

Community of
European
Management
Schools

1997

CEMS BUSINESS *Review*

Volume 2
Supplement

SPECIAL ISSUE:

*Coping with
Managerial Dilemmata*

•

GUEST EDITORS:

*Günter Müller-Stewens
Georg W. von Krogh*



Editorial: The Management of Contradictions – a New Challenge for Leadership

**Günter Müller-Stewens
Georg von Krogh
Mathias Fontin***

With respect to the complexity and dynamics emerging with the current structural changes in many markets, an increasing number of industries face major challenges. Without doubt, in this situation only those companies will survive, which are capable of internally reflecting and representing the external complexity.¹ Therefore immaterial capabilities become more determinant for performance than smart strategies, structures or systems. It is necessary to constantly enrich the firm's repertoire of these capabilities in order to cope even with the extremely multi-layered and contradictory requirements of organizations. This means that a firm also has to internally reflect the contradictions it faces externally. Additionally, this all has to happen within a window of time determined by market needs: competition does not wait for single companies that are slow to adapt. Covering these requirements, leadership has to question and change its current role and pattern of interaction. In short, management needs the *ability to manage complexity*. Alfred Herrhausen, the former chief executive officer of 'Deutsche Bank' formulated this challenge in a speech at a board meeting in 1988:

Complexity means that an increasing number of different aspects have to be considered for adequate decision-making. These aspects might also be contradictory to each other. The number of decisions which can be pigeonholed into simple right-or-wrong patterns leading to simple 'yes' or

'no' answers, decrease. The majority of today's decisions call for 'as-well-as' answers due to the discrepancies and contradictions.

It is therefore not sufficient to accept complexity and accordingly adjust the organizational structure. An increased internal complexity does not automatically guarantee better coping with environmental change. Handling complexity requires training in specific leadership capabilities and concepts. The skill to absorb and sustain as-well-as situations might serve as a starting point.

The problem of managing complexity and contradictions provided the basis for formulating the topic of 'Unconventional Solutions in the Age of Paradox' (CEMS Graduate Conference, 1996). This Special Issue of the CEMS Business Review contains a selection of the best papers handed in to the conference. They have been selected from over 300 papers in a 'double blind review' by the Editorial Board. Members of the Editorial Board were: R. A. Bettis, M. Cason, H.-P. Dachler, B. Durisin, P. de Dussage, J. E. Dutton, K. Gronhaug, P. Hagström, G. Hamel, G. Hedlund, M. Lyles, T. Reve, J. Roos, P. Rosenzweig, B. Schmid, C. C. Snow, J.-C. Spender, and K. E. Weick. At this point we would like to thank all those people who made this conference possible by their remarkable personal engagement. Special thanks go to the coordinators Boris Durisin and Pascal Koller. In the following section we would like to give a brief introduction to the conference topic and to develop a preliminary understanding of the relevant terms and their tradition. Afterwards we will give a short overview of the papers presented in this special issue.

* University of St. Gallen, Institut für Betriebswissenschaft, Dufourstrasse 48, CH-9000 St. Gallen, Switzerland

The enrichment of external and internal complexity

More and more managers complain that they face highly complex situations in which they arrive at solutions with inherent contradictions.² To illustrate this problem we might think of the choice between the local orientation of a company and the need for global integration. No matter which alternative is chosen, it will be the wrong one. Still action has to be taken in such paradoxical situations. But how should this split be handled? Due to the pressure for action the decision-maker finds himself in a dilemma which can only be handled better or worse for the moment, but a general solution can never be found.

A closer look at the issue reveals that one does not face a classical decision problem for which we can find an either-or solution. Rather the organization has to pursue different, contradictory solutions at the same time.

