted paradoxes may not be all simultaneously balanced. For example, an institutional entrepreneur may fail to strike the right balance between complexity and simplicity, while adequately balancing and knotting the shared-individualized and control-flexibility paradoxes. Thus, we expand on the notions of equilibrium and disequilibrium (Jarzabkowski et al., 2022; Smith & Cunha, 2020; Smith & Lewis, 2011) by showing how they are a matter of degree. In regards to our argument, they follow from the balance and imbalance of multiple knotted paradoxes. Equilibrium, and subsequent collaboration and systemic change, are multi-faceted outcomes impacted by the knotted paradoxes along the facets of complexity, uncertainty, and evaluativeness.

Implications for Institutional Work in the Context of Grand Challenges

The forms of institutional work we present in this study connect with the analytic facets of grand challenges of complexity, uncertainty, and evaluativeness (Ferraro et al., 2015). By doing so, we uncover how the relational, ideational, and material dimensions of institutional work (Lawrence & Phillips, 2019) unfold in the context of grand challenges. While all forms of institutional work discussed in this chapter possess

134

relational, discursive, and material dimensions, upon closer inspection it becomes apparent that each analytical facet of grand challenges is strongly related with each of these dimensions.

Accordingly, the work on constructing complexity particularly builds on the relational dimension, showcasing how an institutional entrepreneur adapts a "premade" sociomaterial apparatus (i.e. the social impact bond) to each context by drawing from the wide range of stakeholders or "paradox peers" (Pamphile, 2022). We show how the institutional entrepreneur can do so by making paradoxical tensions within the context of grand challenges feel owned. Thus, we heed calls to explore how the relational dimension goes beyond conflict and also helps "to build and leverage relationships" (Lawrence & Phillips, 2019: 203).

The work on shaping uncertainty mainly connects with the ideational dimension of social symbolic work (Lawrence & Phillips, 2019). It does so by affecting the discursive dimensions of the underlying paradoxical tensions (Putnam et al., 2016). This resonates with the discursive foundation of strategic ambiguity (Jarzabkowski et al., 2010), and the constructivist view on uncertainty as something that can be shaped (Rindova & Courtney, 2020). Thus, our study expands the discursive foundations of institutional work in the context of grand challenges by showing how it is mostly related with the uncertainty dimension via the effects it produces on the meanings of the poles of the social-commercial paradox.

The institutional work on materializing evaluativeness connects with the material dimension of social-symbolic work (Demers & Gond, 2020; Lawrence & Phillips, 2019).

We expand on the material foundation of institutional work in the context of grand challenges by exploring how it occurs by way of affecting the underlying business-society paradox. The work on materializing evaluativeness is related with performative work (Beunza & Ferraro, 2018), inasmuch as both refer to the institutional work that is necessary for the adoption of the apparatus. However, materializing evaluativeness is distinct from performative work because the former provides the microfoundations from the latter. The work on materializing evaluativeness uncovers how friction between business and commercial demands is overcome in the process of "creation of a distinct artefactual layer in the infrastructure" (Beunza & Ferraro, 2018: 537) of the institutional setting.

Limitations and Future Research

This chapter provides the foundations for the sociomaterial understanding of paradoxical knots, but much remains to be said about ownership, vibration, and materialization of paradoxes. Each of these concepts requires unpacking, and future research can explore how they work in more detail. Future studies can use ethnographic and quantitative methods to provide additional views about these concepts. Along this line, while the methods used in this chapter allowed us to develop the different concepts, future research can use a repertoire of methods specifically tailored to capture sociomaterial effects, such as the analysis of material elements, discourse analysis, and explicit observations of relations in practice.

All the different actors participating in SIB have different degree of power. While we acknowledge this fact, in this chapter we have put the focus on the figure of the institutional entrepreneur, sidelining power differentials. However, in many cases in

which actors come together to articulate responses to grand challenges, the lack of agency may hinder the possibility of undertaking institutional work with the focal actor remaining trapped in pragmatic paradoxes (Berti & Simpson, 2021). Future research can look in more detail how institutional and paradox theories come together when lack of agency and power differentials take center stage when theorizing.

Conclusions

In this chapter we have unpacked how an institutional entrepreneur works on the sociomaterial context to promote collaboration and articulate responses to grand challenges. In so doing, we have unpacked the sociomaterial foundations of paradoxical knots and of organizational paradoxes. Rather than avoiding tensions and friction, we have shown how embracing paradox and actively balancing them on the relational, ideational, and material fronts may well be key to navigate the complexity, uncertainty, and evaluativeness of grand challenges.

5

FAMILIES OR ASSETS: UNPACKING MORAL RESPONSES TO PARADOXICAL TENSIONS IN SOCIAL HOUSING

ABSTRACT[11]

Responses to organizational paradoxes have been unpacked from descriptive and instrumental perspectives. However, when organizational actors construct responses to paradoxical issues they also draw on their morality. Accordingly, in this chapter we seek to advance our understanding of the moral dimension of responses to paradoxical tensions. More precisely, we aim to unpack the mechanisms through which people at different levels in an organization affecting the life of many vulnerable families morally respond to paradoxical demands. Through a qualitative study, we explore how people morally respond to the paradoxical tension between social and economic demands in the context of social housing. Our findings expand on the moral microfoundations of tensions exploring how people make sense of and adjust their responses to the synergic, yet competing economic and social demands of their work when dealing with vulnerable people. We contribute to paradox theory in two ways. First, we unpack the moral charge of organizational paradoxes in situations where people need to decide on the fate of others. In doing so, we show how the moral charge not only changes between poles (e.g., social and commercial), but also across the nested levels of paradox (e.g., paradoxes enacted at the strategic level vs operational level vs field level). Second, we explore the mechanisms through which actors operationalize moral responses, and how they dynamically (morally) charge and discharge interactions.

"[M]orality resides in the painfulness of an indefinite questioning"

–Simone de Beauvoir, The Ethics of Ambiguity (1997: 133)

INTRODUCTION

Every day, when a family is evicted, someone has made the eviction decision based on multiple dimensions -e.g., economic, reputational, social, emotional, moral. The co-presence of such dimensions is likely to generate paradoxical tensions, "[c]ontradictions that persist over time, impose and reflect back on each other, and develop into seemingly irrational or absurd situations" (Putnam et al., 2016: 72). Responses to paradoxical tensions have usually been conceptualized in the literature as defensive or strategic (Lewis & Smith, 2014; Schad, 2017), with a focus on how people approach competing demands through a repertoire of strategies (Jarzabkowski & Lê, 2017). What these conceptualizations of responses have in common is their descriptive and instrumental orientation, focusing on how actors respond to create value.

However, the normative and moral dimension of tensions has received limited empirical attention and remains undertheorized (Gond, Demers, & Michaud, 2017; Schad et al., 2016). A notable exception is the work of Gond and colleagues (Demers & Gond, 2020; Gond et al., 2017), who mobilize Boltanski & Thévenot's (2006) *Economies of Worth* framework to provide a normative complement to the study of responses to paradoxical tensions in the context of sustainability. Another related work by Pérezts et al. (2011) focuses on managerial responsibility in the face of paradoxical demands. This work notwithstanding, the role played by morality when deciding on the fate of individuals and families in a situation of vulnerability is not well-understood. Indeed, making decisions that directly affect the living conditions of vulnerable people when

facing competing, yet interrelated demands becomes a moral endeavor rather than an instrumental one.

Thus, the purpose of this chapter is to advance our understanding of the moral aspect of responses to organizational paradox. More precisely, we aim to unpack the mechanisms through which people at different levels in an organization affecting the life of many vulnerable families morally respond to the paradox between social and commercial demands. Through a qualitative research design in which we study two organizations focused on the management of real estate properties, one working for a bank and another for a hedge fund, that need to manage their parent organization's properties in a socially responsible manner, we explore how people enact the moral aspect of responses to the social-commercial paradox in the context of social housing.

Our findings expand on the moral microfoundations of tensions (Demers & Gond, 2020) by exploring how in situations of "moral multiplexity" (Reinecke et al., 2017) people make sense and adjust their responses to the synergic yet competing economic and social demands of their work when dealing with vulnerable people. These are situations where the moral criteria are unclear and open to different interpretations. By focusing on people's interactions and their reactions when having to decide on the fate of others, we explore responses to paradox in relation to the moral conduct of the individual (Schad, 2017). In this context, we understand the *moral* dimension as the one that impacts how a person acts "when she takes into account in a sympathetic way the impact of her life and decisions on others" (Copp, 2006: 4).

Overall, our findings show how in the organizations we studied the social-commercial paradox is nested across hierarchical levels, taking the form of "focus on care vs. focus on contract", "social practices vs. market practices", and "reputation vs. financial returns". We find how the moral charge in these paradoxes varies depending on the distance from the parent organization and on the distance from vulnerable families. Bringing these elements together, we arrive at the mechanisms of renesting and unnesting through which people morally charge and discharge the experience of the social-commercial paradox in a dynamic way. The main contribution of this chapter is thus threefold: (1) we introduce the notion of *moral charge* to unpack the normative dimension of organizational paradoxes, (2) we contribute to the understanding of nested paradoxes by showing how actors consistently enact different instances of the social-commercial paradox across hierarchical levels, and (3) we expand on the repertoire of responses to paradox by focusing on the moral dimension of responses and introducing the mechanisms of renesting and unnesting.

CONSTRUCTING MORAL RESPONSES IN PRACTICE

Responses to Organizational Paradox from a Constitutive Perspective

Everyday organizational activities are fraught with paradoxes of different kinds (Schad et al., 2016; Smith & Lewis, 2011), ranging from the competing and interrelated tensions between business and societal demands (Pamphile, 2022) to the ones between exploration and exploitation (Andriopoulos & Lewis, 2009). In this chapter, we take our point of departure from a constitutive ontology that locates paradox in actors' discourses, interactions, and activities (Putnam et al., 2016). From this perspective, salience is the central ontological dimension from which the understanding of paradox is derived (Hahn & Knight, 2021). Accordingly, enacting a salient paradox necessarily entails constructing

144

responses to it (Jarzabkowski & Lê, 2017). For example, when we experience the interdependent tension between social and commercial demands in practice, we inevitably take a stance and react to it in a certain way.

In this context, responses to paradox have mostly been explored from descriptive and instrumental approaches (Hahn et al., 2018). On the one hand, extant literature describes a repertoire of responses to paradox that can be constructed to strategically or defensively navigate paradoxical demands (Lewis & Smith, 2014). Along this line, Jarzabkowski & Lê (2017) detail a repertoire of responses, describing different strategies through which actors can respond to competing demands, such as splitting, regression, repression, suppressing, among others. This repertoire describes the different ways in which actors (de)emphasize the poles of a paradox, keeping them together or separating them. On the other hand, responses to paradox have been explored from an instrumental perspective, from which they are understood as a mean to promote or hinder peak performance and success (Smith & Lewis, 2011).

The instrumental approach is related with the normative dimension of paradox, insofar as it is focused on "find[ing] better ways to manage interdependent contradictions" (Smith, Lewis, Jarzabkowski, & Langley, 2017: 6). While the *better ways* have usually been associated with obtaining a superior (strategic) performance (e.g., Smith, 2014; Smith & Lewis, 2011), they can also refer to doing things in an ethically correct manner. Accordingly, engaging in interactions and organizational practices inevitably has an ethical dimension (Clegg, Kornberger, & Rhodes, 2007; Ibarra-Colado, Clegg, Rhodes, & Kornberger, 2006) that impacts how we navigate complexity (Demers & Gond, 2020) and paradox (Pradies, 2023). However, while central to the experience of

paradox, the micro-foundations of paradox theory have overlooked this ethical dimension. Having said this, there are some notable exceptions that are worth considering.

Ethics and Paradox: What we Know so far

Despite the increasing attention on ethics in the context of management studies (e.g., Lemoine, Hartnell, & Leroy, 2019; Park, Park, & Barry, 2022), the ethical dimension of organizational paradoxes has received limited attention. In other words, our understanding of how actors in organizational contexts respond to paradoxical tensions when they consider the impact of their actions on others is insufficient. Developing the normative dimension of paradox (Hahn et al., 2018) is key for the development of paradox theory as a whole, insofar as it will inform extant repertoires of responses to paradox (Jarzabkowski & Lê, 2017; Poole & Van de Ven, 1989), and how they unfold over time depending on actors' considerations. The relevance is also practical, for in a world characterized by complex challenges that bring together many actors with oftentimes competing normative orders (Ferraro et al., 2015), ethics and morality are key tenets to understand and explain how to navigate current social problems.

The few studies approaching ethics and morality vis-á-vis organizational paradoxes either tend to be limited to sustainability contexts or focus on managers as the central actors enacting responses. In the first case, sustainability is a context in which the impact of actions on the life of others may is not readily evident, insofar as consequences of actions may only be observed many years ahead and the impact on human lives is spatially separated from decision makers. For example, Demers & Gond (2020) study an oil sand corporation implementing a new sustainability strategy. Drawing on the literature

146

on institutional logics and institutional work, they show how the shift from a compromise by compensation to a compromise of reconciliation between economic, social, and environmental goals triggers a repertoire of forms of justification work. While Demers and Gond (2020) uncover a range of distinct moral responses in the context of sustainability, much remains to be understood when it comes to the moral dimension of responses to paradoxical demands when facing decisions on the fate of vulnerable others. How the amount of contact with vulnerable others directly affects how morality is mobilized in the practice of dealing with paradoxical tensions remains poorly understood.

Having to decide on sustainability-related issues is conceptually and experientially different than deciding on the fate of others. For a start, facing paradoxical demands in which the life of others is immediately affected by managerial action can be emotionally demanding, critically affecting how salient paradoxes are apprehended (Pradies, 2023). For example, Pradies (2023) explains how vet's emotions shape responses to the business-care paradox they encounter in their work. In this context, the intimate relation between emotions and ethics becomes apparent, insofar as "[e]motions may play an even stronger role when one side of the paradox is experienced as more normative" (p. 524). Underpinning this insight, is the fact that coming in direct contact with people in distress or in a situation of vulnerability impacts how the paradox is experienced, especially their ethical dimension (Bevan & Corvellec, 2007).

In the second case, managers represent just one of many types of actors experiencing paradox. In general, they are characterized by having the agency to enact their desired responses. Along this line, Pérezts et al. (2011) show how managers of a French investment bank enact their managerial responsibility by using bricolage of

147

concepts and constantly mediating between financial and bureaucratic law-complying demands. In so doing, the manager becomes a "heroic figure" (Aldrich, 2011) that is able to materialize organizational managerial ethics with their own actions. However, it is progressively becoming clear that a wide range of actors in organizations lack power and agency, which has a direct impact on the experience of organizational paradox (Berti & Simpson, 2021) and the way in which responses to paradox are enacted (Gaim et al., 2021).

