

# Leadership

## From Tension to Transformation

How Wise  
Decision-makers  
Transcend Paradoxes  
and Ambiguity

By  
Dr. Peter Verhezen



**Amrop**

Leaders For What's Next

# From Tension to Transformation

## Executive Summary

When Angelos Papadimitriou stepped into the CEO role of a global market leader in packaging machinery, he found a company that was “doing well enough not to be worried”. He told Amrop: “This is a business not making a standard product, so it wasn’t subject to all the standard rules of centralization, central procurement, standardization, etc. It was legitimately decentralized, in a sector that is very innovation-driven and very regional in its geographical deployment and its mentality.”

So, why change the status quo? He explains: “I saw an opportunity to bring in ingredients that were, on the face of it, quite the opposite, to integrate parts of the business, foster collaboration, a global approach, but without breaking what was working. In a nutshell, I refused the dilemma: “keep the old decentralized and regional approach or seek a new centralized global model”. Instead, Angelos looked for a different perspective, a “best of both worlds” model, based on what is driving value.”

Our world is increasingly characterized by contradictions and tensions like this one. And the picture is made more complex still by the explosion in tech devices, algorithms and industry 4.0 that shape our lives and are transforming the business landscape.

### **Intelligence is evolving, and organizations must adapt or perish.**

Fortunately, there’s clear evidence from researchers and business leaders alike that we can overcome contradictions and tensions. We can do it by managing and resolving paradoxes.

Since a paradox contains two contradictory, yet independent elements that operate simultaneously, this demands a particular mindset. This mindset is a key characteristic of wise decision-making — an approach that acknowledges opposing ideas and tensions, takes a more holistic view and embraces the ambiguities of fast-moving contexts.

Wise, paradoxical leaders do not choose between ‘either/or’ but allow ‘both/and’ to unfold into a new reality, transcending opposing ideas and creating innovative, competitive avenues.

### **Wise leaders skilfully integrate diverse and opposing ideas.**

This paradox mindset, engrained in a corporate culture of “contextual ambidexterity”, facilitates a whole new perspective. It breaks free of prioritizing either/or choices. When organizations are directed beyond zero-sum calculations towards a form of synthesis, this often results in a competitive advantage because of its unique dynamic and “system” approach.

## **This is all fine in theory, but how does paradox management work in practice?**

Of course, you could follow your gut when tackling a paradox, but this is still an unorthodox way of making decisions. Most business schools teach aspiring corporate leaders to apply analytical methods, using the available data to deal with contradictions and come up with the 'best' option.

## **Wise leaders use reflection and intuition, taking a broader and longer-term perspective.**

They link their thinking to non-financial ESG objectives. This matters very much because as any leader knows, financial and non-financial objectives often conflict, creating an existential struggle that has to be resolved.

## **A holistic perspective allows wise executives and board members to step back and reflect constructively.**

The best practitioners apply a 'question and answer' approach, or 'dialectical deliberation'. They bring moral and ecological values into the equation. In so doing, they move the debate beyond the constraints of purely financial objectives.

## **A holistic perspective also enables leaders and boards to answer rising calls for transparency and flexibility.**

As we'll discover, a trusted and resilient leadership team needs integrity, competence and contextual understanding. Only then will it be able to deliberate, communicate and execute. And communication also matters very much, because paradox resolution often disrupts the status quo.

### **About Dr. Peter Verhezen**

Peter is Visiting Professor for Business in Emerging Markets and Strategy and Sustainability at the University of Antwerp and Antwerp Management School (Belgium). He is Principal of Verhezen & Associates ([www.verhezen.net](http://www.verhezen.net)) and Senior Consultant in Governance at the International Finance Corporation (World Bank) in Asia Pacific. In this capacity, he advises boards and top executives on governance, risk management and responsible leadership. Peter has authored a number of articles and books in the domain, and collaborated closely with Amrop in the development of the wise leadership concept.



**Read on for the full article**

# Wise Decision-Making | Managing Paradoxes

## From Tension to Transformation

From the 2008 financial crisis to the tsunamis of digitization and machine learning and now Covid-19, life for leaders has never been more complex. Contradictions and tensions are multiplying by the day. Can we solve them? A large body of research suggests that we can: by managing paradoxes through wise decision-making.

*Smart* leaders have a host of qualities. They are innovative. They are adept at increasing short term efficiency and profitability. But they often achieve their results by ignoring the concerns of other stakeholders. *Wise* leaders take a broader perspective. In their decision-making, they seek to resolve apparently opposing demands. For example, shareholders on one hand, concerned and anxious employees, (un)happy customers and other stakeholders on the other. Wise decision-makers are particularly skilled at handling tensions, contradictions and indeed, paradoxes.

In our scene-setting article ‘Wising Up: Smart Decisions or Sustainable Decisions?’ we unpacked the characteristics of smart decision-makers. Almost always taken in the face of an uncertain future, these usually require three key facets, which we summarize below.

Smart leaders have a host of qualities, but often achieve their results by ignoring the concerns of other stakeholders. Wise leaders take a broader perspective in their decision-making.

### Smart decision-making is accomplished and reasonable

1	2	3
<b>Conscious decision-making process</b>	<b>A continuous learning attitude</b>	<b>Grit and gravitas</b>
Leaders who use these in a disciplined and artful way switch from ‘auto spotlight’ (colored by numerous biases) to ‘manual spotlight’ (usually resulting in less errors).	This results in a form of skillful craftsmanship or mastery, one that allows leaders to be inspired by innovative insights more easily and more often.	These are essential qualities to remain resilient and persevere in times of difficulty.