As such, the global integration and the local responsiveness policy must be enhanced at the same time. The issue can be illustrated by thinking of a national subsidiary of a European company. In the national company the dilemma may arise by seeing their national responsibility (and thus their basis of power) shifting away towards the European headquarters. On the other hand, they should keep a certain national autonomy. This autonomy might consist in adapting products to local customer requirements and to manage employee integration into the overall strategy. Despite all contradictions both aspects have to be managed simultaneously: the local organization must be optimized and global dimensions of the business are to be pursued. Following both aspects simultaneously, the repertoire of actions and competencies can be enriched.

Increasing internal organizational complexity is the only possibility to cope with growing external complexity.

However this is certainly a difficult step for many companies, as pursuing both options requires capabilities which have to be built before they can be used.

Regarding the example, it seems wrong to decide in principle on how much global and local orientation the company should create. Such a fundamental decision stops the swinging pendulum at a certain point between the poles which would lead to reorganizations and restructuring. The enrichment of internal complexity only makes sense if it increases the organization's flexibility at the same time. Thus the question of 'how much localization' or 'how much globalization' must be answered with regard to the situational context; it has to be answered differently from case to case. This leads to the conclusion that we should not focus on fundamental, general decisions, but on the capability to deal with dilemmas in a specific context.

Increasing external complexity results from environmental changes. An adequate anticipation of customer needs is difficult, and the intensity of competition increases due to the growing globalization of industries. The way companies organize their internal structure (e.g. product-oriented profit centers) does often not correspond to the evolution of customer needs. The 'strategic windows' in which demand structures can be anticipated become shorter and more limited, so that companies have to be very flexible to benefit from emerging demand patterns. Even for multinational conglomerates it seems unlikely that the company always possesses the right competencies in the necessary quality to accurately match customer needs. Instead, conglomerates constantly have to restructure and reconfigure their portfolio of capabilities. Such a flexibility is often only possible through building cooperative agreements. The growing number of cooperations render the boundaries of a company fuzzy. It seems ob-

vious³ that in modern organizational design forms and in times of continuous change, dilemmas will occur more frequently because they only represent a reflection of contradictions and changeability in the environment.

Paradox, dilemmas and trade-offs

There are two different perspectives on managerial decision-making (Neuberger, 1995): the first one is quite similar to the model of rational decision-making. In this model the decision-maker lines up possible activities with regard to the problem and the intended goals and chooses the alternative which will provide the highest benefit. The underlying assumption of this model is that one clearly defined solution can be chosen even though it might be a difficult and complex one (Vroom and Yetton, 1973).

The other perspective is based on the assumption that the management problem has no 'correct' solution. Managers face unstructured problems which will be defined differently, depending on the situation, the perspective taken and the point in time. The intended goals cannot be clearly categorized, because they are interpretable, often contradictory and corresponding to different interests. Facing such situations we cannot assume that managers are able to present clear and unambiguous solutions.

Definition of terms

Basically, a manager's dilemma describes a situation in which this decision-maker faces difficulties to choose between contradictory solutions for one problem as both alternatives seem reasonable and necessary. The causes of a certain feeling of uneasiness are not the different options but the necessity to choose between them. This results from the fact that following the classical either-or principle, a dilemma is understood as two irreconcilable options.

The decision-maker might choose one alternative, but by doing so he will have to accept

all the disadvantages which occur by choosing one alternative and exclude the other. Alternatively, he might also choose to follow both options at the same time leading to an engagement in contradictory actions.

This shows that a dilemma only appears in correspondence with present pressure for action which forces a decision-maker to decide between different, contradictory alternatives even though both make sense to him. For example, if management decides to decentralize an organization, it decides against centralization, if a company seeks closer cooperation with one company, it cannot compete against this company at the same time. Thus a dilemma does not reside in the manager's lack of decisiveness. Rather, dealing with dilemma should be regarded as a basic characteristic of a *leadership task*. This requires that management faces and copes with dilemma. Managers have to constantly reinvent and redefine options for actions to deal with dilemmas. Dilemmas occur frequently at the top management level. At lower levels, managers often focus to pursue only a single option. But also at the lower management levels, the dilemma becomes obvious and therefore these managers often demand 'final and clear decisions'. The variety of options at top management seems irritating and dysfunctional from an isolated, single-option perspective adopted by middle and lower managers.

