POLITECNICO

MILANO 1863

SCUOLA DI INGEGNERIA INDUSTRIALE
E DELL'INFORMAZIONE

Navigating Paradoxes of Hybrid Organizations: A Systematic Literature Review

MASTER OF SCIENCE THESIS

MANAGEMENT ENGINEERING

Authors:

Angélica María Infante Rasch
Natalia Patricia Hernández Chiribi

Students ID: 10772625, 10780567
Advisor: Filomena Canterino
Academic Year: 2022/2023

Index

Figures Index

1. Abstract

Hybrid organizations seek to respond to environmental and societal challenges by pursuing social goals while engaging in commercial activities; they are built on a paradox, combining different institutional logics, blending aspects of several organizational forms, and pursuing multiple goals simultaneously; thus, they are becoming a growing area of interest. In view of this paradoxical nature, and knowing that social vs. commercial may not be the only tension experienced, two questions arose: what are the tensions that emerge in these organizations? and how do hybrids deal with paradoxical tensions? We aimed to answer these questions through a systematic literature review of 89 articles of leadership literature and hybrid organizations literature, and then a converged theoretical framework of paradoxes and strategies in hybrid organizations is proposed, where 11 paradoxes for hybrid organizations were identified, 7 mapped also in leadership literature and 4 unique to hybrid organizations; proactive strategies of acceptance, separation and integration are included in the framework as well as sensemaking and paradoxical leadership as catalysts.

Keywords: Hybrid Organizations, Leadership, paradoxes, strategies

2. Problematization

The world is being challenged by concerning environmental and social challenges that demand action from governments, markets, and organizations. Environmental concerns, driven by human-induced factors have resulted in alarming trends such as the loss of sea ice, melting glaciers and ice sheets, sea level rise, and more intense heat waves. Scientists predict these environmental impacts will continue to escalate due to greenhouse gas emissions.[1] Furthermore, profound social changes are reshaping societies worldwide; according to the United Nations World Population 2022 prospect, the global demographic composition is set to undergo a significant transformation with around 15% of the world population aged over 60 by 2050. This trend is even more accentuated in Europe, with 25% of the population projected to be over 60, and in Italy where is estimated to reach to 30%[2]. Furthermore, over 56% of world population live in cities generating more than 80% of global GDP[3]; in parallel to a raising migration trend with approximately 89.3[4] million people worldwide forcibly displaced since 1991.

[1] https://climate.nasa.gov/effects/

[2] https://population.un.org/wpp/Graphs/DemographicProfiles/Pyramid/900

[3]https://www.worldbank.org/en/topic/urbandevelopment/overview

[4]https://www.unhcr.org/figures-at-a-glance.html

International initiatives are ongoing like 2030 agenda by United Nations including: Sustainable Development Goals[5], European innovation programs[6] and **social economy** systems, as integral element of European Commission industrial policy package. Variety of businesses, organizations and different legal entities share the objective of systematically putting people first, producing a positive impact on local communities and pursuing a social cause; social economy organizations can include nonprofit associations, cooperatives, mutual societies, associations, and social enterprises that already represent 10% of European Union businesses.[7]

The so-called **hybrid organizations** try to answer to these challenges with innovative business models aiming at social and economic purposes (Wilburn & Wilburn, 2014); the idea of "organizational hybridity" dates back to the 1980s (Secinaro et al., 2019), and its concept has been understood under different perspectives, leading to the emergence of several definitions (Schmitz & Glänzel, 2016) starting from markets-hierarchies arrangements (Ménard, 2004), private-public partnerships (Van Ham & Koppenjan, 2001), and companies with both non-profit and commercial characteristics (Dees, 1998) (Cooney, 2006; B. R. Smith & Stevens, 2010); Battilana & Dorado (2010) define hybrid organization as

> *"One that operates combining different institutional logics, blending aspects of several organizational forms and seeking multiple objectives simultaneously."*

---

[5] https://sdgs.un.org/goals

[6] https://eic.ec.europa.eu/index_en

[7] https://single-market-economy.ec.europa.eu/sectors/proximity-and-social-economy/social-economy-eu_en

These organizations are commonly based on the triple bottom line framework, considering the environment, social and economic development[8], and the prime example of them are the *Social Ventures* (also called Social Enterprises) which pursue social aims while engaging in commercial activities for financial sustainability allowing the coexistence of different values and structural features (Dees, 1998)(Doherty et al., 2014; Mair, 2010).