## Wise decision-making is also responsible, ethical and sustainable

Wise leaders embrace all of these facets, but go beyond, towards a form of *mindful intelligence*. This enables a broader, even holistic perspective, to better “manage in the gray”. Doing so means addressing complex situations with ethical or ecological consequences, without necessarily cutting corners.

As a wise leader you gain a clear understanding of the net consequences of your actions, your core obligations and the inspiring virtues that you need to incorporate as a human being among others.

However, you will also need to accept the struggle you may face in making wise decisions, since these may disrupt the status quo.





## The tense anatomy of a paradox

We have defined a paradox as containing contradictory yet interrelated elements. Taken in isolation, these may seem logical. Taken simultaneously, they seem irrational, even absurd. Paradoxes are sticky, they seem to persist over time. They are tricky, and can easily lead to perceptions of inconsistency. The tensions they contain can provoke conflict and defensive reactions. No wonder leaders often feel paralyzed by paradoxes.

What exactly makes paradoxes so uncomfortable? One reason is our attitude to paradoxes. When we come up against one, we react defensively to this thorny problem. We seek to reduce our anxiety by suppressing its inconsistencies, 'pushing them under the carpet'. We seek pain relief by emphasizing one aspect of duality over the other. We frame the tension or contradiction as an either/or choice. But doing this can make matters worse, leading to deep 'mixed feelings' and the sense of feeling stuck. When we choose one option over the other, it's rather like a seesaw; sitting on one seat only pushes the other seat up, re-emphasizing its demands.

Angelos Papadimitriou warns against "simplistic ways to avoid balanced, complex decision-making; or to hide a lack of courage."

More than a *dilemma*, the notion of a paradox is rooted in the acceptance that logically and socially-constructed contradictions are a *natural part of reality*. Opposing yet interdependent, these elements pre-suppose each other for their existence and meaning.

Resolving a paradox demands a '*dialectical*' approach. Simply put, this is about viewing issues from multiple perspectives based on discourse. It is a quest for the most economical, reasonable reconciliation of information and positions. More than pursuing the *middle ground* or a *trade-off*, the paradox-savvy executive is actually transcending the opposing ideas to build something new. S/he seeks an optimization, a simultaneous pursuit of both poles over time.

The conflict in a paradox, skillfully addressed, produces a new set of arrangements and practices: a transformation that releases and transcends the core tension. So, in paradox resolution, it's the *tension itself* that has provided the synergy for a novel idea or perspective.

Taking a paradox perspective, we deliberately attempt to *dialectically* re-frame a tension, and give sense to decision-making

In the most basic sense, 'dialectical thinking' refers to the reconciliation of opposites. We often fall into the habit of thinking of things in very black and white terms. We either love or hate something. We are either strong or weak. We are either happy or depressed. We either accept and move on, or reject and rebel. Dialectical thinking encourages us to consider that both of these things — which seem like opposites — can coexist, and that they can combine to create a "new" truth. It emphasizes "and" (both/and) instead of "but" (or either/or).



Wise corporate leaders, chosen by boards and often assisted by executive search companies after an intensive process, need to adhere a more integrative and dynamic perspective beyond zero-sum choices. This kind of paradox mindset allows boards and their leaders to resolve tensions and paradoxes without the usual trade-offs. This contextual ambidexterity allows leaders to go beyond mere either/or choices and create a more coherent and integrated new narrative. See page 11 for more.



## Paradoxical leadership

### Breaking Free of Thinking Prisons

It takes cognitive complexity — or in other words, sophisticated brainpower - to juxtapose the contradictions and tensions in a paradox, to explore potential synergies and question simplistic either/or answers or assumptions. Professor Robert Martin of the Rotman School of Management in Toronto joins other strategic thought leaders in proposing *integrative thinking*. This is a way of re-framing the relationship between tensions, capturing both the distinct features and interwoven nature of these opposites. By holding opposing ideas in our minds simultaneously, we can find new intersections, creative perspectives and frameworks.