This leads us to a related issue – *paradoxes*. A paradox refers to a statement which is in itself contradictory. For example a sentence of Mahatma Gandhi states: 'Freedom is impossible without order and order without freedom is useless'. The intention of formulating such a paradox is also to point to a specific form of 'truth', rooted in contradictions and complexity of the interplay between order and freedom. Freedom is closely related to intuition and leads to innovation; order is the result of sharp analysis and promises greater efficiency.

Managers can also take dilemmas as their guiding principle by avoiding a decision between two opposite poles. Instead, the simultaneous pursuit of both extremes is regarded as the most suitable way for an organization to

deal with its environments. Thus the 'either-or' develops towards a polarity in the sense of an 'as-well-as': Each pole is opposite to the other but regarding their quality (and often also their existence) they are dependent on each other. Therefore both solutions can be regarded as complementary or correlative (Blickle, 1993).

Understanding this relationship as an exchange relation located at a specific level of benefit – which can be described as an isoquant – it can be characterized as a trade-off relation. To realize more units of pole X, units of pole Y have to be given up. But trade-offs do not adequately reflect the idea of paradox which admits the contradiction consciously to attain a higher level of benefit by creating variety.

Variations for understanding dilemmas

Dealing with dilemmas, paradoxes and contradictions has a long tradition. In ancient rhetoric paradox was used as a stylistic means. Aristoteles discussed paradox in connection with his analysis of the sophists who achieved remarkable success by using paradoxical lines of thinking. Imperative to the sophist approach was to surprise the audience by using paradoxes to convince them. Paradoxical statements – not corresponding to the general, expected opinion – take away the possibility of counterarguments. At first glance, the spectator misses connectivity and understanding of the argument. Kant, for example, thought it would be reasonable to prove his argumentation by contributing statements contradicting the common understanding. Also in mathematics and in logic the concept of paradox has a long tradition. Research on paradox within natural science has often tried to answer the question of how to overcome paradoxes. The constructive power arising from contradictions can be found in Hegel's dialectics.

In management science the discussion of paradox is often related to questions of leadership, the process of decision-making and strategy processes. But also an increasing interest in paradoxical elements embedded in the scientific concept of management science itself

can be identified (Poole and Van de Ven, 1989; Quinn and Cameron, 1988). The following paragraphs contain a selection of concepts which present different views on understanding and dealing with paradoxes and dilemmas.

The subject of paradoxes and contradictions within business research has its roots in the Asian – especially the Japanese – way of management. When researchers started to uncover the reasons for the success of Japanese companies, the capability of dealing with paradoxes was identified as one of the major causes (Pascale and Athos, 1981). The roots of this capability are to be found in Zen Buddhism which widely influences the way of thinking. A specific characteristic of this religion is its understanding of harmony ('wa') that explicitly does not rely on conditions free of contradiction. Rather harmony occurs by naming and addressing both 'natural' opposite poles at the same time. By naming and dealing with one of the poles, harmony cannot exist. Transferred to management practice, management quality (which in this case symbolizes harmony) can only be achieved if one aspect is considered together with its natural opposite, e.g. if questions of decentralization are discussed in combination with aspects of centralization at the same time. At this point it is important to note that the intention is not a solution but the acceptance of simultaneity.

As Western cultures are not used to dealing with dilemmas, the topic of dilemmas and paradoxes was of minor interest within the Western scientific community. But when it became obvious at the end of the 80s that only very few of the companies Peters and Waterman (1982) had previously qualified as 'excellent' still deserved that name, Pascale (1990) went back to the topic of paradox and dilemmas. He amplified each element of McKinsey's 7S-model with its natural opposite poles, e.g. the poles of 'planned' vs. 'opportunistic' were added to 'strategy'. His analysis showed that those companies which were facing difficulties had almost exclusively followed one of the two poles, i.e. the strategy process had only been conducted as a planned action. This behaviour of pursuing constantly one pole led to dysfunctional over-

control, or chaos respectively. Based on these insights Pascale suggests a circular 'swing of the pendulum' between the two poles in order to develop a 'dynamic synthesis' similar to the Asian understanding of harmony.