Accordingly, organizational paradoxes are experienced and enacted in different ways across organizational levels. Reinforcing this point, Andriopoulos & Lewis (2009: 697) show how ambidexterity tensions of innovation are nested across levels, "swirl[ing] around strategic intent (profit-breakthroughs), customer orientation (tight-loose coupling), and personal drivers (discipline-passion)". In other words, the paradoxical tension between exploration and exploitation is enacted in different ways depending on actors' responsibilities and (lack of) agency. Bringing these insights together, we expect moral responses to unfold in different ways depending on the organizational level in which the paradox is experienced. This chapter thus aims to expand what we know about ethics and paradox by exploring how moral responses are enacted across levels in a context in which the effect of decisions and actions on vulnerable others ranges from completely explicit (i.e., actors are in direct contact with vulnerable others) to completely invisible (i.e., actors never come in contact with vulnerable others).

Ethics-as-Practice Approach

Understanding the moral dimension of the experience of and responses to organizational paradoxes affecting others requires zeroing in on people's interactions.

148

Putting the focus on interactions aligns our approach with a constitutive view on paradoxes, situating their locus in "discourses, social interaction processes, practices, and ongoing organizational activities" (Putnam et al., 2016: 67). From this perspective, both paradox and ethics arise in practice out of a mutually constitutive relationship between individuals and organizations (Pérezts et al., 2011). Enacting a paradox not only entails constructing a response, but it also means this response is already imbued with moral undertones. In this context, we take an ethics-as-practice approach "that recognizes that ethics will always be situated and contextual in character" (Clegg et al., 2007: 109). This approach aligns with behavioral ethics, which is "focused on why people act rightly or wrongly at work, with a particular emphasis on situational […] and personal […] influences" (De Los Reyes, Kim, & Weaver, 2017: 315). Accordingly, while we will consistently refer to *moral responses to paradox*, we acknowledge that from an ethics-as-practice approach the notions of *moral responses to paradox* and *responses to moral paradoxes* are indistinguishable. In practice, enacting the moral dimension of paradox and responding to it is inseparable from constructing a moral response to paradox.

The salience of the ethical dimension of responses to paradox will vary greatly depending on the position of an actor within the organization. Understanding the moral dimension of responses in practice requires to look into "how people make sense of situations as ethically charged and to which spheres of knowledge they make reference to in so doing" (Ibarra-Colado et al., 2006: 52) when facing paradoxical demands. In other words, the enactment of a *moral* response will depend on how the actors apprehend the ethical charge of a paradox, and this process will be affected by people's background and their embeddedness in the "power relations that constitute organizations" (Ibarra-Colado et al., 2006: 52). Accordingly, the moral charge of each situation is apprehended in

practice, and understanding how people morally respond to paradox includes understanding the role played by "structural factors, institutionalized power structures, shared understandings, and collective identities" (Toivonen & Martí, 2022: 5). From this reasoning, it follows that a paradox and subsequent responses enacted in a similar context may end up possessing a very different moral charge depending on who experiences it. For example, people working in the same socially oriented enterprise may experience the social-commercial paradox with different intensities of ethical charge depending on their interactions, place within the company or access to resources.

Bringing all these insights together, in this chapter we will look into how actors morally construct responses to organizational paradoxes in practice. More precisely, we will focus on unpacking how actors with different hierarchical positions that have to decide on the fate of vulnerable others experience the moral charge of the poles of paradoxical tensions, and what mechanisms do these actors use to navigate morally complex situations.

EMPIRICAL SETTING AND METHODS

Empirical Setting

To examine and theorize the role of morality in responses to tensions, we focus on the systemic social problem of housing (Madden & Marcuse, 2016) in the context of Catalonia (Spain). We studied people working in two real estate organizations from Catalonia that underscore their socially responsible practices and ethical commitment, but that at the same time need to produce positive economic results because they manage real estate assets for a large hedge fund and a large commercial bank respectively (we will call the two organizations FundOrg and BankOrg to preserve their anonymity). In this

context, the social-commercial paradox (Pamphile, 2022; Sharma & Bansal, 2017) is enacted time and again during the everyday activities and interactions of people working in these organizations.

Our study began in a post-crisis scenario, with many families still recovering from the effects of 2008's financial crisis that left them with important debt, and problems with securing a place to live. While a number of studies have been conducted to study how people navigate indebtedness and housing precariousness (Desmond, 2016) less is known about people who work for companies that make decisions which directly affect that precariousness. People who contact, listen to, talk, and negotiate with people affected by housing precariousness to require payments and manage a way out of morally complex situations (Graeber, 2012). The very difficult situation faced by families that are on the verge of eviction makes this context particularly salient to study the moral aspect of responses. Although to a different extent, all the managers interviewed had some knowledge of the specific families (with their names and personal stories) with which they were dealing, making it difficult for them to abstract from the concrete cases and instead putting vulnerability front and center.

Our two focal organizations had different procedures, structures, and mechanisms to deal with their "special cases". In the case of FundOrg, they had a large number of so-called 'asset managers', who directly dealt with debtors and tenants, working in tandem with lawyers from an internal legal team. Although most of these interactions were on the phone, a group of asset managers dealt in person with the most conflictual cases. In the case of BankOrg, this process was outsourced to external social sector organizations with experience in working with people in vulnerable situations (see Figure 10). This means

that in BankOrg they were confident that their vulnerable clients were treated with care because of the expertise and reputation of their social sector partners, but had less control over the processes. In contrast, FundOrg had to spend time and resources training their frontline staff in how to listen with respect and compassion, while keeping an emotional distance, but they had a firmer grasp on the activities they did.
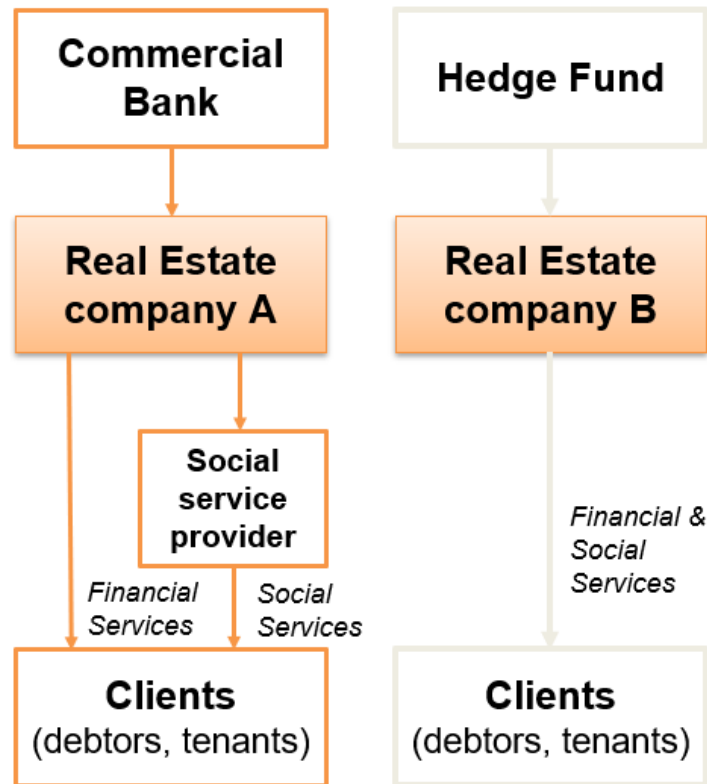
Figure 10. Research setting in the social housing project

Studying two organizations that have relevant differences (parent company, societal perception, outsourcing model) and similarities (real estate companies with roots in the financial sector, desire to balance commercial and social aspects, mix of professional backgrounds) allowed us to better understand how the different features influence the process of making sense of and morally responding to paradoxical tensions. Even more interestingly, the real estate portfolio managed by BankOrg was acquired by another hedge fund during the period of study, allowing us to analyze the differences between the two periods.

152

Research Design

This chapter is based on a paper that is part of an overarching research project in which a group of four researchers investigates the housing ecosystem at different levels, from extremely vulnerable people living in neighborhoods, to managers of real estate companies, including different public actors. First, we started with open ethnographic interviews with actors that were part of FundOrg and BankOrg. Interviewees were purposively selected (Stake, 2013) based on their involvement with the social and commercial sides of the company, aiming to cover all hierarchical levels, from people working in the field that are in direct contact with vulnerable families to the CEOs of the organizations. The objective was to gain an understanding of the housing ecosystem in Catalonia, and how the people working in these organizations experienced their day-to-day activities.

While we already recognized the importance of the contrast between the social and commercial missions of companies from the beginning, interviews at this stage can be characterized as friendly conversations (Spradley, 2016), without any specific research question in mind. As the research progressed and we gained a deeper understanding of the way people in these companies navigated their responsibilities, we progressively shifted towards focused interviews to understand the moral aspect of responses to the social-commercial tension experienced by actors. Interviews in these two companies were complemented with field observations, comprising attendance to committees and meetings in the real estate companies, access to internal presentations, and the information publicly available in webpages.

In addition, in order to gain a better understanding of the sociocultural context in which these organizations were embedded, we conducted additional interviews with other public and civil society actors in the Catalan housing ecosystem, complementing them with webinars, information in different webpages, and documentaries. See Table 4 for a detailed breakdown of data sources and their use in data analysis. We conducted 33 interviews with an average duration of 84 minutes and totaling more than 46 hours of recorded material. Interviews were conducted in Catalan or Spanish, recorded, and transcribed. Field observations included three internal committees in which extensive notes were taken (13344 words), and other observations of meetings and interviews (8496 words).

Usually at least two of the research team members were present in the interviews or meetings. Data collection was divided in two periods: (1) Between October 2019 and March 2020, and (2) Between January and June 2021. During the first period data was collected face to face, while most of the data collection in the second period was done remotely through videocalls. During the period in which no data were collected, the bank for which BankOrg was working sold most of the assets to a hedge fund, critically impacting their operations.

Organization	Data sources (# of items)		Use in data analysis
FundOrg	Interviews (16)	CEO (1)	***Primary data source*** Understand how people in the organization live with and respond to the social-commercial tension.
		Senior executives (7)	
		Middle managers (7†)	
		Field-level employees (1)	
	Fieldwork (8)	Committee observations (3)	
		Meeting notes (3)	
		Notes (2)	
	Documents (2)	Internal documents (2)	Understand how the company materialize and operationalize responses. Contrast with people's experience.
	Other (3)	FundOrg's convention speeches (2)	
		Webpages (1)	
BankOrg	Interviews (13)	Bank executive (1)	***Primary data source*** Understand how people in the organization live with and respond to the social-commercial tension.
		CEO (2*)	
		Senior executives (5)	
		Middle managers (2)	
		Field-level employees (3*)	
	Fieldwork (2)	Meeting notes (2)	
	Documents (1)	Internal documents (1)	Understand how the company materialize and operationalize responses. Contrast with people's experience.
	Media (5)	Webinars (4)	
		Public interview (1)	
Other	Interviews (4)	Public sector (2)	***Primary data source*** Understand how people from other sectors see the organization under study and the whole field.
		Civil society (2ł)	
	Fieldwork (1)	Meeting notes (1)	
	Other (16)	Webinars (3)	Understand the housing ecosystem in Spain/Catalonia from different points of view.
		Documentary (1)	
		Webpages (12)	
* In each case, indicates the presence of repeated interviews done before and after the bank sold most of the properties to a hedge fund.			
† We interviewed eight people divided in six interviews, as two interviews included two interviewees.			
ł We interviewed three people divided in two interviews, as one interview included two interviewees.			

Table 4. Data sources in the social housing project

Data Analysis

We started data analysis with a focus on responses to paradoxical tensions. From the start, it was clear that we wanted to put the focus on the moral aspect of responses. At first, the broad research question guiding the study was: *How do actors morally respond to paradoxical tensions?* During the initial interviews it became evident that we needed to put the focus on the paradoxical tension between social and commercial concerns and that this tension was enacted in different ways across organizational levels. This insight was informed by the literature on nested paradoxes, and by situating he gap around the lack of theoretical insight of how morality and responses to paradox come together when having to decide on the fate of vulnerable others. Moving forward, we adopted ethics-as-practice as an analytical lens to unpack the moral dimension of responses to paradox. In doing so, we zoomed in on the degree of moral charge of the experience of the social-commercial paradox, looking into how it changed across different instantiations. We adapted the research question accordingly to capture the variance across levels of analysis: *How are moral responses to the social-commercial paradox enacted across levels in a context in which the effect of decisions and actions on vulnerable others ranges from explicit to invisible?*

Data analysis was characterized by the use of both deductive and inductive procedures in which we went back and forth between data and theory (Locke, Feldman, & Golden-Biddle, 2020) to generate theoretical explanations. More precisely, when it comes to deduction, we used extant notions within paradox theory, such as nested paradoxes and the dynamics of knotting and reknotting (Jarzabkowski et al., 2022), as well as the notion of moral charge from ethics-as-practice, to articulate the broad categories of our analysis through which we organized the findings section. In contrast,

156

we used induction to look for emerging patterns in the data. In so doing, we inductively unpacked *what* nested paradoxes actors enacted, *how* they experienced their moral charge, and *how* moral responses unfolded in practice. Overall, analysis included both clustering data to infer themes (Gioia et al., 2013) and going back and forth between theory and thick descriptions of life experiences (Van Maanen, Sørensen, & Mitchell, 2007) to produce explanations. In the following, we unpack in more the detail the four phases of data analysis:

Phase 1: Coding for experiences of organizational paradox. We began with the broad idea of finding moral responses to paradoxical tensions. After reviewing the literature on types of paradoxes (e.g., Smith & Lewis, 2011), and actors' responses to them (e.g., Jarzabkowski & Lê, 2017), we started identifying instances of the experience of (and subsequent responses to) paradoxical tensions. To do so, we engaged in an in-depth analysis of the interviews and fieldnotes coding for "contradictory, interrelated, simultaneous, and persistent paradoxical paradoxical tensions" (Andriopoulos & Gotsi, 2017: 518), putting special attention to who experienced them (ibid.). The first analysis showed how the most prominent instances of paradoxes we found in the data were related with the underlying social-commercial paradox. We also found an emerging pattern clustering qualitatively similar experiences of paradox across different organizational levels.

Phase 2: Refining the theoretical framework and sharpening the research question. After the first emerging findings, we went back to the literature, putting the focus on the notion of nested paradox (Andriopoulos & Lewis, 2009). We also adopted ethics-as-practice as the analytical lens to unpack the moral dimension of responses. This

addition prompted us to focus on the moral charge of the different instantiations of the social-commercial paradox. With these insights we sharpened the research question to capture the multi-level nature of the study, and we went back to the data.