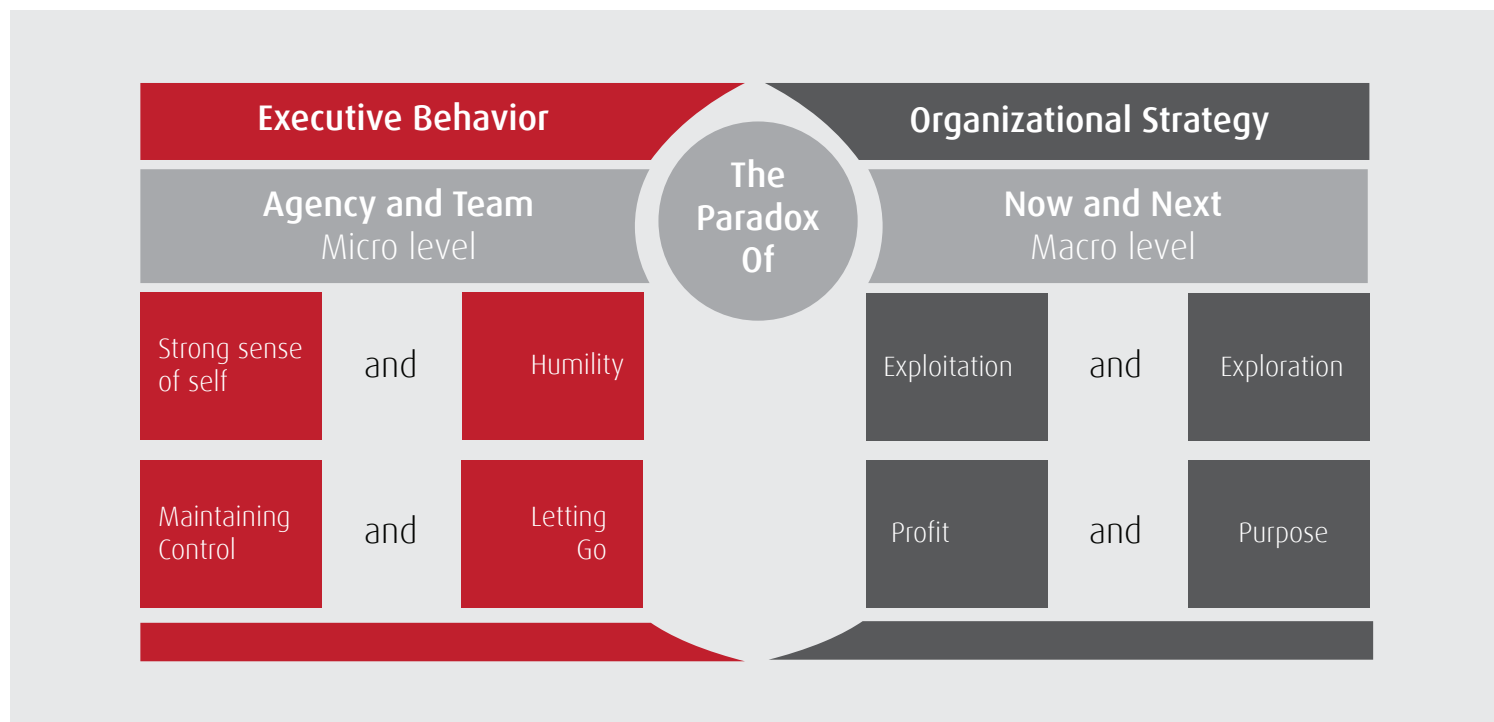
Integrative thinking is not just cognitively tricky. It demands confidence and inner strength to take risks, to act on uncertainty, create a new or different context, and embrace ambiguity. The alternative, as we've seen, is to get anxious and defensive. We know that confident leaders accept setbacks as learning opportunities. They seek to excel at seemingly conflicting goals, embracing challenges at each turn in the road. And the paradox road is a rocky one indeed; as a tension becomes more prominent, conflict can easily rear up. This is particularly true when opposing demands are held by different groups of stakeholders. Juxtaposing these, wise leaders push themselves and others to question existing assumptions and seek out new possibilities. This is the dialectical approach in action, to reach a 'higher' form — a better, more integrated solution.

Finally, let's recall that communication skills are an essential part of paradoxical leadership; articulating an overarching vision and purpose across competing demands, engaging with people and helping them to deal with wicked problems like these. Paradoxical leaders communicate the *both/and* approach in a consistent, confident yet humble manner (and this, by the way, is a paradox all of its own).

Cognitive complexity not only offers novel responses to paradoxes but also helps surface new information, fueling opportunities for communication, and bolstering confidence. These effective paradox leadership skills reinforce each other when they are integrated.

## 4 hearts of the matter

Academic literature has surfaced numerous paradoxes in the individual and organizational contexts. In all the research it has become clear that, whatever the lexicon or definitions, executives will need to handle tensions and translate their conclusions directly into action. And the stakes become particularly high at CEO or board level.



### *Strong sense of self and humility*

Good leaders are likely to display humility by putting themselves in perspective, admitting their uncertainties and incompleteness, drawing on the strengths of their peers and followers. More difficult is the ability to maintain a strong sense of self while maintaining this kind of humility. Put together, these characteristics are extremely effective in generating the envisaged outcomes.

### *Maintaining control and letting go of control*

Another persistent paradox for leaders is that of maintaining control and letting go. Recent research confirms the growing need to give up control and allow for more autonomy on the part of employees.

*In a further example, executives need to learn to combine 'natural' self-centeredness (high personal performance and rewards) with other-centeredness (serving the team to achieve organizational objectives).*





### *Pursuing profits and maintaining a higher purpose (ESG)*

Times of crisis present executives with a particularly painful paradox: consistently meeting the dividend expectations of capital providers, 'versus' preserving jobs. Covid-19 has created an even more daunting choice. Should all companies be saved at all costs? And how do we preserve the financial interests of investors, whilst limiting unemployment and supplier bankruptcies?

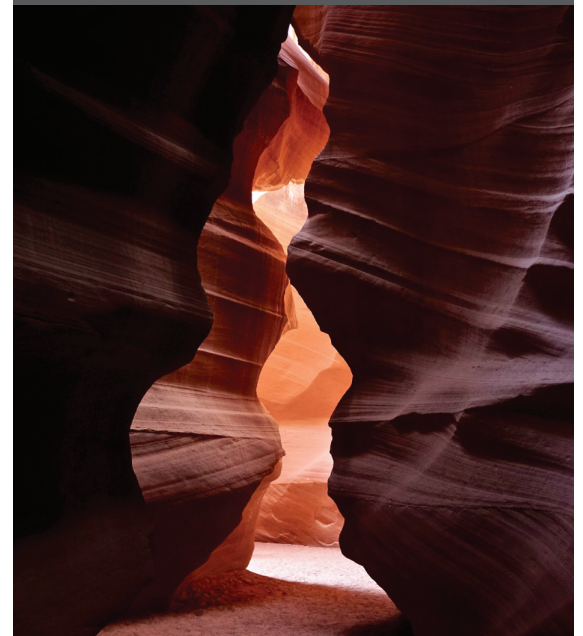
Let's recall that wise decision-making combines the pursuit of profitability *and* the sustained survival of an organization, whilst embracing the concerns of other stakeholders and ESG criteria. We can re-phrase this paradox as *now and next*, or *short term and long term*. Wise decision-making transcends the long-running debate around corporate social responsibility (or corporate shared value), 'versus' mainstream neoliberal economics. The latter perspective considers the purpose of business to be simply making money within the boundaries of legality. The view is increasingly shifting to consider the intrinsic moral value of *doing well by doing good*. For more, see our article, 'Cash or Continuity.'