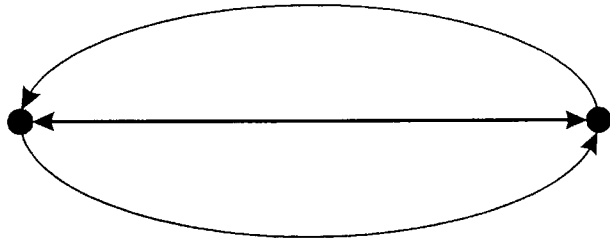


Fig. 1. Pascale's dynamic synthesis.

A different approach is presented by Evans and Doz (1989, 1992). Distancing themselves from a systematic tool such as the '7S-model' they focus on various contradictions accepted in theory and practice, which they call dualities (e.g. competition vs. partnership, control vs. entrepreneurship). In their understanding opposite poles may exclude each other in their extreme points, but with a movement towards the middle range, this exclusiveness fades and develops towards complementarity. Similar to Pascale they do not question the polarity; but unlike him, they advocate 'being in the middle' as the right way. But, nevertheless, this position is not a static point, but a dynamic balance in the frame of constructive tension. Their understanding stresses the balance between the two poles, rather than radical swings between the extreme points. The capability to sustain such a dynamic balance can be supported by building new competencies in addition to the existing ones. Basically, this can be realized by various means of human resources management, which aims to enrich the variety of embedded capabilities in the organization.

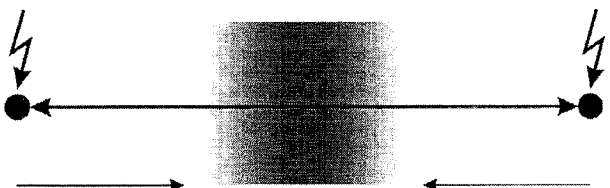


Fig. 2. Evans/Doz dynamic balance.

Pascale as well as Evans/Doz argue in the same direction: a polarity whose poles are on one line. This limits the discussion to one dimension: we can only picture points, areas and movements on that one line. Therefore the theme is more or less restricted to the aspect of dysfunctional positions and movements. Hampden-Turner drives deeper into this issue, depicting the extremes in an L-shaped axis system (Hampden-Turner, 1990, 1992). Hereby Hampden-Turner can evaluate the poles ordinally. In this sense, e.g. the polarity of centralization and decentralization is split up into 'more or less centralized' versus 'more or less decentralized'. In other words: 'the amount of realizable advantages by centralization' versus 'the amount of realizable advantages by decentralization'. Thus, Hampden-Turner is able to assign a certain 'quality' to the handling of a dilemma, according to the 'values' of the poles.

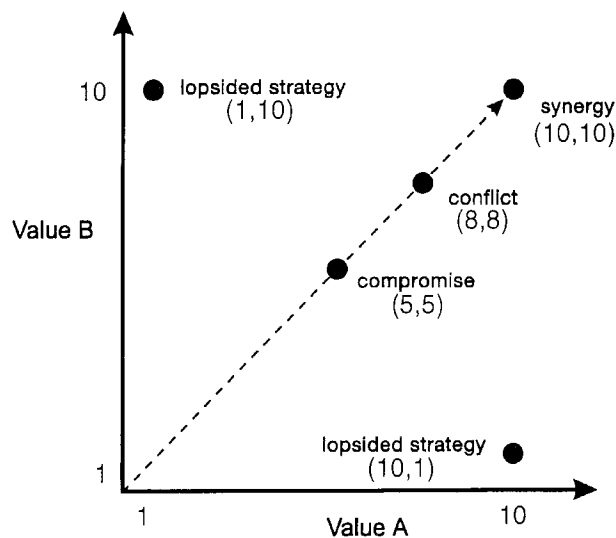


Fig. 3. Hampden-Turner's L-shaped illustration (Hampden-Turner, 1992, p. 20).