Phase 3: Zooming in on the moral charge and extracting critical events. This phase started by zooming in on the moral charge of the social-commercial paradox across hierarchical levels. In so doing, it became clear that the tension between social and commercial demands was instantiated in different ways across hierarchical levels, and that the degree of moral charge changed depending on the distance from vulnerable families and the company's parent organization. At this point, we extracted critical events that were characterized by morally recharging or discharging the paradox. To that end, we focused on specific recollections or interactions and produced narrative accounts in which an instance of the social-commercial paradox gained or lost moral charge. The change of moral charge was identified when actors discursively shifted the focus to a specific pole or to another instantiation of the social-commercial paradox.

Phase 4: Produce a theoretical explanation of moral responses. We used these critical events to articulate our theoretical model explaining the operationalization of moral responses. Leveraging the conceptualization of nested paradoxes and the dynamics of knots (e.g., Jarzabkowski et al., 2022), introduced the mechanisms of renesting and unnesting to articulate the theoretical explanation of how actors morally responded to the social-commercial paradox.

FINDINGS

We organize our findings around three main blocks: (1) Unpacking the nested nature of the paradoxes of social housing, (2) Unpacking the moral charge of the paradoxes of social housing, and (3) The operationalization of moral responses. By doing so, we first uncover the many salient instances of the paradoxes of social housing, that can be characterized as a paradox between commercial and social practices. We show how within this "umbrella" paradox there are several nested paradoxes (Andriopoulos & Lewis, 2010) (mainly) enacted at different levels within the organizations. Then, we show *how* each of these enactments is intimately related with a certain intensity of moral charge, constructed in practice depending on the (organizational) situations in which people find themselves. It is worth noting that while we present the different nested paradoxes and the apprehension of their moral charge separately to structure the findings, this a process occurring simultaneously and a paradox cannot be enacted salient without making sense of a certain moral charge. Finally, we show how different experiences of moral charge together with the agency to act bring forward certain responses.

Unpacking the Nested Nature of the Paradoxes of Social Housing

The findings show how the social-commercial paradox was the overarching paradox consistently enacted in the context of social housing. As the title of an internal presentation about the inner values of FundOrg highlighted, "[FundOrg] – Business & Social Management". In turn, the social-commercial paradox was constituted of several, nested paradoxes (Andriopoulos & Lewis, 2009). The paradoxical tension between social and commercial demands in the context of social housing was enacted in different ways depending on the position and interaction of the different actors. Accordingly, we define

nested paradoxical tensions as a series of competing, yet interrelated demands that are

consistently enacted across (hierarchical) levels (Figure 11).
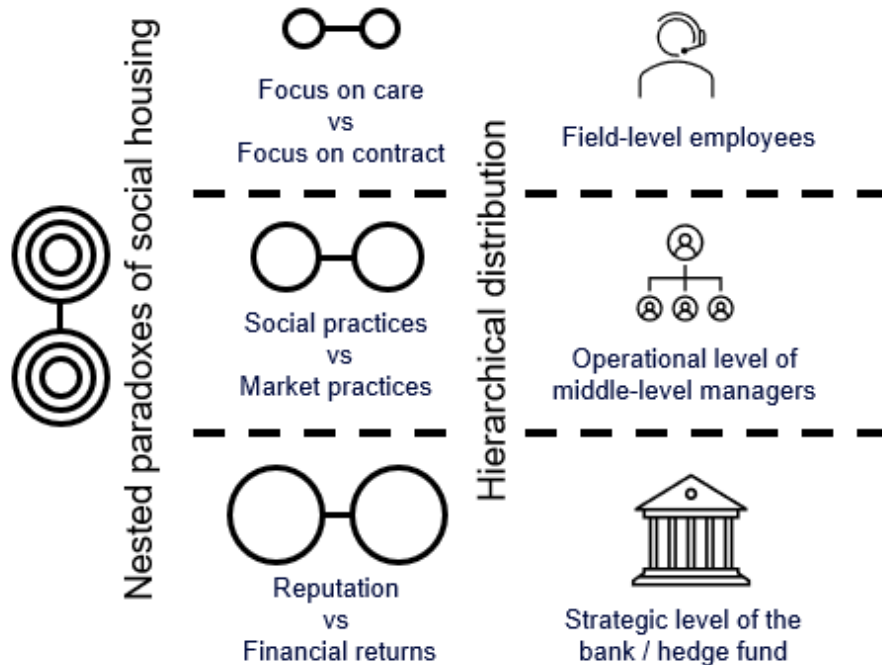
Figure 11. Nested paradoxes of social housing across hierarchical levels

Starting at the field level (i.e., most granular level), we observed how people in

contact with vulnerable families – asset managers and team leaders for FundOrg, and

people in the mediation department in BankOrg – consistently enacted the paradox

between (social) care and (commercial) contract. When they meet vulnerable people face

to face or interacted with them directly via phone calls, care for the other becomes central:

> *It happens that sometimes you knock on someone's door and they say "look, how*
> *do you think I'm going to pay? I don't have anything to eat today." And you say…*
> *It really is complicated, these are issues that you say "okay".*
> (Presential asset manager of FundOrg – D18)

When facing vulnerable others, the focus is on "listen[ing] to the debtor,

[understanding] what has happened, how did we get to this situation" (Senior asset

manager of FundOrg – D19). At the same time, attending to the contract and the

160

underlying commercial profitability is always present when devising solutions. In the words of a face-to-face asset manager of FundOrg (D18), "this is still a business, we do have to try to find profitability in everything". And the paradox became clear when bringing these elements together, "the most complicated thing is trying to find profitability, but also trying in parallel to ensure that everything connects".

These tensions between care and contract turns into a paradoxical tension between favoring market-oriented versus socially-oriented practices when dealing and negotiating with debtors and tenants at the operational level. As the CEO of BankOrg (D24) explained, the core of the program of the organization is built on balancing market and social practices:

> *What we offer you now is no longer a home, but a program… and what does this program consist of? It consists of three legs: a house, a rent that will not exceed 30% of your income, but... (and here began the "buts"), but you must have a desire for improvement.*

So, for these companies the commercial practices by which houses are treated as a commodity that is regulated with a contract is intertwined with social practices through which housing is treated as a basic need, providing a reduced rent and help for the families. Along this line, the balance between the paradoxical demands between social and market practices will always require a compromise:

> *What we are told is to seek an agreement, a friendly solution. And if this amicable solution happens, it will never go through our best option, nor through the client's best option, but rather an intermediate solution that is good for everyone. But the focus is always on listening to the debtors and understanding them, understanding what is happening to them.*
> (Senior asset manager of FundOrg – D19)

Finally, at the strategic level, the paradoxical tensions that individuals experience in both organizations reflect, in part, the tension between financial and reputational

objectives taking place in their parent companies. So, the *social* pole of the social-commercial paradox is represented by the organization's reputation. The intimate relation between social practices related with vulnerable people and reputational issues was felt by senior managers:

> *When we talk about reputational [cases] it is synonymous with vulnerable families: when they are reputational, vulnerable families. Non-reputational are those cases where there are no social or residential exclusion conditions or are other profiles.*
> (General counsel of FundOrg – D07)

In contrast, the *commercial* pole of the social-commercial paradox was felt at the strategic level as a need to deliver financial results. As the CEO of FundOrg (D40) put it when discussing their responsibilities "in my head I have the cashflows, the liquidity I need, etc., and I have a financial plan to fulfill". The financial focus at the strategic level was clear when asking the CEO of FundOrg (D40) why they decided to stop focusing on renting their properties and shifted to selling them instead:

> *It's purely a financial decision, you know? 100% financial. You have a rented housing portfolio, and you calculate the cash flows, the forecast for the upcoming years, the rental rates to apply, market renewals... and you apply a very clear cash flow discount, down to the last line.*

Unpacking the Moral Charge of the Paradoxes of Social Housing

The ethics-as-practice approach to our data showed that the nested paradoxes of social housing were enacted with a degree of moral charge. The moral charge of a situation increased when people came in contact and interacted with vulnerable others, as well as when actions were perceived as affecting others' lives. Accordingly, to understand the moral charge of paradoxes we need to untangle "the criteria for morality's or moral considerations' being relevant in a situation" (Abend, 2019: 30). In our case, the moral charge underpinning moral responses was determined by the distance from the parent organization, and the distance from vulnerable stakeholders. These aspects are related,

162

insofar as being close to vulnerable stakeholders usually came with being far from the parent organization, and vice versa. Bringing these elements together, the moral charge of the nested paradoxes of social housing was most prominent when experiencing the care pole of the care-contract paradox, while the paradox was at its most morally discharged when experiencing the financial pole of the reputation-financial return paradox (Figure 12).
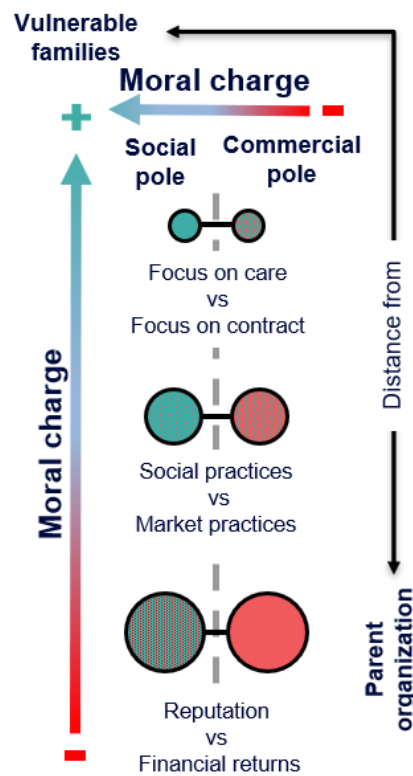
Figure 12. Moral charge of the nested paradoxes of social housing

Distance from the parent organization. Both the hedge fund and the commercial bank (the parent companies) were wary about the potential reputational risk caused by an eviction of a vulnerable family and protests from activist platforms. This was differently felt, though. For the hedge fund the risk was on the effect to its global reputation as a responsible investor. This was made evident in an exchange with the CEO of FundOrg (D40) when discussing the role of reputation in relation to the social mission of FundOrg:

The hedge fund is really afraid of reputation. So, that's why I would dare to say that everything they have done is not because of their own will or conviction. They have done it for the reputation, and for maintaining a steady flux of new investors and attracting money.

In contrast, for the commercial bank it was on what their current and potential clients would think if their local branches were 'occupied' by activists complaining for their real estate practices.

The only thing the bank has ever been interested in is reputational risk management [...]. BankOrg is a company the bank has created trying to take advantage of other businesses derived from reputational risk management and then be able to contribute or manage the housing situation in a socially responsible manner.
(Head of Mediation of BankOrg – D49)

In any case, people that were closer to the parent organization consistently enacted the overarching social-commercial paradox as a paradox between reputational and financial issues. Inevitably, when these issues become salient, the social-commercial paradox becomes less morally charged. As it can be seen in the quotes above, the senior positions in both organizations underscore the importance of reputation for the hedge fund and bank respectively, which is enacted with a lesser moral charge than care for the other.

Distance from vulnerable stakeholders. Another feature that shaped how individuals responded to moral tensions is their distance from the vulnerable families that could not pay the rent or the debt that they had committed to. Employees who got to know vulnerable families and interacted with them were more compelled by their personal stories, making the care-contractual paradoxical tension more salient. The more detached they were from specific cases, the more they used pre-established or objective rules for making decisions about evictions or contract renewal. In other words, the more employees

knew about the specific cases (their names, their stories), the more they felt the need to provide a personalized solution – not always in favor of the family, as sometimes their knowledge about the clients made it clear to them that they were trying to take advantage of the bank or fund.

> *To be honest, our job is data analysis and these [data] are IDs. These are numbers. But that doesn't mean you're working in these analyses with data and numbers, without being aware that there's someone behind it. There are many things that are analyses, numbers, but then you have to sanction and decide what you do with that family.*
> (Head of social impact unit of BankOrg – D44)

The relevance of the distance with vulnerable families when enacting the moral charge of the social-commercial paradox also came to fore when the bank sold their properties to another hedge fund, and the hedge fund slowly transitioned from getting detailed accounts of the most critical cases, to only getting data from excel sheets. As explained in the following vignette by the head of mediation of BankOrg (D49):

> *"Well, maybe they [the hedge fund that bought the portfolio of properties from the bank] will renew something," [...]. We were told that from then on there would be no face-to-face committees – which were not face-to-face, they were by video call… No, not even by video call, they were telephone calls; we didn't even see their faces. They cut these monthly or bi-monthly calls, and we transitioned toward sending the cases in files, in which each case was presented in a file. The files that we made from mediation, which were the cases that had already been rejected in the regular channels, the ones that had not been renewed or that a rent had not been granted… We went over them again and we explained what social and reputational reasons there were for having to renew these contracts … We worked like this for a while, and from time to time they approved some of them, until after a few more months they told us that they no longer wanted the files and that they now wanted the cases sent on an Excel sheet: Contract ID… Well, a summary, making it possible to analyze many cases at once. Only with numbers, without any explanation… only numbers. From then on, they didn't renew anything for us.*

The above experience underscores the importance of the face to face when having to take decisions. It not only shows how important is that some members of the organizations are in direct contact with vulnerable stakeholders, but it also sheds light on the importance that these people that are in contact with vulnerable others can properly convey in person the relevant information to the parent organization. As the contact with the people with decision power in the parent organization becomes more detached and more focused on numbers and less on the nuances of people's complex situations, the social-commercial paradox gets progressively morally discharged. While people in contact with vulnerable stakeholders experienced the paradoxical tension between care and contract with a high degree of moral charge, people in the hedge fund enacted the reputation-financial returns paradox, which possessed a much lesser degree of moral charge.

Operationalizing Moral Responses

When making sense of the moral charge of the nested paradoxical tensions in social housing, individuals also operationalize moral responses. The operationalization of moral responses is enacted together with the moral charge of the paradox, simultaneously shaped and bounded by contextual conditions. When operationalizing moral responses, actors do not possess unlimited agency (Berti & Simpson, 2021), instead they mobilize the resources they have at hand to construct their response. As it became apparent in the description of the moral charge of paradox, the multifaceted nature of the social-commercial paradox and the different shades it takes for the people involved is central to unpack moral responses. To that end, we recognize the nested nature (Andriopoulos & Lewis, 2009) of the social-commercial paradox as a key aspect when assessing and operationalizing moral responses.