The beauty of the *now and next* paradox is that it highlights the importance of economic objectives (without which organizations will not sustainably survive), whilst creating value that respects other objectives: at the strictest minimum, that of doing no harm to other people, communities, or the environment. Over a longer term, a good reputation and the creation of corporate shared value will play an increasingly important role in convincing customers and employees alike — beyond the entities that provide capital.

### *Exploitation and Exploration*

Organizations face another core strategic choice: the *exploitation* of the *current* competitive position and the *exploration* of *future* business opportunities. This is also known as the paradox of *continuity and change*. Any investor knows that the value of a company is based not in its current competitive position but on the expectation that the company will innovate and generate superior returns on investment. Tesla has a high valuation in comparison with most automotive brands. This is mainly based on the hope of investors that Tesla will outmaneuver its competitors in electric vehicles, giving it a higher potential for profitability, and a chance of meeting their financial expectations.

Amrop global board member Andrew Woodburn is Managing Partner of Amrop Woodburn Mann in South Africa. Talking with the Money Show in the context of the Covid-19 pandemic, he said: "This is no longer about profit. Every single leader I've spoken to is about: how can I protect my people? How can I guarantee them some sort of existence going forward? How can I ensure that this business is going to be here, when we all go back to work?"



# Paradoxical leadership in action

ABB

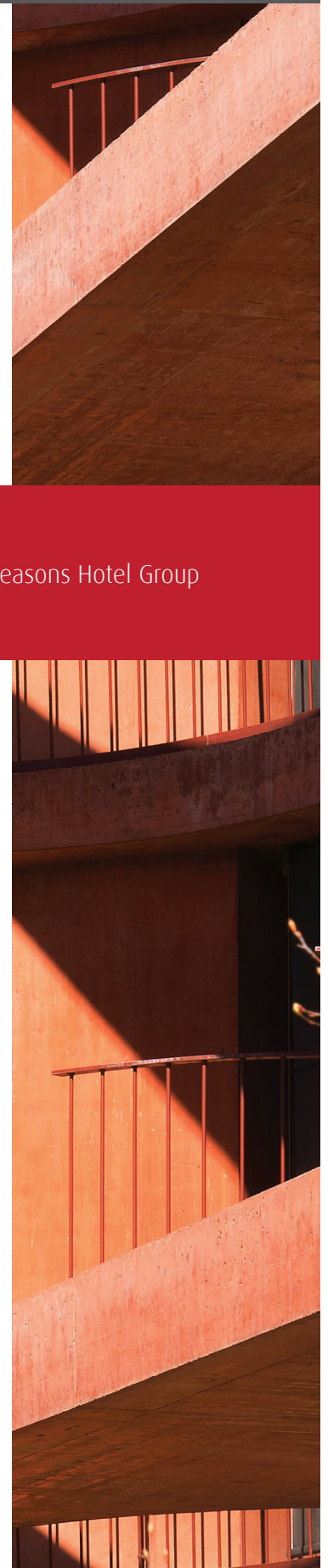
With a keen focus on robotics and tech innovation, Dr. Chunyan Gu has a prestigious leadership and board-level track record with ABB. He recently explained to Amrop how the engineering multinational is learning to embrace paradoxes: *global and local, big and small, decentralized and centralized*.

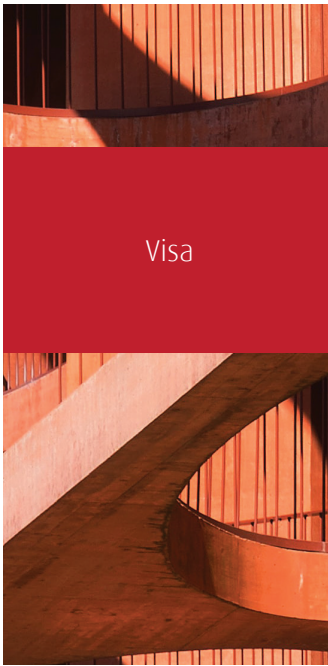
“We as a global company need to work out how we adapt to changing standards, and local regulations,” he said. “If the world gets too fragmented, we won’t get the scale to be efficient. But if we find a way to share our global platform, doing local adaptation in a smart way, then we might be able to find a way to win.”

Embracing contradiction in the hotel industry enabled the Canadian entrepreneur Isadore Sharp to found the Four Seasons hotel group. Its new, paradoxical concept changed the industry forever. Four Seasons stands for the ultimate in luxury. Yet its humble beginnings could not have hinted at this. Isadore Sharp used his ‘opposable mind’ to create a new model; a hotel with the intimacy of your home and the amenities of a large convention hotel. He combined the best of small and big, redefining luxury as a service in the hospitality industry.

Integrative thinkers such as these take a broader view whilst zooming in on what is salient. Instrumental to Isadore Sharp’s winning resolution was his choice to attend not just to the stated demands of his guests, but also to their unstated but deeply-held longing to be at home or at their office. Because that wish was in his field of vision, he was able to take into consideration things his competitors couldn’t, because they simply didn’t know these things existed. The creation of an intimate luxury business and convention hotel reflects the integrative, or paradoxical mind at work, with service at center of this synthesis. Great leaders actually welcome complexity, ambiguity and paradoxes because they know that the best answers arise from this fertile terrain.