Also Hampden-Turner sees the 'golden middle' between the two poles as the adequate way of handling dilemmas. In the axis system this middle is shown as a 45°-line extending from origin. The further a strategy is located from the origin, the higher is the quality of handling the dilemma. Hampden-Turner's approach to dilemma management does not begin with the

dilemma itself, but states the existence of several dilemmas in connection with a concrete problem in the firm. The problem is solved by the resolution of underlying dilemmas which emerge through reciprocal feedback influence. This circular influence of dilemmas leads to a self-reinforcing problem. The goal is now to change such a vicious circle into a virtuous circle. Hampden-Turner points out that self-enforcing virtuous circles can move away from origin and render the advantages of the two poles simultaneously accessible.

What is interesting about Hampden-Turner's position, is that it does not focus on a single dilemma, but rather on the influences several dilemmas have upon each other. By converting negative influences into positive ones, we reach a reciprocal abolition of negative impacts which in turn creates a positive intensification of the dilemma.

Speaking of polar opposites, Bickel (1993) understands dilemmas not as consisting of fundamentally exclusive opposites, but of interdependent complements. With reference to Schulz von Thun (1989), he argues that opposite values, which each have their own advantages, create a positive field of tension. Problems therefore arise only if one pursues one of the poles excessively, for this will trigger a 'devaluing exaggeration' (i.e. stubborn pursuance of one option will eventually lead to deterioration of this option's inherent attractiveness and sense). Demonstrated in the case of the opposites centralization and decentralization, the devaluing exaggeration would consist of either centralization up to blindness towards the market, or decentralization up to the loss of the conglomerate's advantages.

Bickel foresees the opportunity to reach an 'automatic correction' by polar integration: centralization corrects decentralization, and vice versa. Thus the danger of unlimited growth in one pole is lowered automatically. By pursuing one pole towards a devaluing exaggeration aspects of the other pole become more and more relevant, finally correcting the misleading development. The prerequisite for such a 'cybernetic' correction is a loose coupling between the poles and the existence of options to act,

whereas a rigid coupling may lead to 'dead-ends' (e.g. in decreasing markets, resource dependencies, and entry barriers).

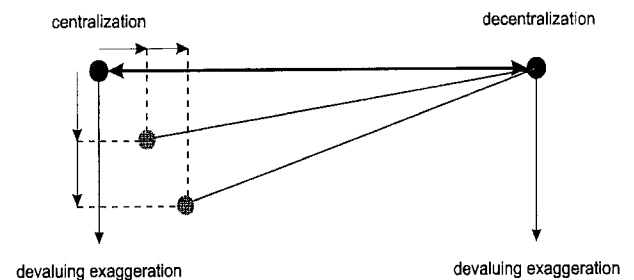


Fig. 4. Bickel's auto-corrective function of polarities.

At this point let us shortly summarize: Pascale regards the extreme pursuit of opposite poles, underlying the '7S-model', as a dysfunctional strategy. As he sees the opposite poles in an Asian way as 'one unit' that cannot be separated, he suggests a 'systematic circular swinging' to promise an adequate handling of dilemmas. Evans/Doz do not see pendulum swings between the poles as the right way, but maintaining a balance in the middle between the poles. In their point of view the two poles are not one unit (as Pascale suggests), but complementary over the middle range and contradictory only in their extreme poles. The ability to balance in the middle is accomplished by stressing the internal complexity in order to interpret and understand new patterns. Hampden-Turner understands the dilemma less as containing a bipolar opposition, but as dimensions of an L-shaped axis system. This allows a perspective of a, more or less successful, pursuit of two dimensions at the same time. His strategy argues for the conversion of a set of dilemmas that form a vicious circle into a virtuous one. Finally, Bickel adopts the constructive view of polar integration of dilemmas. If the connection between the poles is loose, a dilemma can be auto-corrective, thus eliminating destructive 'devaluing exaggerations' automatically.