This has immediate implications for our theorizing: (1) The manifestations of the nested social-commercial paradox possess a different degree of moral charge, inasmuch as its poles consider in a different degree the impact on other's lives (Copp, 2006); (2) The social positioning of individuals makes different manifestations of the nested social-commercial paradox more salient than others, and (3) Actors mobilize the nested nature of paradoxes when operationalizing moral responses. In regard to the latter, we found cases in which interactions, discourses, and practices constituting the enacted manifestation of the social-commercial paradox moved toward a higher-level and less morally charged (nested) manifestation, which we call *renesting*, and cases in which the many instances of the social-commercial paradox are made salient to the focal actor, which we call *unnesting* (Figure 13).
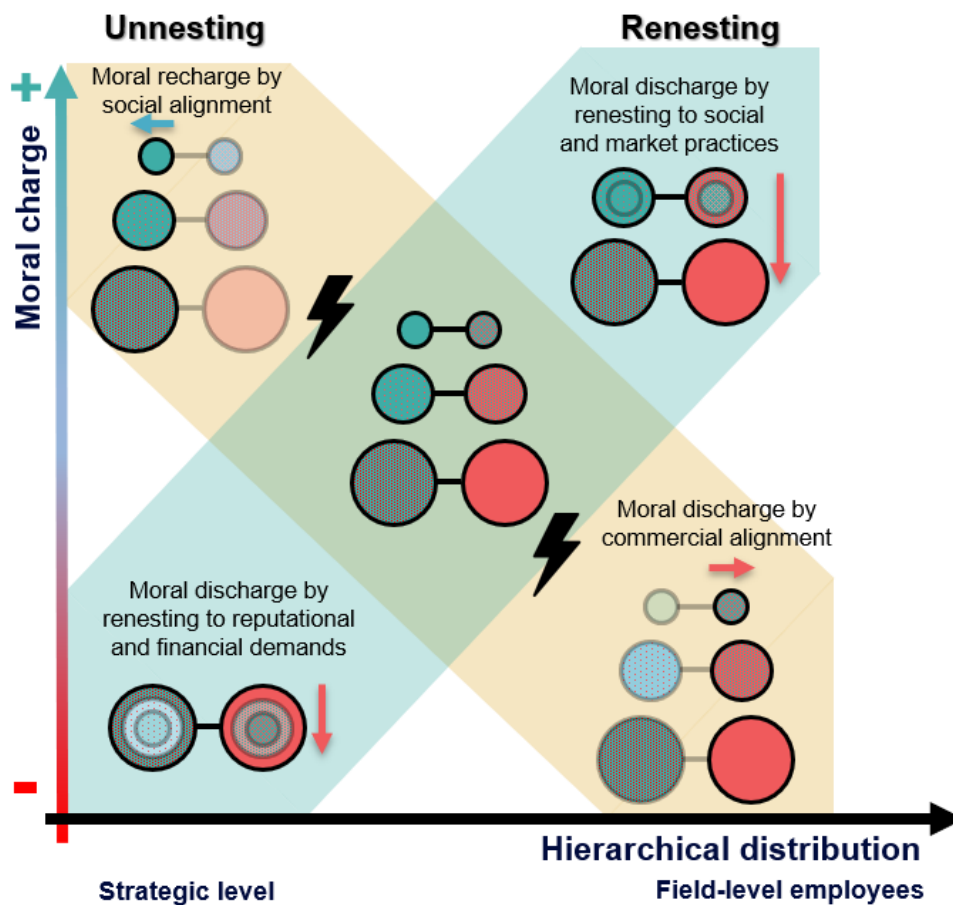

Figure 13. Moral responses to the nested social-commercial paradox

Unnested social-commercial paradox. In general, both organizations operationalized responses to the social-commercial paradox by working with an organizational context stressing both social and commercial needs, and empowering vulnerable stakeholders as much as possible (center of Figure 13). To that end, they designed and implemented support programs in which they helped vulnerable tenants to find a job and improve their economic situation. The reasoning behind these programs was that, beyond being socially adequate, by improving the situation of vulnerable stakeholders they also improved the (housing) assets where these stakeholders were living. When vulnerable tenants improved their living conditions, they were able to pay higher rents. As explained by the CEO of BankOrg (D24):

> *Improving for the customer means "listen, you have a home, and you pay the rent that belongs to you according to your income, it will always be based on your income. When I tell this to people I always get… "but people will not want to improve because then their income will go up". Look, it's not like that… Everyone, human beings, we want to improve. And if people can earn 1,000, they do not want to earn 500 because when everything is said and done, it is true that one part goes to paying the rent, but another part goes to their income.*

With this, the bank and the hedge fund avoided the judicialization of cases, and potential reputational issues. In the long run, these programs had both social and economic benefits. These programs were central at all levels of these companies, from the field-level in which people from these organizations focused their interactions with vulnerable stakeholders on implementing the support program, to the strategic level, in which these programs were key when pursuing both reputational issues and financial success. Thus, most interactions within these organizations take into account the many faces of the (nested) social-commercial paradox, inasmuch as they consider care, contract, social and market practices, reputation, and financial return.

Renesting to a less morally charged paradox. One key factor that individuals mobilized when responding to moral tensions was the nested nature of the social-commercial paradoxical tension. While the support program unnested the social-commercial paradox, there were some situations in which actors discharged the moral charge of the paradox they were experiencing by nesting to other less morally charged paradox (green band in Figure 13).

One of these situations involved moral discharge by renesting to social and market practices (top right corner in Figure 13). These cases were usually experienced by those further down in the organizational hierarchy, who were in contact with vulnerable families, and were constantly reminded of the many faces of the nested social-commercial paradox. In these cases, individuals constructed moral responses by shifting the morally charged focus on care and contract they were experiencing to the paradox between social and market practices enacted at higher hierarchical levels. Accordingly, individuals made decisions sticking to their responsibilities, and focusing on the instance of the nested social-commercial paradox their organizational role asked of them, while acknowledging that someone else would give the morally charged instance of the paradox its due attention and/or they would tend to it at another time. As the following quote shows, individuals who worked in the field and had direct contact with families appreciated the full extent of the unnested paradoxical tension.

> *Our asset managers have authorization to offer certain amounts. From there, if these amounts need to be exceeded, then it goes to the committee, which has to approve them. So, what do we do in the Committee? In the Committee we receive a report from each of our internal managers on the situation of each of these families, occupational reports that these managers have usually prepared. And it also includes the degree of collaboration of the family, which is not always easy, since you have more or less information about the family's situation: illnesses, income, employment situation, vulnerable situation, etc.*
> (General counsel of FundOrg – D07)

They responded to the paradox by acknowledging the interconnectedness between all the instances of the nested paradox, while displacing the tension between care and commercial commitments to other members of the organization to be dealt with another point in time. To that end, they kept engaging with both socially and market-oriented practices, while they relied on the 'Special cases' committee for taking more morally complex decisions.

Another case involved moral discharge by renesting to reputational and financial demands (bottom left corner in Figure 13). In some situations, actors tended to incorporate 'as theirs' the financial and reputational objectives of the parent companies. In this process, they experienced the social-commercial paradox as a tension between financial and reputational aspects that did not possess the moral weight of social concerns. In other words, in an effort to reduce the moral salience of the poles and avoid paralysis, actors nested the social-commercial paradox to attenuate morally charged poles, and mainly experience the one from the parent organization. As the following excerpt shows, despite the care for vulnerable families the Head of Mediation of BankOrg displayed time and again during interviews, in order to manage the potentially overwhelming emotional toll of having to deal with too many families, he shifted his discourse and practices to the ones characteristic of the strategic level. It was no longer about care and contract, but about reputation and (financial) harm:

> *We only offer our services to the bank. And everything that comes from problems of the bank is ours. Let me give you an example. If there is a case of a social rent, owned by [another organization related with the bank], the family is very vulnerable, the renovation is being studied or not, and everything is following its course... I will not get involved for anything in the world. If they don't go to a bank office, or start tweeting or posting on social media: "[The bank] is whatever...", I won't get involved because I don't want to know anything about it. They are not harming my client.*
> (Head of Mediation of BankOrg – D49)

170

Unnesting and social and commercial alignment. Renesting to less morally charged paradoxes was a mechanism that was regularly used in the context of these organizations. People regularly experienced the unnested paradoxes of social housing, and dynamically renested them to morally discharge interactions and make morally demanding situations more manageable. Field level employees consistently renested to practices happening at the operational level, while high-level managers renested the social-commercial paradoxes to reputation and financial returns. However, some incidents left the paradox unnested, locking the nested mechanism and pushing the people toward the social or commercial poles (yellow band in Figure 13).

Incidents involving people wanting to take advantage of the support program or taking a hostile attitude discharged the moral charge of the social-commercial paradox across levels (bottom right corner in Figure 13). When stakeholders were no longer perceived as vulnerable or as not caring themselves, people in these organizations felt they no longer needed to cater to social needs, emphasizing (Hahn et al., 2014) the commercial pole over the social one. By deploying the support programs, these organizations empowered vulnerable stakeholders, making them co-responsible of their housing situation. As the CEO of BankOrg (D24) explained:

> *This is not welfareism, this is a mechanism of social intervention that seeks a goal of improving families – socio-economic improvement of families – but very much based on mutual commitment.*

And when vulnerable stakeholders fled from the "mutual commitment", the company felt "released from the commitment" as well:

> *I help you, but you have to want to help yourself. If the customer does not want to help himself, the bank feels released from its commitment, from that moment.*

Something similar happened when organizations felt stakeholders were trying to take advantage of their good will or support programs. In the face of threats, field level employees, and managerial decisions strongly aligned towards commercial poles. As it we captured in the field notes during a credit committee in FundOrg (D38):

- *There are cases in which they want to take advantage of the situation. I already let myself be fooled, but let it be reasonable. And there are situations where they say, "Well, I'm threatening you!"* (Credit risk manager)
- *Well, we won't negotiate like that. And look, we've already lowered our claims because we want to reach an agreement.* (Team leader)

In contrast, incidents involving a strong social component also left the paradox unnested, with all its many faces laid bare for focal actors to consider. However, these incidents recharged the moral charge of the social-commercial paradox, emphasizing social poles over commercial ones (top left corner in Figure 13). When the extreme vulnerability of stakeholders became salient due to extreme conditions or incidents, top management in the organizations had to face the unnested social commercial paradox, experiencing not only the tension between reputation and financial results, but also the tension between care and contract. In these situations, when the life of others was at stake, social concerns were prioritized over commercial ones.

An extreme example of these situations happened when a vulnerable tenant of a property of FundOrg committed suicide. In the words of the CEO of FundOrg (D40) when asked about the cases he hears and cares about:

The case of [the person who committed suicide] is a very important milestone. That leaves a mark. He was a person ... "no, look, he was a cocaine addict..."[referring to what others may say]. That doesn't matter… he was a person... and he jumped. We have to be very careful. It's just that… you can really be ruining someone's life. Of course I'm interested of knowing about these [extreme] cases.

172

These cases in which vulnerability is front and center are very morally charged, and they shift the focus toward social practices. Far from running away from them, top management was actively involved in the decision-making processes involving cases of extreme vulnerability. As the CEO of FundOrg kept explaining:

The truth is that I impose myself a certain coldness. That's something I impose myself because without it I would not have been able [to do my work]. So, I do take some distance, but I review these [extreme cases] every week. […] So, every one or two weeks I receive a case [referring to the extreme cases] in which the decision is not whether or not we pay 5,000 € or 6,000 €, but more of "what do we do?". Because most of these [extreme] cases they do not want money. What do we do in these cases? Do we make a social rent?

DISCUSSION AND CONCLUSIONS

Main contributions

In this chapter we unpacked the microfoundations of moral responses (Demers & Gond, 2020) to paradox. To do so, we explained how actors across levels experienced and responded to the social-commercial paradox in the context of social housing. At first, the support programs deployed by the organizations studied in this chapter promoted the unnested experience of the social-commercial paradox, making actors across levels aware of its many faces. From there, renesting to less morally charged paradoxes worked as a mechanism to discharge morally charged interactions. This mechanism displaced the focus on care and contract to the social and market practices displayed in committees in which families were not present, or to reputational and financial issues characteristic of the strategic level. However, some critical incidents unnested the paradox. Depending on the nature of the incident, the unnested paradox aligned toward the social poles or toward the commercial poles, recharging or discharging the moral charge of the interactions. Taken together, these mechanisms show how moral responses involve the continuous interplay of interrelated paradoxical tensions with a different degree of moral charge.

We contribute to paradox theory in three ways. First, we introduce the notion of the *moral charge* of organizational paradoxes. In doing so, we add a normative dimension to the understanding of paradox that goes beyond extant explanations focused on organizational paradox's instrumental potential. Our argument is that from a constitutive perspective *moral charge* is a key constituent of paradox. More precisely, it is a central aspect of the ontological dimension of salience that determines how intensely the paradox will be felt (Gaim et al., 2022), the emotions the paradox will elicit (Pradies, 2023), and how responses will be enacted. Along this line, we show how the moral charge not only changes between poles (e.g., social and commercial), but also across the nested levels of paradox (e.g., paradoxes enacted at the strategic level vs operational level vs field level). This means that the poles of a paradox are not normatively neutral, but are distinctly felt.

Second, we contribute to the understanding of the nested nature of paradox (Andriopoulos & Lewis, 2009), explaining how the overarching social-commercial paradox is experienced in different ways. More precisely, we explain how the same overarching paradox (e.g., social-commercial) can elicit many different reactions, for people may be experiencing different instances of the paradox (e.g., focus on care vs focus on contract), depending on the position they occupy within an organization and the characteristics of the organization itself. In that regard, we provide a finer grained understanding of nestedness within the constitutive view (Putnam et al., 2016), in which related practices are consistently enacted at different levels around social and commercial issues, giving place to nested paradoxes. Actors can then draw from practices, discourses, and interactions characteristic from other levels of the organization to dynamically make their experience more or less intense.

174

Third, we explore the mechanisms through which actors operationalize moral responses, and how they dynamically (morally) charge and discharge interactions. Thus, we complement the repertoire of responses to paradox (Jarzabkowski & Lê, 2017), by putting the focus on their moral dimension. The gist of our argument is that this requires studying how the moral charge and the potentially competing organizational cues are understood, lived, and transformed by people making decisions that affect others. Rather than focusing on a response to a single paradoxical tension, we explore how actors respond to paradox when its many instantiations are taken into account. Echoing recent insights on the dynamics of interwoven paradoxes (Jarzabkowski et al., 2022), we introduce *renesting* and *unnesting* as key mechanisms to operationalize moral responses to paradoxical tensions.

Implications for Agency and Paradox

The mechanisms for responding to paradox we have described have a discursive and interactional character. In this sense, they inform our understanding of how actors cognitively engage with paradox (Hahn et al., 2014). Accordingly, developing cognitive capacities to navigate moral multiplexity (Reinecke et al., 2017) may be akin to developing a paradox mindset (Miron-Spektor et al., 2018), but instead than only being able to appreciate the interdependence between poles, it involves appreciating the many faces of interrelated nested paradoxes. This moral capacity (Hannah, Avolio, & May, 2011) works by making the focal salient paradox less intense and easier to manage.