The Four Seasons Hotel Group





The organizational paradox of *competition* and *cooperation* is one of the most famous. From a standard economic viewpoint, these two elements are like oil and water. Visa embraced this paradox from its origins — reconciling the tension. Its member financial institutions were fierce competitors. They — not Visa — issued the cards. So they were constantly chasing each other's customers. But they also had to cooperate with each other. For the system to work, participating merchants had to be able to take any Visa card, issued by any bank, anywhere, abiding by certain standards, participating in a common clearing house operation. To resolve this contradiction, Visa set the following parameters: Its members were free to create, price, and market their own products under the Visa name, even as they engaged in intense cooperation. This allowed the system to expand worldwide within ten years, even in the face of different currencies, languages, legal codes, customs, and cultures.

Technological innovation is allowing many companies to collaborate in selected domains, whilst competing in the product and service arenas. In the open-system approach, many different stakeholders are invited to participate in the innovation process. With its open innovation platform, P&G is an example. And in cybersecurity, companies and government institutions are hiring hackers to help them to close virtual loopholes.



### Context matters - dynamic equilibrium and ambidextrous leadership

These examples illustrate the continuous state of *dynamic equilibrium* experienced by today's organizations. Most organisms are interlinked and interdependent. Equally, the socio-economic sustainability of an organization is embodied in a paradigm of complex adaptive systems. These systems are interconnected with other systems; energy and resources, environmental and ecological, social and political.

*Dynamic equilibrium* means that leaders must constantly navigate across opposing forces, creating a virtuous cycle that unleashes creativity and potential. This *contextual ambidexterity* is a quest for uncompromising solutions: a focus on operations *and* innovation, a more global *and* a more local focus. Such a synthesis requires culturally strong organizations, driven by unifying values, beliefs, principles and inter-dependent practices. Even here we can find more paradoxes: *unity and diversity, globalization and localization, coherence and autonomy*.

Let's recall that a both/and approach, an advocacy of integrated solutions, often results in competitive advantage. The term '*ambidexterity*' reflects organizational actions that, in particular, resolve the paradox of *exploitation and exploration*.

We've examined the ways in which people tend to approach a paradox. We can crystallize these into *avoidance, confrontation and transcendence* (Lewis, 2000). Clearly, wise decision-making should emphasize the third wherever possible.

As we saw at the outset, executives must avoid the trap of fixating on one pole of a paradox whilst avoiding the other. For example, executives have traditionally been rewarded based on a strong sense of self, high degrees of self-confidence and boldness, basking in the limelight of success. They usually prioritize short term pressures and results (even whilst striving to maintain continuity), because their accountability is tied to the here and now. In the more holistic, broader perspective, the remuneration of leaders would reflect a current and future responsibility. For example, leaders would not be allowed to sell their stock options before a 5-year term, pending the consequences of their (investment) decisions.

Western tradition has tended to regard the components of a paradox as 'twin' (related but distinct entities). In the Chinese context, a paradox is composed of two interdependent opposites, or dualities. The interplay between them is like the way in which silence and sound dance together — they are inseparable and each makes no sense without the other. Balance is essentially about the wholeness in which all dualities, polarities, and complementary forces find their resolution.



## Paradox thinking — East and West

If you are from an Asian culture, or trained in Asian philosophy and traditions, you may be asking yourself, “what’s new?” If Western traditions tend to see contradictions as conundrums, then Eastern equivalents have often embraced them, weaving them into a more coherent, practical philosophy.

Consider Chinese *Taoism*. This proposes that two sides of any contradiction exist in an active harmony. They are opposed, but connected and mutually controlling. Taoist *yin-yang* philosophy sees the world as holistic, dynamic, and dialectical. All universal phenomena are shaped by the integration of these two opposite cosmic energies: Yin represents the “female” energy, yang, the “male”. Both forces operate in a universal and integrated way, dynamically shaping reality, and generating constant change. Other Eastern systems such as Buddhism also embrace contradictions. In Zen Buddhism the *koan*, a proposition that defies rational logic, is a paradox or question designed as a meditation discipline. “Listen to the sound of one hand clapping,” is perhaps the most famous example of a Koan.

### *Philosophical roots*

Judeo-Christian and Muslim beliefs revolve around a single deity that assumes “one absolute truth”. Hence the desire in Western philosophy to find that truth, or establish rational foundations for it. A prime example is the German philosopher Immanuel Kant’s attempt to separate emotions from pure reason. This allegedly allowed humans to “touch the absolute notion of truth” (*das Ding an Sich*). But rationalizing life to its purest form ignores the shape shifting nature of historical and contextual ‘truth’. We have to understand Kant’s thinking in the context of the Enlightenment, a movement that subordinated faith and emotions. However, after Kant, many thinkers reintroduced the importance of emotions, from David Hume to Darwin. Evolutionary theory in particular demonstrated the importance of emotions in our thinking and very survival. More recently, neuroscience has indicated the value of combining cognitive, ‘moral’ and emotional qualities, empathy and care. We could even see this as the new enlightenment, one which is increasingly proving its metal in the business world, and is captured in our concept of wise decision-making.

We don’t generally find a purely rational, truth-seeking perspective in Eastern traditions. With a tendency to embrace contextual ambiguities, the Eastern view has been less concerned with clearing the path for an ultimate truth. In that sense, it is close to Aristotle’s quest for balance and *eudemonia* (‘human flourishing’ — which we could even see as an early forerunner of ESG). Confucius and Lao Tzu (the founder of Taoism) believed that the truth is often found in the middle. This conveys a dynamic concept, an active harmonious integration of opposites, rather than a reactive compromise. The *middle kingdom* — as its emperors considered China to be for many centuries - calls for maintaining an integrated life by balancing these extremes.