Overview of the contributions

In the following we give a short overview of the contributions to this special issue. The articles can be seen as a response of the scientific community towards increasingly apparent paradoxes, dilemmas, and complex problems in management.

In his opening speech, Professor Luckmann refers to problems in modern societies. He points out that institutions which regulated social life in premodern times assume less importance in modern societies. This co-existence of different, and sometimes contradictory value-systems leads to pluralism of competing patterns of behavior and understanding. As pluralism itself becomes more and more a superordinate value for modern societies, Professor Luckmann suggests to speak of modern pluralism. In his opinion, modern pluralism tends to destabilize a taken-for-granted system of values and meaning, resulting in disorientation and crisis of meaning.

A high number of the conference contributions focus on the insight that existing 'tools' in management science increasingly seem to have lost descriptive and analytical power in the face of organizational and strategic phenomena. Complexity and the revelation of more and more contradictions in organizational realities apparently overtax our current comprehension and interpretation. Causal lines of argument based on contingencies and correlations often cannot capture today's business realities. With the appearance and acceptance of paradoxical and dilemmatic phenomena, an enrichment of new paradigms in management science seems to be needed. Therefore, Ahmed/Sevón call for a corresponding representation of paradoxes and inherent contradictions as a characteristic of social realities. They underline that not only managers tend to ignore paradoxical situations, but also the scientific community prefers to focus on familiar fields and remains widely unaware of the new challenges. Referring to ancient philosophy, which used paradoxes as a stylistic device for generating insight, they suggest to reinforce paradoxes as

powerful tools for a better understanding of reality. Also Colombo, researching on an adequate approach to an analysis of strategic processes, assumes that current paradigms cannot cope with the complexity of today's organizational contexts. Especially the separation of the analysis of strategic actions from their actual genesis often cannot fulfill today's expectations. For this reason he asks for a new understanding of rationality in management sciences which provides insights into complexity and contradictions by advocating flexibility, overlaps, and bridging.

Grand/Durisin researched on diversified multinational companies. They determined multidimensionality, heterogeneity and interconnectivity as parallel and natural features of these companies. In the simultaneity of these attributes they see an impediment to engage in integrative discourse in the light of one explicit paradigm. To confront this situation with adequate methodology, they suggest the use of 'reflexive praxeology' in cooperating with organizations. This means that scientific analysis should consciously be conceived of as interpretative interaction with the focal organization, displaying twofold hermeneutic character: first through the experienced self-construction, and then by the analyzed reconstructions. How an enrichment of patterns of understanding is necessary in examining the firm is shown by Flaherty. In the example of 'operations strategies' she describes how dominance of a rational strategic lense can create paradoxes and dysfunctional developments. Consequently, she argues for transcending the limits of obsolete lenses and rational methods by 'reflective' practitioners.

Méthé/Swaminathan/Mitchell present results that do not fit the common understanding that new and smaller companies rather than established firms develop and realize essential innovations. Against the background of research in the telecommunications and medical industries, the authors show that established firms often can be the sources of essential innovations.

Analyzing human resources management in international firms, Bloom/Milkovich/Zupan dis-

cover that the senior managers of an international firm regard human resources as important, complex and multifaceted. Nevertheless, their management is informed primarily by economic variables. To analyze this contradiction they use the concept of psychological contracts, which they convert into a quantitative empirical research design.

Balint picks up the current discussion of organizational change. She remarks that after the euphorical activities in the past years, one has to admit that organizational change is still a multi-layered and complex problem. Entering a period of re-evaluating the theme with some hindsight, many of the techniques used in organizational change processes seem to be inappropriate. Focusing on risks of corporate transformation projects she provides a framework which promises a better response to the problems of change. A contribution to the question of dealing with these risks is given by de Laat. In Research & Development alliances, the danger is considerable that contributed information is misused, and therefore not to the benefit of the partnership. De Laat shows how this risk can be covered better: through the usage of 'hostages' and 'pledges'.