While we have provided a cognitive account of the engagement with paradox, our explanation remains silent on actors' capacity to act (Berti & Simpson, 2021). In fact,

morally discharging the paradox, may well be a mechanism that is used in situations in which actors do not have the power to enact what they consider to be a morally preferable action. Our work thus explains *how* cognition can help mitigate morally complex situations for actors who are powerless. This informs the distinction between *moral thought* and *moral action* (Hannah et al., 2011), inasmuch as having the cognitive predisposition to morally act in a certain way does not necessarily entail that the action will be performed. Actors that are at the field or at operational level may tend to experience the social-commercial paradox as more morally charged, but their capacity to enact a response that actually favors the social side may be limited.

Limitations and Future Research

The first limitation of this chapter resides in the approach to morality and ethics we take. Overall, ethics-as-practice is part of behavioral ethics, which is characterized by its descriptive character. As such, this approach lacks a proper normative scaffolding grounded in moral philosophy (De Los Reyes et al., 2017). In other words, our approach to moral responses does not determine the normatively *good* or *bad* response. On the contrary, it is focused on describing the underlying moral mechanisms underpinning responses that have the potential to hinder or enable action. Future research can explore moral responses to paradox from a strong normative approach to ethics that unpacks how responses are good or bad. The work of Schwoon, Schembera, & Scherer (forthcoming in the next issue of the Academy of Management Proceedings) will explore this perspective in the context of online hate speech[12].

---

[12] I thank the author team for giving me the opportunity to do a friendly review of their work, and let us cite them in this dissertation.

The second key limitation of this chapter lies in the limited ethnographic observations we were able to perform. This limitation stems from both the Covid pandemic, and due to the sensible character of the cases that the companies we studied deal with. As a result of mostly relying in interviews to derive our inferences, we lacked data to theorize in more detail the dimension of moral action. Along this line, future research can explore moral responses in other contexts, looking into how different cultures and settings influence them.

Conclusions

Overall, in this chapter we have explained how people working in two organizations with social and commercial missions morally respond to paradoxical demands when the living conditions of others are at stake. Morally adequate responses are constituted in practice, constantly discharging the moral charge of situations and interactions to avoid paralysis, but remaining open to extreme cases requiring a focus on the social pole. Thus, moral responses to paradox are always unfolding in a dynamic process of "indefinite questioning" (Beauvoir, 1997: 133), one in which sometimes we can accept both poles, but in others we need to focus on caring for the other.

6

GENERAL DISCUSSION
&
CONCLUSIONS

OVERARCHING CONTRIBUTION

In a world dominated by grand challenges, paradoxes permeate all levels of society and organizations. If not managed properly, these persistent contradictions can cause paralysis (Putnam et al., 2016), and hamper generative responses to social problems, leading to vicious cycles of organizing (Smith & Lewis, 2011; Tsoukas & Cunha, 2017). A world with complex problems with many competing demands continuously clashing with one another calls for complexifying theories (Tsoukas, 2017) to better understand what is happening and how we can act on it. Overall, this dissertation aims to contribute to the complexification of paradox theory, one that takes its point of departure from ontological plurality and epistemological humility.

More precisely, the focus of my contribution is on improving the understanding of the interrelations between different paradoxes in the context of grand challenges. Throughout the preceding chapters we have unpacked different types of relationships between organizational paradoxes from different ontological perspectives, starting from critical realism, a quantum ontology, and a constitutive view respectively. I started this dissertation with the quote of Deleuze & Guattari (1991) in which they talk about philosophy as a process of creation, not of discovery. Extending this idea to ontology, different ontological approaches offer the possibility to think, see, and feel paradox differently. I hope in the different chapters of this dissertation we have opened a conversation that makes it possible to understand and explain paradoxes with new eyes.

In the following, I will first unpack the most important theoretical contributions developed in this dissertation, outlining avenues for future research. I will conclude this

dissertation by highlighting practical implications of the different studies, and by pointing to several limitations.

THEORETICAL CONTRIBUTIONS & FUTURE RESEARCH

In this subsection, I will introduce the theoretical contributions of this dissertation, organizing them by topics, and pointing towards avenues for future research.

Interrelated Paradoxes

The main theoretical contribution of this dissertation is the conceptual development of paradox theory related with the recent debate around interrelated organizational paradoxes. This line of research brings together other already-established debates, such as the origin (i.e., underlying ontological underpinnings), conceptual building blocks, responses to, and dynamics of paradox (Schad et al., 2016). In each chapter of this dissertation, we have explored different interrelations among paradoxes from different ontological perspectives. In the third chapter we have introduced the distinction between abstract and concrete paradoxes, and in the fourth and fifth chapters we have contributed to the understanding of both knotted and nested paradoxes (Smith, Erez, Jarvenpaa, Lewis, & Tracey, 2017).

While knotted, nested, and abstract and concrete paradoxes cover a wide range of phenomena, they do not exhaust the ways in which paradoxes can be interrelated. Future research aiming to explore interrelated paradoxes can, for example, explore how organizational paradoxes influence and impact each other within and between levels

simultaneously. In so doing, the notions of knotted and nested paradoxes can be brought together and talk about "webs" of interrelated paradoxes[13].

Ontology of Organizational Paradox

Closely related to the first contribution, in this dissertation we have also expanded the ontology of organizational paradox. In the third chapter, we expand the inherent view with the use of critical realism. This ontological approach shifts the focus from epistemology to ontology (Danermark et al., 2019; Schad & Bansal, 2018) which provides the conceptual apparatus to explain the systemic embeddedness of latent paradox, and its interplay with the experience of and responses to salient paradox. The conceptual development undertaken in the third chapter provides a realist understanding of the dynamics of paradox, one that connects with (a realist reading of) the quantum view (Hahn & Knight, 2021) in which system characteristics hold the potentiality of latent paradox. While knotted paradoxes were already described from a constitutive perspective (Jarzabkowski et al., 2022; Sheep et al., 2017), in the fourth chapter we developed the quantum ontology of paradoxical knots by zooming in on their sociomaterial nature, and actors' agency to act on the relational, ideational, and material underpinnings of paradox. In contrast, in the fifth chapter we made a foray into the constitutive ontology, explaining that experiencing and responding to paradoxes in practice not only comes from instrumental needs, but it is also motivated by moral concerns. From this perspective, responses to paradox come with a degree of moral charge that is enacted in practice.

---

[13] I have to thank the participants of a paper session in the *38th EGOS Colloquium: Sub-theme 09: [SWG] Balance in an Unbalanced World: Understanding Competing Demands through Paradox Theory* for suggesting the notion of "webs" of paradoxes.

Future research tackling the ontology of paradox can explore many different ontological approaches. At first glance, following the steps of the ontology of entrepreneurial opportunities seems promising. For example, mirroring Berglund et al. (2020), taking a design perspective on strategic management and unpacking paradoxes as artifacts is an interesting avenue of research that underscore the material underpinnings of paradox. This fits well with one of the underlying ontological implications permeating chapters three and four: the morphology of paradox. While this topic has been mentioned from a communicative perspective in Berti & Simpson (2021), much remains to be said about the material and ideational building blocks of paradox.

Staying closer to one of the ontologies we have mobilized in this dissertation, developing a critical realist ontology of paradox grounded on the "three overlapping domains of reality" (Bhaskar, 2008: 46; Hartwig, 2007: 400) seems very promising. These domains of reality include: (1) the empirical domain, where people experience the paradox, (2) the actual domain, containing both experienced and non-experienced paradoxes, and (3) the real domain, containing the system characteristics and encompassing the other domains. With the introduction of the actual domain of reality, this ontology provides the conceptual apparatus to capture paradoxes that are being experienced by some actors, but remain latent to others.

Finally, while following the steps of other research streams and explicitly articulating a critical realist ontology used in the third chapter is promising, there is also the option to tread new ground. As food for thought, I propose thinking about a Heideggerian ontology of paradox (I presented a previous version of this idea in AoM 2022 (Torres, 2022)), one that paves the way for a strong process account describing how

paradox comes to be from our existence in the world and from our everyday activities and interactions (Cunha & Putnam, 2019; Tsoukas & Chia, 2002). From this ontological approach, we would be able to unpack the meaning of the experience of organizational paradox that lies beyond its actual presence. This approach would provide the basis for the existential ground of organizational paradox (Schad, 2017), and with it the ontological dimension of salience would gain ontological depth. Tacking a strong process approach seriously entails putting the focus on salience, which, in turn, will disclose the intimate relation between the experience of paradox, its temporality, and time. On that account, while there are multiple studies exploring the role of discourse, interactions (Jarzabkowski & Lê, 2017; Lê & Bednarek, 2017), and sociomaterial aspects (Knight, Paroutis, & Heracleous, 2018; Wiedemann, Wiegann, & Weber, 2018) when shaping the experience of paradox, there is a lack of understanding about *how* this experience occurs, *what* experiencing paradox means, and how experiencing paradox discloses its inherent *temporality*. Future research can leverage a Heideggerian ontology as a way to shift the inquiry from categories to the *existentials*–a priori "modes of existence whose analysis reveals what it means to be" (Gelven, 1989: 15)–making the experience of paradox possible (Gelven, 1989; Heidegger, 1962).

Grand Challenges

This dissertation also contributes to the growing literature on grand challenges. First, it needs to be noted that *grand challenges* in the context of organization studies is a label that has become popular in recent years. Due to its relative newness, *grand challenges* is currently used as an umbrella term that takes many different meanings, including its use (1) as an empirical setting (e.g., Frey-Heger, Gatzweiler, & Hinings, 2022), (2) as a concept that defines barriers that need to be overcome (George et al., 2016),

and (3) as a concept referring to specific type of social problem (Ferraro et al., 2015). This lack of cohesion has sparked critiques of the concept of Grand Challenges (Seelos, Mair, & Traeger, 2022), calling for its early retirement. However, while noting these challenges, this dissertation aligns with more positive voices calling for further development of the concept (Haack, 2023).

In particular, in this thesis we use *grand challenges* as an empirical setting to explore organizational paradoxes. In so doing, we show how the core characteristics of grand challenges can directly inform the theorizing of other phenomena, such as organizational paradoxes (Jarzabkowski et al., 2019). More precisely, in the fourth and fifth chapters we unpacked the descriptive and normative potential of grand challenges. In the former case, we showed how the analytical facets of complexity, uncertainty, and evaluativeness (Ferraro et al., 2015) can be used to better understand the sociomateriality of paradox, unpacking the relational, ideational, and material effect of knots. In the latter case, we leveraged the moral multiplexity (Reinecke et al., 2017) present in grand challenges to unpack the moral dimension of responses.

Beyond showing how grand challenges are fertile ground for complexifying paradox theory, this dissertation also points towards the potential of articulating a research program around the concept of *grand challenges*. Accordingly, developing the concept of grand challenges can start by discussing the ontological underpinnings of the concept, that can range from realism (e.g., Mair & Seelos, 2021; Seelos et al., 2022) to idealism (e.g., Schwoon et al., 2022). From this foundation, a research program can be developed studying the antecedents of, responses to, and the dynamics of grand challenges. Future research can take a page out of the development of paradox theory (Lewis & Smith, 2022;

Smith & Lewis, 2011), and try to walk toward a *theory of grand challenges* that provides a descriptive, instrumental, and normative account on how to navigate social problems.

PRACTICAL IMPLICATIONS

This dissertation also comes with practical implications for managers and members of organizations facing competing and interrelated demands. Like in the previous subsection, I will group the practical implications by topic.

Educate and Empower Actors

In the third chapter of this dissertation we explain that possessing the cognitive capacity to engage with both/and thinking (Smith & Lewis, 2022) and abstract paradoxes is key to unlock generative dynamics. This underscores the importance of educating actors across all levels of organizations so that they are able to appreciate the interdependence between the oftentimes competing demands they encounter during their day-to-day activities. While this insight is not particularly new, insofar as the advantages of cognitively engaging with paradoxes (Hahn et al., 2014) and developing a paradox mindset (Miron-Spektor et al., 2018) are well established in the literature, we also show how paradoxes can get reproduced or transformed depending on actors' actions. Along this line, actors need to be prepared to face repeated and changing demands over time. Our explanation not only unpacks *how* cognition can lead to positive dynamics, but we also account for the characteristics of the system in which actors are embedded. Accordingly, our theorizing integrates cognitive and systemic accounts. In so doing, we show *how* disempowered actors that are unable to change their surrounding context with their actions have a tendency to end up in a dynamic of stagnation. Echoing the insights

of Berti & Simpson (2021), we show how empowering actors at different organizational levels is key so that they can navigate the paradoxical demands of their organizational life. It is not sufficient to grasp paradoxes, but actors also need to be able to act on them (or at least hold the perception that they are able to do so). If this is not the case, people are caught in pragmatic paradoxes (Berti & Simpson, 2021) that can lead to impression management and inappropriate actions (Gaim et al., 2021).

Engage with Sociomateriality

In the fourth chapter of this dissertation, we discussed the sociomaterial underpinnings of organizational paradox. In the context of collective action, actors facing competing demands need to engage with the relational, discursive, and material underpinnings of paradox to avoid paralysis and promote generative responses. Actors that want to promote collaboration need to engage with the central competing demands between the different stakeholders (e.g., social vs. commercial demands), and actively work on its relational, discursive, and material underpinnings. Thus, properly navigating competing demands is not only a communicative endeavor, or one that only requires a material undertaking. On the contrary, the relational, discursive, and material dimensions need to be worked together to achieve success. On the relational front, actors need to listen and engage with each other, and the intermediary needs to make sure the different stakeholders' needs are attended to, so everyone feels engaged with the problem at hand. On the discursive front, communication needs to be the right amount of ambiguous to ensure each actor derives their own reasons and goals, while at the same time it provides stable ground. On the material front, the measurement of impact needs to be complex enough to capture the complexity of the social problem, while maintaining enough simplicity to facilitate collaboration.

188

LIMITATIONS

This PhD dissertation is not without its limitations. If we look into the chapters based on empirical articles, findings are mostly based on interviews. The possibility of undertaking (more) ethnographic observations would have strengthened the validity of the inferences. For example, in the fifth chapter it would have been very valuable in the context of the study to attend more committees in which specific cases were being discussed. In our case, we were not able to do more observations due to the Covid pandemic and because the organizations studied were reluctant to grant access to most internal meetings. Repeated and consistent observations would have allowed participants to normalize our presence as researchers, and observe "participants in their natural attitude" (Finlay, 2014: 123).