In this way, opposing elements are woven into exactly the holistic and paradox thinking that we’re emphasizing.





Western languages have a rich vocabulary for reasoning, logic and analysis, much less for introspection. So it has been hard for many executives in the West to accept intuition as legitimate. Sanskrit, in contrast, has about twenty terms for 'consciousness' alone. And Mandarin visualizes the notion.

The Eastern approach to paradoxes is therefore to embrace, integrate and transcend apparent opposites, in contrast with pre-dominant Western thinking, in which information is processed by breaking up the whole into parts that need to be analyzed in detail. Perhaps the most famous paradox is *wei-ji*, the Mandarin word for 'crisis', formed by combining the characters for 'danger' and 'change point'. This expresses the Chinese view that adversity and change are inextricably linked in a dynamic relationship. So crisis is not an insurmountable problem but a function of transformation, in which paradoxical thinking can lead to opportune action. Quite a number of Asian (most often overseas Chinese-originated) companies emerged after the Asian financial crisis of 1997-2001. Their founders sought new opportunities, and responded quickly. As Jack Ma, founder of Alibaba, put it: "one must run as fast as a rabbit, but be as patient as a turtle".

#### *Growing branches*

Western philosophical traditions have struggled more with tensions, though some great thinkers, leaders and artists have integrated them in a dialectical process.

For example, the German philosopher Hegel put dialectical thinking at the core of understanding the past, while Abraham Lincoln has been considered as one of the best US presidents in history. He was able to overcome opposing ideas and promoted the adversaries in his cabinet to keep the North and the South united while attempting to abolish slavery in the South.

Beethoven and Mozart translated paradoxes into a source of creativity, combining the rigor of the sonata form with fluidity of expression.

Picasso used angularity to express vulnerability, and Van Gogh united the everyday and the divine.

Moreover, over the past 150 years, Western scientists have started to embrace holistic theories. This is particularly the case in quantum physics, a domain in which paradoxes have been described and discussed by a host of eminent thinkers. Einstein, Bohr, Heisenberg and Schrödinger are just some examples in a growing list.



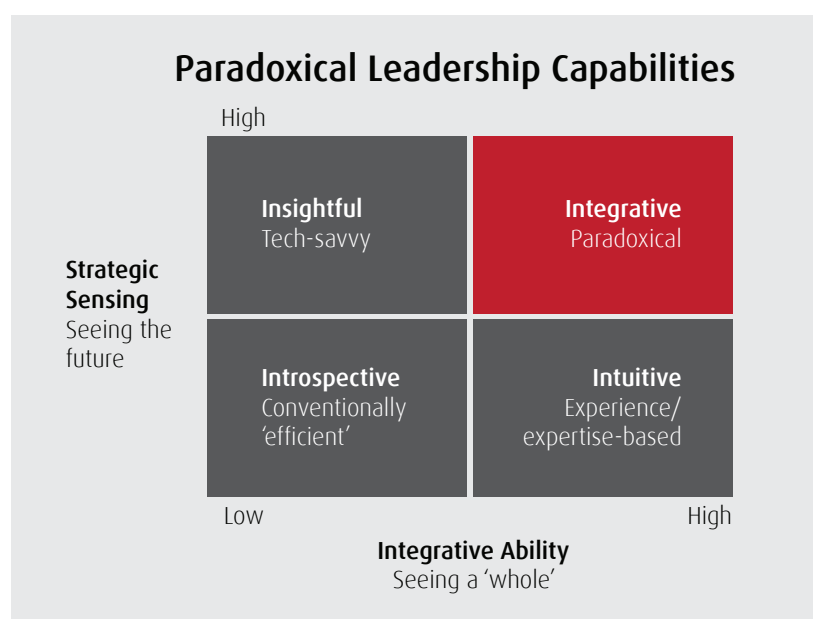
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# Preparing for paradoxical leadership

Given the power of the paradox lens, it's not surprising that paradox management is becoming an ever more important skill. A recent study by my colleague Prof. Ans De Vos of Antwerp Management School confirms that one of the most important characteristics expected from executives is the ability to adapt to change and lead transformation. Let's look at the profile — and equipment — of the paradoxical leader.

1

## Positioning the paradoxical leader



### *Strategic sensing*

This is about being forward looking, with an eye on the best opportunity. Think of it as anticipating change, spotting (weak) signals, subtle trends, connecting dots, rather than reacting to a crisis.

### *Integrative abilities*

These enable leaders to make sense of a situation and manage contradictions, as we have explored.

*Insightful leaders* are usually tech-savvy and have a clear understanding of where to direct the company, but are not necessarily attuned to the needs of all different players and stakeholders, and inclusive of these.

*Introspective leaders* are somehow operating in a psychic prison. They may have no real clue about what's going on in the wider environment, lacking a 360 degree awareness, and are focused on efficiencies. These conventional leaders settle paradoxes by choosing one pole over another.

*Intuitive leaders* may be low on strategic scanning, but have a kind of sixth sense. Instinctive operators, some actually continue to do well, based on their experience and expertise. Their returns are no worse or better than others; however, the variance in terms of performance is huge.

*Integrative leaders* are capable of very sophisticated interpretation and are able to manage contradictions. As we've mentioned, integrative paradox leadership is set to become one of the big competencies that we'll be talking about moving forward and when we're thinking about organizational change.



The biggest reason for success in entrepreneurship is not brilliance. Nor is it creative genius. It's the simple ability to keep going when the going gets tough, and adapt to a changing context. The downside is that resilient survivors don't easily ask for help. There is a price, one that I learned myself as a business owner. It took a lot of self-development to be able to keep my resilience intact whilst nurturing the fragility that comes with it. Sometimes a leader feels unable to ask for help.