Ozawa/Ferrer point to the limits of economic models explaining the contribution of the geographical and spatial organization towards the competitiveness of a country. The development of Japan after the second world war occurred in a very phase-specific way. However, the model of Marshall – widely used to analyze spatial influences – does not sufficiently explain this dynamic development. Ozawa/Ferrer therefore emphasize the role of information technology and increasing multinationality for the development of an economy.

Implications for management

The original managerial challenge consists in laying the foundation for a deeper understanding of the tendencies outlined in this article. Therefore, it will be indispensable to build a state of mind that enables the organization to reconsider its taken-for-granted assumptions.

Three core areas for managerial activity can be identified:

Enhance awareness of complexity

An increased awareness of the complex and often paradoxical nature of numerous organizational issues needs to be built into decision-making processes. Their inherent contradictions have to be accepted as properties of the decision situation itself, which cannot be ruled out by an 'either-or' set of paths. Rather, management style has to reflect both opposites at the same time in 'as-well-as' constellations.

It should become an underlying premise of management processes that the unavoidable dilemmas are deliberately re-introduced into decision processes.

This capability of 'dilemmatizing' might become a fundamental quality of management.

The strategic direction of the company cannot be determined by one of the apparent extremes. Instead, both options have to be pursued simultaneously to accomplish a state of harmonious balance.

Last but not least, the management of an organization has to develop an increasing sensitivity towards general trends in modern societies evolving around the basic situation of social pluralism and its crisis potential.

The development of flexible responses requires an approach different from the construction of mechanistic reaction patterns. We propose a dual strategy for management to respond to the situation.

Increase internal complexity: How to adapt better to a changing reality

Managers have to become capable of 'reframing' situations from different viewpoints. The consequence will be a change in their patterns of understanding and interpretation so that po-

litical, cultural, technical as well as human resource perspectives etc. can be combined to form an enriched picture of dilemmas.

In order to achieve such a multidimensional approach, we will not only have to rephrase, but to fundamentally rethink the currently dominant paradigms that inform managerial practice. In the light of these two points we must draw the managers' attention to the inherent limitations of extensively utilized tools in strategic management. To what extent do they disguise and simplify external complexity through radical reduction of influence factors, their dynamics, and paradoxical properties?

Building process skills: How to gain superiority

Basically, managers need to nurture the ability in their organizations to develop richer descriptions of dilemmas.

This enrichment enhances subsequent analysis and conclusions for the design of paths of action.

Despite the necessity for constant awareness of the ambivalence of dilemmas, some decision situations will require a unidimensional focus. Thus, managers have to introduce a set of heuristics that allow for a temporary dissolution of otherwise dilemmatic constellations, such as certain presentation techniques.

Basically, whole organizations have to learn how to confront paradoxical issues and develop a typology of tactics to cope with them, e.g. segmentation, sequencing, simultaneity of tactics. Workshops and organizational training programs should take into account the insights from the management of dilemmas and incorporate them into their design.

In general, these tactical recommendations do not aim at a better solution for the urgent decision at hand, but rather lay the foundation for a competence of continuous development and enrichment, in the sense of 'deutero learning'.

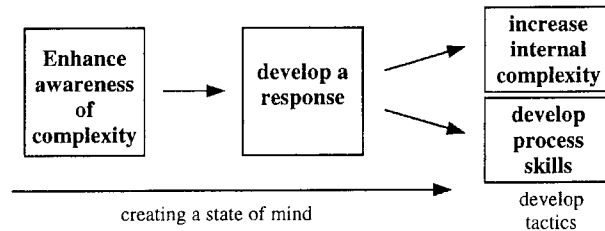


Fig. 5. Action fields for coping with dilemmas.