On another note, the conceptual development of the distinction between abstract and concrete paradoxes would benefit from tailored empirical studies. While we provide several examples of the interplay of abstract and concrete paradoxes, this dissertation does not develop methodological guidelines to study them in practice. In the same vein, the concepts of ownership, vibration, and materialization of paradox introduced in the fourth chapter need more development, and a stronger link to extant literature. Due to space constraints and the complexity of these concepts, they remain underspecified. Similarly, the validity of the notion of *moral charge* of a paradox introduced in the fifth chapter would benefit from experimental studies that quantify moral charges. Mirroring the experimental development of the *paradox mindset*, measuring moral charges can contribute to the development of the microfoundations of paradox.

CONCLUSIONS

We started this dissertation by discussing the evolution of paradox research, which has led to a recent boom in paradox scholarship in the context of management and organization studies. Despite the increasing volume of paradox studies, the ontological foundations of paradox remain contested. The recent work around the quantum ontology of paradox (Hahn & Knight, 2021; Knight & Hahn, 2021), and the response it generated from other scholars is a testament to that (e.g., Li, 2021). In this context, scholars from the constitutive view have been working on developing this ontological perspective further (Fairhurst & Putnam, 2023), while an explicit systems perspective with a well-articulated inherent ontology is still lacking (Carmine & De Marchi, 2022). All in all, these are exciting times to be passionate about ontology and paradox.

Walking on the shoulders of giants, I hope this dissertation contributes in some way to the ontological development of paradox, providing the building blocks of a conceptual apparatus that helps understand and navigate today's grand challenges. At the start of this dissertation, I quoted both Heraclitus, talking about flow and never-ending change, and Parmenides, referring to an underlying unity and stability. Usually only the former is associated with the phenomenon of paradox. However, only when taken together do they disclose the tension between seemingly incommensurable worldviews, one stressing change and the other stability, that has permeated philosophical thinking since its inception. To understand the world, we need both worldviews. The underlying assumption of this dissertation is that to truly understand paradox we need to unpack it from several perspectives. These implies that the ontology of paradox not only is simultaneously inherent *and* socially constructed, but that to understand paradox we need to look it from an inherent perspective, a socially constructed one, *and* one that considers both together.

7

REFERENCES

Abend, G. (2019). *The Moral Background*. Princeton University Press.

Aldrich, H. E. (2011). Heroes, Villains, and Fools: Institutional Entrepreneurship, NOT Institutional Entrepreneurs. *Entrepreneurship Research Journal*, *1*(2).

Althusser, L. (1965). *For Marx*. Verso.

Alvarez, S. A., & Barney, J. B. (2007). Discovery and Creation: Alternative Theories of Entrepreneurial Action. *Strategic Entrepreneurship Journal*, *1*, 11–26.

Andriopoulos, C., & Gotsi, M. (2017). Methods of Paradox. In Smith, M. W. Lewis, P. Jarzabkowski, & A. Langley (Eds.), *The Oxford Handbook of Organizational Paradox* (pp. 513–528). Oxford University Press.

Andriopoulos, C., & Lewis, M. W. (2009). Exploitation-exploration tensions and organizational ambidexterity: Managing paradoxes of innovation. *Organization Science*, *20*(4), 696–717.

Andriopoulos, C., & Lewis, M. W. (2010). Managing Innovation Paradoxes: Ambidexterity Lessons from Leading Product Design Companies. *International Journal of Strategic Management*, *43*(1), 104–122.

Archer, M. S. (1995). *Realist social theory: the morphogenetic approach*. Cambridge University Press.

Archer, M. S. (1996). *Culture and agency: The place of culture in social theory* (Revised Ed). Cambridge University Press.

Archer, M. S. (2003). *Structure, Agency and the Internal Conversation*. Cambridge University Press.

Archer, M. S. (2013). Social morphogenesis and the prospects of morphogenic society. In *Social Morphogenesis* (pp. 1–22). Springer, Dordrecht.

Arena, M., Bengo, I., Calderini, M., & Chiodo, V. (2016). Social Impact Bonds: Blockbuster or Flash in a Pan? *International Journal of Public Administration*, *39*(12), 927–939.

Arslan, B., & Tarakci, M. (2020). Negative Spillovers Across Partnerships for Responsible Innovation: Evidence from the 2014 Ebola Outbreak. *Journal of Management Studies*.

Ashforth, B. E., Rogers, K. M., Pratt, M. G., & Pradies, C. (2014). Ambivalence in organizations: A multilevel approach. *Organization Science*, *25*(5), 1453–1478.

Ashraf, N., Ahmadsimab, A., & Pinkse, J. (2017). From animosity to affinity: the interplay of competing logics and interdependence in cross-sector partnerships. *Journal of Management Studies*, *54*(6), 793–822.

Assiter, A. (1984). Althusser and structuralism. *The British Journal of Sociology*, *35*(2), 272–296.

Barad, K. (2007). *Meeting the University Halfway: Quantum Physics and the Entanglement of Matter and Meaning*. Duke University Press.

Barnes, J. (1982). *The Prescocratic Philosophers* (T. Honderich, Ed.; 2nd ed.). Routledge & Kegan Paul Ltd.

Battilana, J., Leca, B., & Boxenbaum, E. (2009). How Actors Change Institutions: Towards a Theory of Institutional Entrepreneurship. *The Academy of Management Annals*, *3*(1), 65–107.

Battilana, J., Sengul, M., Pache, A.-C., & Model, J. (2015). Harnessing Productive Tensions in Hybrid Organizations: the Case of Work Integration Social Enterprises. *Academy of Management Journal*, *58*(6), 1658–1858.

Beauvoir, S. de. (1997). *The ethics of ambiguity*.

Bednarek, R., Cunha, M. P., Schad, J., & Smith, W. (2021). The value of interdisciplinary research to advance paradox in organization theory*. In R. Bednarek, Cunha, J. Schad, & W. Smith (Eds.), *Interdisciplinary Dialogues on Organizational Paradox: Learning from Belief and Science, Part A (Research in the Sociology of Organizations)* (Vol. 73a, pp. 3–25). Emerald Publishing Limited.

Bednarek, R., & Smith, W. K. (2023). "What may be": Inspiration from Mary Parker Follett for paradox theory. *Strategic Organization*.

Bengtsson, M., & Kock, S. (2000). "Coopetition" in Business Networks - to Cooperate and Compete Simultaneously. *Industrial Marketing Management*, *29*, 411–426.

Benson, J. K. (1977). Organizations: A Dialectical View. *Administrative Science Quarterly*, *22*(1), 1–21.

Berglund, H., Bousfiha, M., & Mansoori, Y. (2020). Opportunities as Artifacts and Entrepreneurship as Design. *Academy of Management Review*, *45*(4), 825–846.

Berndt, C., & Wirth, M. (2018). Market, metrics, morals: The Social Impact Bond as an emerging social policy instrument. *Geoforum*, *90*.

Berrone, P., Gelabert, L., Massa-Saluzzo, F., & Rousseau, H. E. (2016). Understanding community dynamics in the study of grand challenges: How nonprofits, institutional actors, and the community fabric interact to influence income inequality. *Academy of Management Journal*, *59*(6), 1940–1964.

Berti, M., & Cunha, M. P. (in press). Paradox, dialectics or trade-offs? A double loop model of paradox. *Journal of Management Studies*.

Berti, M., & Simpson, A. V. (2021). The Dark Side of Organizational Paradoxes: The Dynamics of Disempowerment. *Academy of Management Review*, *46*(2), 252–274.

Beunza, D., & Ferraro, F. (2018). Performative Work: Bridging Performativity and Institutional Theory in the Responsible Investment Field: *Organization Studies*, *40*(4), 515–543.

Bevan, D., & Corvellec, H. (2007). The impossibility of corporate ethics: for a Levinasian approach to managerial ethics. *Business Ethics: A European Review*, *16*(3), 208–219.

Bhaskar, R. (2008). *A realist theory of science*. Routledge.

Boltanski, L., & Thévenot, L. (2006). *On Justification: Economies of Worth*. Princeton University Press.

Carmine, S., & De Marchi, V. (2022). Reviewing Paradox Theory in Corporate Sustainability Toward a Systems Perspective. *Journal of Business Ethics*, *184*(1), 139–158.

Carter, E. (2020). Debate: Would a Social Impact Bond by any other name smell as sweet? Stretching the model and why it might matter. *Public Money & Management*, *40*(3), 183–185.

Child, C. (2020). Whence Paradox? Framing Away the Potential Challenges of Doing Well by Doing Good in Social Enterprise Organizations. *Organization Studies*, *41*(8), 1147–1167.

Chouinard, Y. (2022). *Earth is now our only shareholder*. https://eu.patagonia.com/es/en/ownership/

Clegg, S., Kornberger, M., & Rhodes, C. (2007). Business ethics as practice. *British Journal of Management*, *18*(2), 107–122.

Cooper, C., Graham, C., & Himick, D. (2016). Social impact bonds: The securitization of the homeless. *Accounting, Organizations and Society*, *55*, 63–82.

Copp, D. (2006). Introduction: Metaethics and Normative Ethics. In D. Copp (Ed.), *The Oxford Handbook of Ethical Theory* (pp. 3–35). Oxford University Press.

Corbin, J. M., & Strauss, A. L. (1990). Grounded theory research: Procedures, canons, and evaluative criteria. *Qualitative Sociology*, *13*(1), 3–21.

Crête, R. (2016). The Volkswagen Scandal from the Viewpoint of Corporate Governance. *European Journal of Risk Regulation*, *7*(1), 25–31.

Cunha, M. P., & Clegg, S. (2018). Persistence in Paradox. In M. Farjoun, Smith, A. Langley, & H. Tsoukas (Eds.), *Dualities, Dialectics, and Paradoxes in Organizational Life* (pp. 14–34). Oxford University Press.

Cunha, M. P. e., & Putnam, L. L. (2019). Paradox theory and the paradox of success. *Strategic Organization*, *17*(1), 95–106.

Danermark, B., Ekström, M., & Karlsson, J. C. (2019). *Explaining Society - Critical Realism in the Social Sciences* (2nd ed.). Routledge.

Dawson, V. R., & Brunner, E. (2020). Corporate Social Responsibility on Wild Public Networks: Communicating to Disparate and Multivocal Stakeholders. *Management Communication Quarterly*, *34*(1), 58–84.

De Los Reyes, G., Kim, T. W., & Weaver, G. R. (2017). Teaching Ethics in Business Schools: A Conversation on Disciplinary Differences, Academic Provincialism, and the Case for Integrated Pedagogy. *Academy of Management Learning & Education*, *16*(2), 314–336.

Deleuze, G., & Guattari, F. (1991). *What is philosophy?* Columbia University Press.

Demers, C., & Gond, J. P. (2020). The Moral Microfoundations of Institutional Complexity: Sustainability implementation as compromise-making at an oil sands company. *Organization Studies*, *41*(4), 563–586.

Desmond, M. (2016). *Evicted: Poverty and profit in the American city*. Crown.

DiBenigno, J., & Kellogg, K. C. (2014). Beyond Occupational Differences: The Importance of Cross-cutting Demographics and Dyadic Toolkits for Collaboration in a U.S. Hospital. In *Administrative Science Quarterly* (Vol. 59, Issue 3).

Disley, E., Giacomantonio, C., Kruithof, K., & Sim, M. (2015). The payment by results Social Impact Bond pilot at HMP Peterborough: final process evaluation report. In *Ministry of Justice (UK)*.

DiVito, L., van Wijk, J., & Wakkee, I. (2021). Governing Collaborative Value Creation in the Context of Grand Challenges: A Case Study of a Cross-Sectoral Collaboration in the Textile Industry. *Business and Society*, *60*(5), 1092–1131.

Edman, J., & Arora-Jonsson, S. (2022). Slander, Shouts, and Silence: Incumbent Resistance to Disruptive Logics. *Organization Theory*, *3*(2).

Eggers, J. P., & Kaplan, S. (2013). Cognition and Capabilities: A Multi-Level Perspective. *Academy of Management Annals*, *7*(1), 295–340.

Eisenhardt, K. M., & Graebner, M. E. (2007). Theory Building from Cases: Opportunities and Challenges. *Academy of Management Journal*, *50*(1), 25–32.

Eisenhardt, K. M., Graebner, M., & Sonenshein, S. (2016). From the Editors - Grand challenges and inductive methods: Rigor without rigor mortis. *Academy of Management Journal*, *59*(4), 1113–1123.

Ewing, J. (2016). *Faster, Higher, Farther: The Inside Story of the Volkswagen Scandal*. Random House.

Fairhurst, G. T., & Putnam, L. L. (2023). *Performing Organizational Paradoxes* . Routledge.

Farjoun, M. (2010). Beyond Dualism: Stability and Change As a Duality. *Academy of Management Review*, *35*(2), 202–225.

Farjoun, M. (2017). Contradictions, Dialectics, and Paradoxes. In A. Langley & H. Tsoukas (Eds.), *The SAGE Handbook of Process Organization Studies* (pp. 87–109). SAGE Publications Ltd.

Farjoun, M. (2019). Strategy and dialectics: Rejuvenating a long-standing relationship. *Strategic Organization*, *17*(1).

Farjoun, M., & Fiss, P. C. (2022). Thriving on contradiction: Toward a dialectical alternative to fit-based models in strategy (and beyond). *Strategic Management Journal*, *43*(2).

Ferraro, F., Etzion, D., & Gehman, J. (2015). Tackling Grand Challenges Pragmatically: Robust Action Revisited. *Organization Studies*, *36*(3), 363–390.

Finlay, L. (2014). Engaging Phenomenological Analysis. *Qualitative Research in Psychology*, *11*, 121–141.

Fraser, A., Tan, S., Lagarde, M., & Mays, N. (2018). Narratives of Promise , Narratives of Caution : A Review of the Literature on Social Impact Bonds. *Social Policy & Administration*, *52*(January), 4–28.

Frey-Heger, C., Gatzweiler, M. K., & Hinings, C. R. (2022). No End In Sight: How regimes form barriers to addressing the wicked problem of displacement. *Organization Studies*, *43*(10), 1559–1582.

Friedland, R. (2013). God, Love, and Other Good Reasons for Practice: Thinking Through Institutional Logics. In M. Lounsbury & E. Boxenbaum (Eds.), *Institutional Logics in Action, Part A (Research in the Sociology of Organizations, Vol. 39 Part A)* (pp. 25–50). Emerald Group Publishing Limited.

Gaim, M., Clegg, S., & Cunha, M. P. (2021). Managing Impressions Rather Than Emissions: Volkswagen and the false mastery of paradox. *Organization Studies*, *42*(6), 949–970.

Gaim, M., Clegg, S., Cunha, M. P., & Berti, M. (2022). *Organizational Paradox*. Cambridge University Press.

Gelven, M. (1989). A Commentary on Heidegger's Being and Time. In *Time* (Revised Ed). Northern Illinois University Press.