This is an immutable truth of life and leadership: every person's strength can also be a weakness. The lesson that resilience can come at a cost is particularly important for leaders who shouldn't try to do everything themselves, even though their self-sufficiency may compel them to try. And this is even more the case right now. We are in uncharted waters with the COVID-19 pandemic, and leaders have to rely on collaboration and trusted colleagues to navigate this once-in-a-lifetime challenge. It starts with reaching out and asking for help. And this requires an understanding of how leaders continue to learn and to adapt/adopt to a changing context.

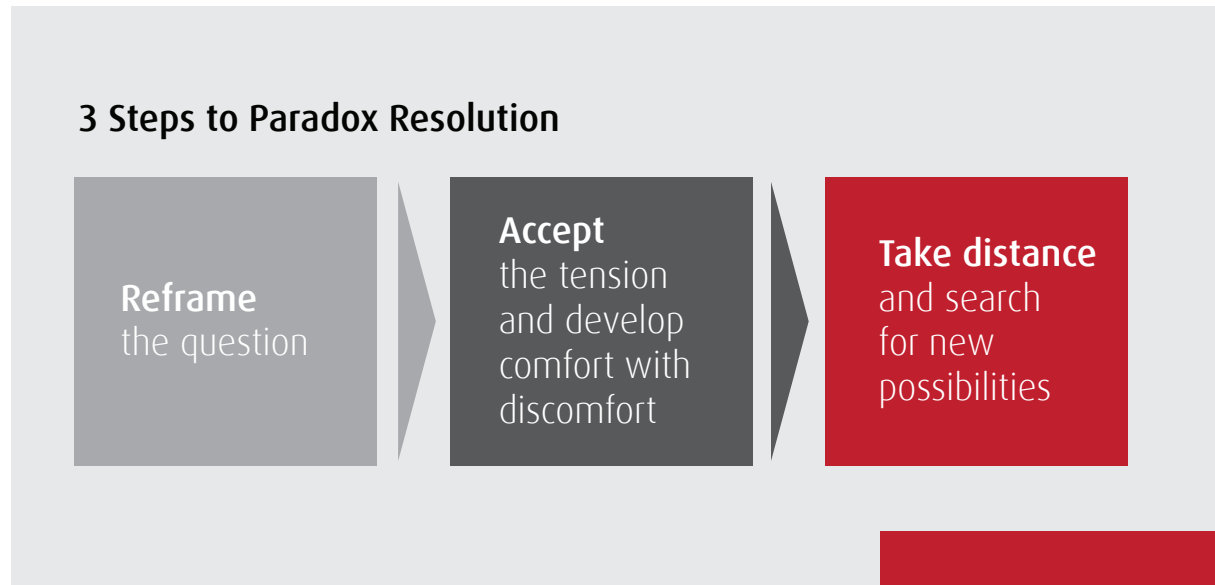
Fortunately, when it comes to collaboration, we have nature in our favor. Evolutionary theory suggests that a genetic disposition to collaborate favors an organism survive and to thrive. It is the inclination to cooperate- beyond mere short-term selfish interest - that favors wise, rather than merely smart, leaders. Team-building ability is the most obvious example. And still, we cannot ignore the darker motivations for some executive behavior: desire, greed and envy. So we need to nudge executives into more collaborative behaviors that positively affect a firm's (sustainable) performance. The research of Wharton Professor Adam Grant has revealed a vital insight: managers and leaders "who give" – within reasonable boundaries of [altruistic] reciprocity – are often better performers than their more egocentric equivalents. Here are three benefits of this type of approach:

Diversity	Behavioral integration	Information Flow
This brings different views and cognitive approaches to the group. In this moment, when problems are no longer routine, teams who provide cookie-cutter answers won't be successful. Diversity allows for varied insights.	Combining individual behaviors means that a group can coordinate its efforts.	A strong current of knowledge sharing leads to improved levels of trust and collaboration.

We've looked at the human tendency towards a 'flight' reaction when facing the teeth of a paradox. The zero-sum or either/or approach is a feature of this stress response, a basic attempt to prioritize, to choose a trade-off. Alert, self-aware and mindful leaders can help team members work through this tendency, towards a mature, more thoughtful response. They can help them to cultivate a paradox mindset. One way of motivating people to learn how to better manage competing demands is to present the pay-off: strangely enough the paradox mindset is often very liberating - emotionally as well as cognitively. We allow both aspects — yin and yang – to thrive. The paradox mindset frees mental resources and drives us towards new solutions, cultivating innovation in the process.



Can we really grow a paradox mindset? Researchers argue that we can. We can learn to balance and make decisions for the short term to survive and the long term to thrive. We can ensure social distancing in corona times, while also enabling social connection. Modern researchers and philosophical practices alike argue that people with a paradox mindset do three things:



*By re-framing the initial question*, we may achieve a new synthesis, at a higher level, where we discover new ways to do both (instead of either/or) that can even reinforce each other.

*Acceptance* allows us to reach the understanding that tensions are a natural part of reality, and that we all experience these opposing ideas to a certain extent. Once we accept inconsistency, we eventually learn to feel more comfortable in its natural habitat – the paradox.