The combination of these three action fields for coping with dilemmas is summarized in Figure 5 below.

To a certain extent, we can identify two basic mind-sets among managers and organizations in their attempt to deal with the aspect of dilemmas.

On the one hand, we encounter managers who desperately try to accustom their organizations to the intricacies and contradictions of a paradoxical reality. They try to enhance their ability to adequately deal with complexity and accumulate knowledge in this domain.

Some of them, however, eventually resort to the second archetypical position: an oversimplification of complex issues by the means of an overly restrictive definition of the system's boundaries. This reduction strategy rests on blind faith in the existing tools in management practice. But exactly these tools often embrace a narrow pre-definition of the system in focus. In such situations,

an effort to reframe the problem from different standpoints as well as a broader variety of tools are primary requirements in order to improve the comprehension and interpretative capabilities of the organization.

These reflective practices allow a conscious redefinition and, hence, an expansion of system boundaries to include a wider network of influence factors, interactions, insights, and potential paths of action.

We are convinced that even from a medium-range perspective those companies that do not

summon up the persistence to accept and learn to live with this plurality will suffer severely and a lot of them will disappear from the competitive map. With reference to Albert Einstein: 'We should try to make things as simple as possible – but not simpler than that'.

It does take time and patience to bring these two contradictory worlds into harmony in their unfolding complexity. And in this sense we would also like our readers to look at the following articles in this special issue. May the reader thus grasp and consider the complex and contradictory essence of the texts.

Acknowledgement

For their support during the preparation of this article we are grateful to Caroline Allen, Tobias Radel, and Branka Rogulic.

Notes

¹This can be deducted from Ashby's law of requisite variety in systems theory (1956).

²Evans/Doz (1992) remark that such dualities can be found everywhere in multinational companies.

³Like virtual hybrid, fluid organizations etc.

References

- Ashby, W.R.: 1956, *Introduction to Cybernetics* (New York).
- Blickle, G.: 1993, 'Ist Führen immer ein auswegloses Unterfangen?' *ZfP* 4, 404–415.
- Evans, P. and Y. Doz: 1992, 'Dualities. A Paradigm for Human Resource and Organizational Development in Complex Multinationals,' in V. Pucik, N.M. Tichy, and C.K. Burnett (eds.), *Creating and Leading the Competitive Organization* (New York), pp. 85–106.
- Evans, P. and Y. Doz: 1989, 'The Dualistic Organization,' in P. Evans, Y. Doz, and A. Laurant (eds.), *Human Resource Management in International Firms. Change, Globalization, Innovation* (London), pp. 219–242.
- Hampden-Turner, C.: 1990, *Charting the Corporate Mind. Graphic Solutions to Business Conflicts* (New York).
- Hampden-Turner, C.: 1992, *Creating Corporate Culture. From Discord to Harmony* (Reading).
- Neuberger, O.: 1995, 'Führungsdilemmata,' in A. Kieser, G. Reber, and R. Wunderer (eds.): *Handwörterbuch der Führung* (Stuttgart), pp. 533–540.
- Pascale, R.T.: 1990, *Managing on the Edge. How the Smartest Companies Use Conflict to Stay Ahead* (New York).
- Pascale, R.T. and A. Athos: 1981, *The Art of Japanese Management* (New York).
- Peters, T.J. and R.H. Waterman: 1982, *In Search of Excellence* (New York).
- Poole, M.S. and A. van de Ven: 1989, 'Using Paradox to Build Management and Organization Theories,' *Academy of Management Review* 4, 562–578.
- Quinn, R.E. and K.S. Cameron (eds.): 1988, *Paradox and Transformation. Toward a Theory of Change in Organization and Management* (Cambridge).
- Schulz von Thun, F.: 1989, *Miteinander Reden, Bd. 2: Stile, Werte, Persönlichkeitsentwicklung* (Reinbek).
- Vroom, V.H. and P.W. Yetton: 1973, *Leadership and decision-making* (Pittsburgh).