George, G., Howard-Grenville, J., Joshi, A., & Tihanyi, L. (2016). Understanding and tackling societal grand challenges through management research. *Academy of Management Journal*, *59*(6), 1880–1895.

Giddens, A. (1979). *Central Problems in Social Theory. Action, Structure and Contradiction in Social Analysis*. University of California Press.

Giddens, A. (1984). *The constitution of society: Outline of the theory of structuration*. University of California Press.

Gioia, D. A., Corley, K. G., & Hamilton, A. L. (2013). Seeking Qualitative Rigor in Inductive Research: Notes on the Gioia Methodology. *Organizational Research Methods*, *16*(1), 15–31.

Gond, J.-P., Demers, C., & Michaud, V. (2017). Managing Normative Tensions Within and Across Organizations - What Can the Economies of Worth and Paradox Frameworks Learn from Each Other. In Smith, M. W. Lewis, P. Jarzabkowski, & A. Langley (Eds.), *The Oxford Handbook of Organizational Paradox* (pp. 239–256). Oxford University Press.

Graeber, D. (2012). *Debt: The first 5000 years*. Penguin UK.

Grayling, A. C. (2019). *The history of philosophy*. Penguin UK.

Greenwood, R., & Suddaby, R. (2006). Institutional Entrepreneurship in Mature Fields: The Big Five Accounting Firms. *Academy of Management Journal*, *49*(1), 27–48.

Grodal, S. (2018). Field Expansion and Contraction: How Communities Shape Social and Symbolic Boundaries. In *Administrative Science Quarterly* (Vol. 63, Issue 4).

Grodal, S., & O'Mahony, S. (2017). How does a grand challenge become displaced? Explaining the duality of field mobilization. *Academy of Management Journal*, *60*(5), 1801–1827.

Gümüsay, A. A., Claus, L., & Amis, J. (2020). Engaging with Grand Challenges: An Institutional Logics Perspective. *Organization Theory*, *1*(3).

Gümüsay, A. A., Marti, E., Trittin-Ulbrich, H., & Wickert, C. (2022). How Organizing Matters for Societal Grand Challenges. In A. A. Gümüsay, E. Marti, H. Trittin-Ulbrich, & C. Wickert (Eds.), *Organizing for Societal Grand Challenges (Research in the Sociology of Organizations, Vol. 79)* (Vol. 79, pp. 1–14). Emerald Publishing Limited.

Haack, P. (2023, March 30). *Why "Retire" a Youthful Idea? The Coming of Age of the Grand Challenges Concept – HEC Research Center for Grand Challenges*. https://hecgrandchallenges.ch/why-retire-a-youthful-idea-the-coming-of-age-of-the-grand-challenges-concept/

Hahn, T., Figge, F., Pinkse, J., & Preuss, L. (2018). A Paradox Perspective on Corporate Sustainability: Descriptive, Instrumental, and Normative Aspects. *Journal of Business Ethics*, *148*(2), 235–248.

Hahn, T., & Knight, E. (2021). The Ontology of Organizational Paradox: A Quantum Approach. *Academy of Management Review*, *46*(2), 362–384.

Hahn, T., Preuss, L., Pinkse, J., & Figge, F. (2014). Cognitive Frames in Corporate Sustainability: Managerial Sensemaking with Paradoxical and Business Case Frames. *Academy of Management Review*, *39*(4), 463–487.

Hahn, T., Sharma, G., & Glavas, A. (2023). Employee-CSR Tensions: Drivers of Employee (Dis)Engagement with Contested CSR Initiatives. *Journal of Management Studies*.

Hannah, S. T., Avolio, B. J., & May, D. R. (2011). Moral Maturation and Moral Conation: A Capacity Approach to Explaining Moral Thought and Action. *Academy of Management Review*, *36*(4), 663–685.

Hargrave, T. J. (2021). The Paradox Perspective and the Dialectics of Contradictions Research. *The Oxford Handbook of Organizational Change and Innovation*, 161–185.

Hargrave, T. J., & Van de Ven, A. H. (2017). Integrating Dialectical and Paradox Perspectives on Managing Contradictions in Organizations. *Organization Studies*, *38*(3–4), 319–339.

Hegel, G. W. F. (2010). *Encyclopaedia of the Philosophical Sciences in Basic Outline* (K. Brinkmann & D. O. Dahlstrom, Eds.). Cambridge University Press.

Heidegger, M. (1962). *Being and Time* (J. Macquarrie & E. Robinson, Eds.). Harper & Row, Publishers.

Hengst, I.-A., Jarzabkowski, P., Hoegl, M., & Muethel, M. (2020). Toward a Process Theory of Making Sustainability Strategies Legitimate in Action. *Academy of Management Journal*, *63*(1), 246–271.

Henry, L. A., Rasche, A., & Möllering, G. (2022). Managing Competing Demands: Coping With the Inclusiveness–Efficiency Paradox in Cross-Sector Partnerships. *Business and Society*, *61*(2), 267–304.

Hepburn, S. J. (2013). In Patagonia (Clothing): A Complicated Greenness. *Fashion Theory - Journal of Dress Body and Culture*, *17*(5), 623–646.

Herepath, A. (2014). In the Loop: A Realist Approach to Structure and Agency in the Practice of Strategy. *Organization Studies*, *35*(6), 857–879.

Hofkirchner, W. (2017). Creating common good: The global sustainable information society as the good society. In M. S. Archer (Ed.), *Morphogenesis and Human Flourishing* (pp. 277–296). Springer.

Hu, X., Marlow, S., Zimmermann, A., Martin, L., & Frank, R. (2020). Understanding Opportunities in Social Entrepreneurship: A Critical Realist Abstraction. *Entrepreneurship: Theory and Practice*, *44*(5), 1032–1056.

Huq, J. L., Reay, T., & Chreim, S. (2017). Protecting the Paradox of Interprofessional Collaboration. *Organization Studies*, *38*(3–4), 513–538.

Ibarra-Colado, E., Clegg, S. R., Rhodes, C., & Kornberger, M. (2006). The ethics of managerial subjectivity. *Journal of Business Ethics*, *64*(1), 45–55.

Jarrett, M., & Vince, R. (2017). Psychoanalytic theory, emotion, and organizational paradox. In Smith, M. W. Lewis, P. Jarzabkowski, & A. Langley (Eds.), *The Oxford Handbook of Organizational Paradox* (pp. 48–65). Oxford University Press.

Jarzabkowski, P., Bednarek, R., Chalkias, K., & Cacciatori, E. (2019). Exploring inter-organizational paradoxes: Methodological lessons from a study of a grand challenge. *Strategic Organization*, *17*(1), 120–132.

Jarzabkowski, P., Bednarek, R., Chalkias, K., & Cacciatori, E. (2022). Enabling Rapid Financial Response to Disasters: Knotting and Reknotting Multiple Paradoxes in Interorganizational Systems. *Academy of Management Journal*, *65*(5), 1477–1506.

Jarzabkowski, P., & Lê, J. K. (2017). We Have To Do This and That? You Must be Joking: Constructing and Responding to Paradox Through Humor. *Organization Studies*, *38*(3–4), 433–462.

Jarzabkowski, P., Lê, J. K., & Van de Ven, A. H. (2013). Responding to competing strategic demands: How organizing, belonging, and performing paradoxes coevolve. *Strategic Organization*, *11*(3), 245–280.

Jarzabkowski, P., Sillince, J. A., & Shaw, D. (2010). Strategic ambiguity as a rhetorical resource for enabling multiple interests. *Human Relations*, *63*(2), 219–248.

Kistruck, G. M., & Slade Shantz, A. (2021). Research on Grand Challenges: Adopting an Abductive Experimentation Methodology. *Organization Studies*, 1–27.

Knight, E., & Hahn, T. (2021). Paradox and quantum mechanics: Implications for the management of organizational paradox from a quantum approach. In R. Bednarek, Cunha, J. Schad, & Smith (Eds.), *Research in the Sociology of Organizations: Interdisciplinary dialogues on organizational paradox* (Vol. 73a, pp. 129–150). Emerald.

Knight, E., & Paroutis, S. (2017). Becoming Salient: The TMT Leader's Role in Shaping the Interpretive Context of Paradoxical Tensions. *Organization Studies*, *38*(3–4), 403–432.

Knight, E., Paroutis, S., & Heracleous, L. (2018). The power of PowerPoint: A visual perspective on meaning making in strategy. *Strategic Management Journal*, *39*(3), 894–921.

Kornberger, M. (2022). *Strategies for distributed and collective action: Connecting the dots*. Oxford University Press.

Kroeger, A., Siebold, N., Günzel-Jensen, F., Saade, F. P., & Heikkilä, J.-P. (2022). Tackling Grand Challenges Collaboratively: The Role of Value-driven Sensegiving. In A. A. Gümüsay, E. Marti, H. Trittin-Ulbrich, & C. Wickert (Eds.), *Organizing for Societal Grand Challenges (Research in the Sociology of Organizations, Vol. 79)* (pp. 17–42). Emerald Publishing Limited.

Lawrence, T. B., & Phillips, N. (2019). *Constructing organizational life: How social-symbolic work shapes selves, organizations, and institutions*. Oxford University Press.

Lê, J. K., & Bednarek, R. (2017). Paradox in Everyday Practice: Applying Practice-Theoretical Principles to Paradox. In Smith, M. W. Lewis, P. Jarzabkowski, & A. Langley (Eds.), *The Oxford Handbook of Organizational Paradox* (pp. 490–509). Oxford University Press.

Lemoine, G. J., Hartnell, C. A., & Leroy, H. (2019). Taking stock of moral approaches to leadership: An integrative review of ethical, authentic, and servant leadership. *Academy of Management Annals*, *13*(1), 148–187.

Leonardi, P. M., & Barley, S. R. (2010). What's under construction here? Social action, materiality, and power in constructivist studies of technology and organizing. *Academy of Management Annals*, *4*(1).

Levy, D., & Scully, M. (2007). The institutional entrepreneur as modern prince: The strategic face of power in contested fields. *Organization Studies*, *28*(7), 971–991.

Lewis, M. W. (2000). Exploring Paradox: Toward a More Comprehensive Guide. *Academy of Management Review*, *25*(4), 760–776.

Lewis, M. W., & Smith, W. K. (2014). Paradox as a Metatheoretical Perspective: Sharpening the Focus and Widening the Scope. *The Journal of Applied Behavioral Science*, *50*(2), 127–149.

Lewis, M. W., & Smith, W. K. (2022). Reflections on the 2021 Decade Award: Navigating Paradox is Paradoxical. *Academy of Management Review*.

Lewis, M. W., & Smith, W. K. (2023). Today's most critical leadership skill: Navigating paradoxes. *Leader to Leader*, *107*, 12–18.

Li, X. (2021). Quantum approach to organizational paradox: A copenhagen perspective. *Academy of Management Review*, *46*(2), 412–415.

Locke, K., Feldman, M., & Golden-Biddle, K. (2020). Coding Practices and Iterativity: Beyond Templates for Analyzing Qualitative Data. *Organizational Research Methods*, *25*(2), 262–284.

Luhmann, N. (2006). The paradox of decision making. In D. Seidl & K. H. Becker (Eds.), *Niklas Luhmann and Organization Studies* (pp. 85–106). Copenhagen Business School Press.

Lüscher, L. S., & Lewis, M. W. (2008). Organizational change and managerial sensemaking: Working through paradox. *Academy of Management Journal*, *51*(2), 221–240.

Madden, D., & Marcuse, P. (2016). In Defense of Housing: The Politics of Crisis. In *Contemporary Sociology: A Journal of Reviews* (Vol. 47, Issue 2). Verso Books.

Maguire, S., Hardy, C., & Lawrence, T. B. (2004). Institutional Entrepreneurship in Emerging Fields: HIV/AIDS Treatment Advocacy in Canada. *Academy of Management Journal*, *47*(5), 657–679.

Maier, F., Barbetta, G. P., & Godina, F. (2018). Paradoxes of Social Impact Bonds. *Social Policy & Administration*, *52*(December), 1332–1353.

Mair, J., & Hehenberger, L. (2014). Front-Stage and Backstage Convening: the Transition From Opposition To Mutualistic Coexistence in Organizational Philanthropy. *Academy of Management Journal*, *57*(4), 1174–1200.

Mair, J., & Seelos, C. (2021). Organizations, social problems, and system change: Invigorating the third mandate of organizational research. *Organization Theory*, *2*, 1–22.

Mair, J., Wolf, M., & Seelos, C. (2016). Scaffolding: A process of transforming patterns of inequality in small-scale societies. *Academy of Management Journal*, *59*(6), 2021–2044.

Maxwell, J. A. (2012). *A Realist Approach for Qualitative research* (1st Editio). SAGE Publications Ltd.

Miron-Spektor, E., Ingram, A., Keller, J., Smith, W. K., & Lewis, M. W. (2018). Microfoundations of organizational paradox: The problem is how we think about the problem. *Academy of Management Journal*, *61*(1), 26–45.

Mutch, A. (2010). Technology, Organization, and Structure—A Morphogenetic Approach. *Organization Science*, *21*(2), 507–520.

Orlikowski, W. J., & Scott, S. V. (2008). Sociomateriality: Challenging the Separation of Technology, Work and Organization. *The Academy of Management Annals*, *2*(1), 433–474.

Orlikowski, W. J., & Scott, S. V. (2015). Exploring Material-Discursive Practices. *Journal of Management Studies*, *52*(5), 697–705.

O'Rourke, D., & Strand, R. (2017). Patagonia: Driving sustainable innovation by embracing tensions. *California Management Review*, *60*(1), 102–125.

Pamphile, V. D. (2022). Paradox Peers: A Relational Approach to Navigating a Business-Society Paradox. *Academy of Management Journal*, *65*(4), 1274–1302.

Park, T. Y., Park, S., & Barry, B. (2022). Incentive Effects on Ethics. *Academy of Management Annals*, *16*(1), 297–333.

Patterson, J. J., & Beunen, R. (2019). Institutional work in environmental governance. *Journal of Environmental Planning and Management*, *62*(1), 1–11.

Pérezts, M., Bouilloud, J. P., & de Gaulejac, V. (2011). Serving Two Masters: The Contradictory Organization as an Ethical Challenge for Managerial Responsibility. *Journal of Business Ethics*, *101*, 33–44.

Perkmann, M., Phillips, N., & Greenwood, R. (2022). Institutional arbitrage: how actors exploit institutional difference. *Organization Theory*, *3*, 1–20.

Phillips, N., Lawrence, T. B., & Hardy, C. (2000). Inter-organizational collaboration and the dynamics of institutional fields. *Journal of Management Studies*, *37*(1), 23–43.

Poole, M. S., & Van de Ven, A. H. (1989). Using Paradox to Build Management and Organization Theories. *Academy of Management Review*, *14*(4), 562–578.