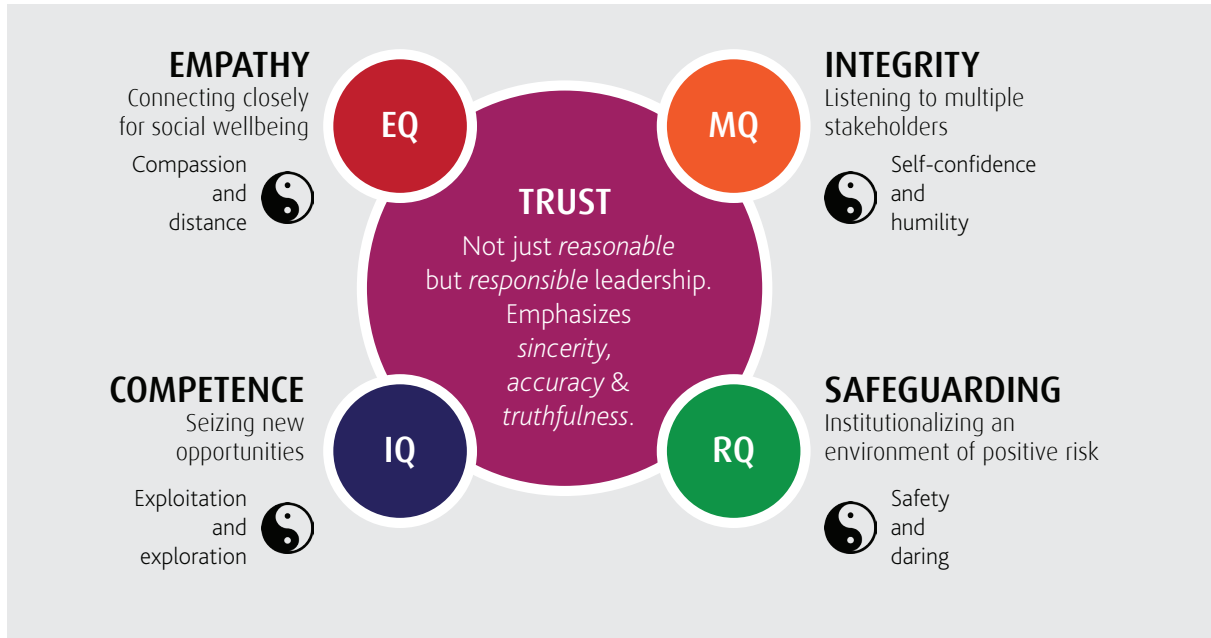
*Distancing our ego* allows us to take decisions for others rather than for ourselves. Cultivating our awareness and mindfulness, (also via practices such as meditation), helps. Distancing our ego often facilitates the creative solutions that are a feature of good paradox management. Moreover, and as mentioned, the humility to share our struggle with others provides comfort and helps us see the bigger picture. A paradox mindset may not be able to resolve all problems or tensions. But it will allow us to look at the challenge with fresh eyes, understand the need to adapt, and uncover a different way of working.

Resolving tensions in a paradoxical, 'yin/yang' situation requires wise leaders to acknowledge, deliberate, and integrate the opposing ideas to reach a higher understanding.



## Integrating different forms of intelligence to build trust

The organizational perspective



Wise leadership is often seen as inter-changeable with 'ethical intelligence'. However, ethical intelligence is only one facet. A wise executive will likely possess Competence (IQ), Risk Sensitivity (RQ), emotional intelligence (EQ) as well as Moral Intelligence (MQ). EQ is characterized by caring and trustful behavior. Partially unconscious, it engenders trustworthiness and creates bonds between stakeholders. Meanwhile, being able to assess and resolve ethical dilemmas in organizations (MQ – Moral Intelligence) is of course an enormous asset.

### 3 perspectives - unpacked

Revealed by academic research, these interlinked notions are also confirmed in practice in the Amrop interview with Angelos Papadimitriou: "When Wisdom is Put to the Test." As follows:

#### 1 - Guiding with Integrity = having the courage of conviction (MR)

- Be clear on your principles (your moral compass);
- Blend courage, instinct/intuition and sophistication (multidimensional learning);
- Think in terms of value, not in terms of securing tenure.

#### 2 - Directing the company with Competence to new opportunities = making sense of the new context (IQ)

- Draw on experience (without being locked in to the past success);
- Capture and exploit existing value opportunities;
- Listen and learn before you decide;
- Deliberate consciously
- Exercise multi-dimensional thinking;
- Avoid false dilemmas, synthesize and crystallize.

### 3 - Creating a 'safe' and healthy environment = caring for organizational teams (RQ + EQ)

- Showing care for your team often results in a safe environment that facilitates the conditions for taking reasonable risks;
- Brace yourself for push-backs and failures, and allow a longer term horizon;
- Use trust as a key indicator and care for your employees and customers;
- Back up trust with compliance and installing proper corporate governance practices;
- Exercise zero-tolerance to bad governance, but don't pretend you are the judge;
- Design a 'values fuse-board' with 'on/off' switches that quickly signal conformity, or divergence, in executive behaviors
- Allowing for 'holacracy' — or 'self-organizing teams'. This concept, developed in the domain of organizational studies, reconciles the paradox of 'top down' and 'bottom up'.

To finish, let's recall how Angelos Papadimitriou stepped into the CEO role of a company that seemed to be doing perfectly well. He surfaced the paradox of centralization and decentralization, but how did he solve it?

"We created a central engineering team, with some of the best talent from our excellent traditional engineering organization, which reported directly to me. Its role was to have companies buy into its capabilities. But it had no hierarchical authority over the current companies' engineering teams which remained formally decentralized. We added a central team to a decentralized organization without breaking its decentralized nature. And we made it work. It took some time."

In conclusion: "That all required sophistication of decision making and execution. The more sophisticated you are, the more you are able to balance time horizons and stakeholders, value creation and qualitative metrics. And in my opinion this has to be done with courage."



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