Popper, K. (1978). Three Worlds. *The Tanner Lecture on Human Values*.

Porpora, D. V. (2013). Morphogenesis and Social Change. In M. S. Archer (Ed.), *Social Morphogenesis* (pp. 25–37). Springer, Dordrecht.

Porpora, D. V. (2015). *Reconstructing Sociology - The Critical Realist Approach*. Cambridge University Press.

Pradies, C. (2023). With head and heart: How emotions shape paradox navigation in veterinary work. *Academy of Management Journal*, *66*(2), 521–552.

Pradies, C., Tunarosa, A., Lewis, M. W., & Courtois, J. (2021). From Vicious to Virtuous Paradox Dynamics: The Social-symbolic Work of Supporting Actors. *Organization Studies*, *42*(8), 1241–1263.

Putnam, L. L., Fairhurst, G. T., & Banghart, S. (2016). Contradictions, Dialectics, and Paradoxes in Organizations: A Constitutive Approach. *The Academy of Management Annals*, *April*, 65–171.

Raaijmakers, A., Vermeulen, P. A. M., & Meeus, M. T. H. (2018). Children Without Bruised Knees: Responding to Material and Ideational (Mis)alignments. *Organization Studies*, *39*(5–6), 811–830.

Raisch, S., Birkinshaw, J., Probst, G., & Tushman, M. L. (2009). Organizational ambidexterity: Balancing exploitation and exploration for sustained performance. *Organization Science*, *20*(4), 685–695.

Raisch, S., Hargrave, T. J., & Van de Ven, A. H. (2018). The Learning Spiral: A Process Perspective on Paradox. *Journal of Management Studies*, *55*(8), 1507–1526.

Ramoglou, S., & McMullen, J. S. (in press). "What is an opportunity?": From theoretical mystification to everyday understanding. *Academy of Management Review*.

Ramoglou, S., & Tsang, E. W. K. (2016). A realist perspective of entrepreneurship: Opportunities as propensities. *Academy of Management Review*, *41*(3), 410–434.

Ramus, T., Vaccaro, A., & Brusoni, S. (2017). Institutional complexity in turbulent times: Formalization, collaboration, and the emergence of blended logics. *Academy of Management Journal*, *60*(4), 1253–1284.

Reimsbach, D., Schiemann, F., Hahn, R., & Schmiedchen, E. (2020). In the Eyes of the Beholder: Experimental Evidence on the Contested Nature of Materiality in Sustainability Reporting. *Organization and Environment*, *33*(4), 624–651.

Reinecke, J., Van Bommel, K., & Spicer, A. (2017). When orders of worth clash: Negotiating legitimacy in situations of moral multiplexity. *Research in the Sociology of Organizations*, *52*, 33–72.

Rhodes, C. (2016). Democratic Business Ethics: Volkswagen's Emissions Scandal and the Disruption of Corporate Sovereignty. *Organization Studies*, *37*(10), 1501–1518.

Rindova, V., & Courtney, H. (2020). To shape or adapt: Knowledge problems, epistemologies, and strategic postures under knightian uncertainty. *Academy of Management Review*, *45*(4), 787–807.

Saka-Helmhout, A. (2014). Critical Realism and International Comparative Case Research. In P. K. Edwards, J. O'Mahoney, & S. Vincent (Eds.), *Studying organizations using critical realism: A practical guide* (pp. 185–204). Oxford University Press.

Sawyer, K. B., & Clair, J. A. (2021). Hope Cultures in Organizations: Tackling the Grand Challenge of Commercial Sex Exploitation. *Administrative Science Quarterly*.

Saz-Carranza, A., & Longo, F. (2012). Managing competing institutional logics in public-private joint ventures. *Public Management Review*, *14*(3), 331–357.

Schad, J. (2017). Ad Fontes: Philosophical foundations of paradox research. In Smith, M. W. Lewis, P. Jarzabkowski, & A. Langley (Eds.), *The Oxford Handbook of Organizational Paradox* (pp. 27–47). Oxford University Press.

Schad, J., & Bansal, P. (2018). Seeing the Forest and the Trees: How a Systems Perspective Informs Paradox Research. *Journal of Management Studies*, *55*(8), 1490–1506.

Schad, J., Lewis, M. W., Raisch, S., & Smith, W. K. (2016). Paradox Research in Management Science: Looking Back to Move Forward. *Academy of Management Annals*, *10*.

Schneckenberg, D., Roth, S., & Velamuri, V. K. (2023). Deparadoxification and value focus in sharing ventures: Concealing paradoxes in strategic decision-making. *Journal of Business Research*, *162*, 113883.

Schrage, S., & Rasche, A. (2022). Inter-Organizational Paradox Management: How National Business Systems Affect Responses to Paradox Along a Global Value Chain. *Organization Studies*, *43*(4), 547–571.

Schwoon, B., Schembera, S., & Scherer, A. G. (forthcoming). Deliberate about Organizational Responses to Sustainability Paradoxes! The Case of Normativity in Online Hate Speech Governance. *Academy of Management Proceedings*.

Schwoon, B., Schoeneborn, D., & Scherer, A. G. (2022). Enacting a Grand Challenge for Business and Society: Theorizing Issue Maturation in the Media-Based Public Discourse on COVID-19 in Three National Contexts. *Business and Society*.

Seelos, C., Mair, J., & Traeger, C. (2022). *The future of grand challenges research: Retiring a hopeful concept and endorsing research principles*.

Seidl, D., Lê, J., & Jarzabkowski, P. (2021). The generative potential of Luhmann's theorizing for paradox research: Decision paradox and deparadoxization. In *Interdisciplinary Dialogues on Organizational Paradox: Investigating Social Structures and Human Expression, Part B* (Vol. 73b).

Shane, S., & Venkataraman, S. (2000). Delivering on the promise of entrepreneurship as a field of research. *Academy of Management Review*, *25*(1), 217–226.

Sharma, G., & Bansal, P. (2017). Partners for Good: How Business and NGOs Engage the Commercial–Social Paradox: *Organization Studies*, *38*(3–4), 341–364.

Sharma, G., Bartunek, J., Buzzanell, P. M., Carmine, S., Endres, C., Etter, M., Fairhurst, G., Hahn, T., Lê, P., Li, X., Pamphile, V., Pradies, C., Putnam, L. L., Rocheville, K., Schad, J., Sheep, M., & Keller, J. (2021). A Paradox Approach to Societal Tensions during the Pandemic Crisis. *Journal of Management Inquiry*, *30*(2), 121–137.

Sheep, M. L., Fairhurst, G. T., & Khazanchi, S. (2017). Knots in the Discourse of Innovation: Investigating Multiple Tensions in a Reacquired Spin-off. *Organization Studies*, *38*(3–4), 463–488.

Siggelkow, N., & Levinthal, D. A. (2003). Temporarily Divide to Conquer: Centralized, Decentralized, and Reintegrated Organizational Approaches to Exploration and Adaptation. *Organization Science*, *14*(6).

Smith, C., & Elger, T. (2014). Critical Realism and Interviewing Subjects. In P. K. Edwards, J. O'Mahoney, & S. Vincent (Eds.), *Studying organizations using critical realism: A practical guide* (pp. 109–131). Oxford University Press.

Smith, W. K. (2014). Dynamic decision making: A model of senior leaders managing strategic paradoxes. *Academy of Management Journal*, *57*(6), 1592–1623.

Smith, W. K., & Cunha, M. P. (2020). A Paradoxical Approach to Hybridity: Integrating Dynamic Equilibrium and Disequilibrium Perspectives. In M. L. Besharov & B. C. Mitzinneck (Eds.), *Organizational Hybridity: Perspectives, Processes, Promises*

(Research in the Sociology of Organizations) (Vol. 69, pp. 93–111). Emerald Publishing Limited.

Smith, W. K., Erez, M., Jarvenpaa, S., Lewis, M. W., & Tracey, P. (2017). Adding Complexity to Theories of Paradox, Tensions, and Dualities of Innovation and Change: Introduction to Organization Studies Special Issue on Paradox, Tensions, and Dualities of Innovation and Change. *Organization Studies*, *38*(3–4), 303–317.

Smith, W. K., & Lewis, M. W. (2011). Toward a Theory of Paradox: a Dynamic Equilibrium Model of Organizing. *Academy of Management Review*, *36*(2), 381–403.

Smith, W. K., & Lewis, M. W. (2022). *Both/And Thinking*. Harvard Business School Publishing Corporation.

Smith, W. K., Lewis, M. W., Jarzabkowski, P., & Langley, A. (2017). Introduction: The paradoxes of paradox. In *The Oxford Handbook of Organizational Paradox* (pp. 1–26). Oxford University Press.

Smith, W. K., & Tracey, P. (2016). Institutional Complexity and Paradox Theory. Complementarities of Competing Demands. *Strategic Organization*, *14*(4), 455–466.

Sparr, J. L., Miron-Spektor, E., Lewis, M. W., & Smith, W. K. (2022). From a label to a metatheory of paradox: If we change the way we look at things, the things we look at change. *Academy of Management Collection*, *1*(2), 16–34.

Spradley, J. P. (2016). *The ethnographic interview*. Waveland Press.

Stadtler, L. (2018). Tightrope Walking: Navigating Competition in Multi-Company Cross-Sector Social Partnerships. *Journal of Business Ethics*, *148*(2), 329–345.

Stadtler, L., & Van Wassenhove, L. N. (2016). Coopetition as a Paradox: Integrative Approaches in a Multi-Company, Cross-Sector Partnership. *Organization Studies*, *37*(5), 655–685.

Stake, R. E. (2013). *Multiple case study analysis*. Guilford press.

Stohl, C., & Cheney, G. (2001). Participatory processes/paradoxical practices: Communication and the Dilemmas of Organizational Democracy. *Management Communication Quarterly*, *14*(3), 349–407.

Sundaramurthy, C., & Lewis, M. (2003). Control and collaboration: Paradoxes of governance. *Academy of Management Review*, *28*(3), 397–415.

Thornton, P. H., & Ocasio, W. (1999). Institutional Logics and the Historical Contingency of Power in Organizations: Executive Succession in the Higher Education Publishing Industry, 1958 – 1990. *American Journal of Sociology*, *105*(3), 801–843.

Thornton, P. H., Ocasio, W., & Lounsbury, M. (2012). *The Institutional Logics Perspective: A New Approach to Culture, Structure, and Process*. Oxford University Press.

Tiikkainen, O. (2019). *Vaikuttavuuden ekosysteemiä rakentamassa. Systeemiteoreettinen tutkielma vaikuttavuusinvestoimisesta & Sitrasta sen suomalaisena edistäjänä* [Master's thesis]. University of Tampere.

Toivonen, A., & Martí, I. (2022). Let's Clean Up and Bring Some Order Here! Moral Regulation of Markets in Yaoundé, Cameroon. *Business Ethics Quarterly*, *32*(1), 136–168.

Torres, F. (2022). Salience and Time: The Existential Ground of Organizational Paradox. *Academy of Management Proceedings*, *1*, 18125.

Torres, F., & Hahn, T. (2021). Harnessing Infinity: Explaining the Persistence of Organizational Paradox through Morphogenesis. *Academy of Management Proceedings*, *2021*(1).

Trope, Y., & Liberman, N. (2010). Construal-Level Theory of Psychological Distance. *Psychological Review*, *117*(2), 440–463.

Tsoukas, H. (2017). Don't Simplify, Complexify: From Disjunctive to Conjunctive Theorizing in Organization and Management Studies. *Journal of Management Studies*, *54*(2), 132–153.

Tsoukas, H., & Chia, R. (2002). On Organizational Becoming: Rethinking Organizational Change. *Organization Science*, *13*(5), 567–582.

Tsoukas, H., & Cunha, M. P. (2017). On Organizational Circularity - Vicious and Virtuous Cycles in Organizing. In Smith, M. W. Lewis, P. Jarzabkowski, & A. Langley (Eds.), *The Oxford Handbook of Organizational Paradox* (pp. 393–412). Oxford University Press.

Tuckermann, H. (2019). Visibilizing and Invisibilizing Paradox: A process study of interactions in a hospital executive board. *Organization Studies*, *40*(12), 1851–1872.

Van de Ven, A. H., & Poole, M. S. (1995). Explaining Development and Change in Organizations. *Academy of Management Review*, *20*(3), 510–540.

van Hille, I., de Bakker, F. G. A., Ferguson, J. E., & Groenewegen, P. (2018). Navigating tensions in a cross-sector social partnership: How a convener drives change for sustainability. *Corporate Social Responsibility and Environmental Management*, 1–13.

Van Maanen, J., Sørensen, J. B., & Mitchell, T. R. (2007). The interplay between theory and method. *Academy of Management Review*, *32*(4), 1145–1154.

Waldner, C. J., Schrage, S., & Rasche, A. (2022). Fading in and fading out: The temporary nature of asymmetric paradoxical knots within organizations. *Academy of Management Proceedings*, *1*, 12364.

Warner, M. E. (2013). Private finance for public goods: Social impact bonds. *Journal of Economic Policy Reform*, *16*(4), 303–319.

Weiser, A.-K., & Laamanen, T. (2022). Extending the Dynamic Equilibrium Model of Paradox: Unveiling the dissipative dynamics in organizations. *Organization Theory*, *3*(3), 1–21.

Wiedemann, N. J. B., Wiegann, L., & Weber, J. (2018). Artefacts and the Dynamics of Truces in Organizational Routines. In M. Farjoun, Smith, A. Langley, & H. Tsoukas (Eds.), *Dualities, Dialectics, and Paradoxes in Organization Life* (pp. 236–259). Oxford University Press.

Wiesenfeld, B. M., Reyt, J. N., Brockner, J., & Trope, Y. (2017). Construal Level Theory in Organizational Research. *Annual Review of Organizational Psychology and Organizational Behavior*, *4*, 367–400.

Williams, J. W. (2018). Surveying the SIB economy: Social impact bonds, "local" challenges, and shifting markets in urban social problems. *Journal of Urban Affairs*, *00*(00), 1–13.

Wright, C., & Nyberg, D. (2017). An inconvenient truth: How organizations translate climate change into business as usual. *Academy of Management Journal*, *60*(5), 1633–1661.

Xing, Y., Liu, Y., & Cooper, S. C. L. (2018). Local Government as Institutional Entrepreneur: Public–Private Collaborative Partnerships in Fostering Regional Entrepreneurship. *British Journal of Management*, *29*(4), 670–690.

Yin, R. K. (2018). *Case study research and applications: design and methods. 6th Edition*. SAGE Publications Ltd.

Zhang, Y., Waldman, D. A., Han, Y. L., & Li, X. B. (2015). Paradoxical leader behaviors in people management: Antecedents and consequences. *Academy of Management Journal*, *58*(2), 538–566.