"Hybridity is a defining characteristic of social enterprises" (Doherty et al., 2014)

Hybrid organizations come in different shapes and sizes leaving considerable room to classify these new business forms, particularly those that do not fit in the description of social venture or social enterprise; hybridity categorization, as depicted in the following model based on the proposal of (Alter, 2007) and (Margiono et al., 2018) explains better the concept:
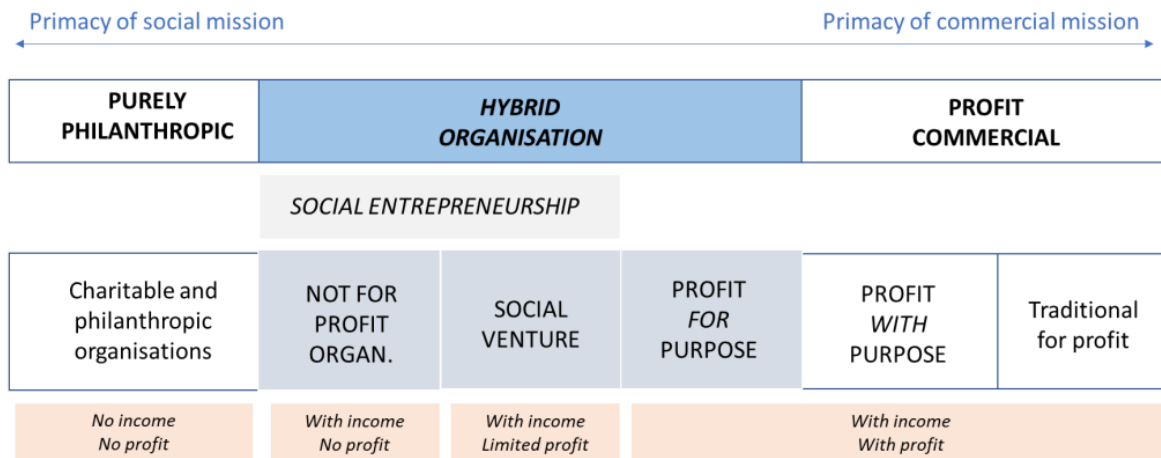
Figure 1. Spectrum of organizational hybridity

---

[8]World Commission on Environment and Development 1987 triple bottom line

On one side is seen the primacy of social mission or purely philanthropic organization, here we find **charitable and philanthropic organizations** conceived here as non-entrepreneurial organizations; on the other side of the spectrum we have the primacy of commercial mission or profit commercial, here we see **traditional for profit** companies, where no social purpose is explicitly tied to the core business and mission of the firm, and **profit with purpose**, which are companies that practice different forms of what is called Corporate Social Responsibility (CSR). In the middle there are the hybrid organizations; the social entrepreneurship, created for a social purpose, where we find **not-for-profit organizations** and **social ventures** that have limitations on the distribution of profit but do generate some income from commercial or entrepreneurial activities; and **profit for purpose**, which contrary to profit with purpose have an embedded purpose on their mission.

Hybrid organizations are our reason of study and from their defining characteristic of hybridity we wanted to explore strategies dealing not only with this social vs economic paradox but also other paradoxes. On their categorization of organizational paradox, Smith & Lewis, 2011 included the financial vs social goals tension inside what they called performing tensions; they defined paradoxical tensions as "contradictory yet interrelated elements embedded in organizing process that persist because of organizational complexity and adaptation" and claimed that the essence of paradoxes is that two opposites coexist and must be
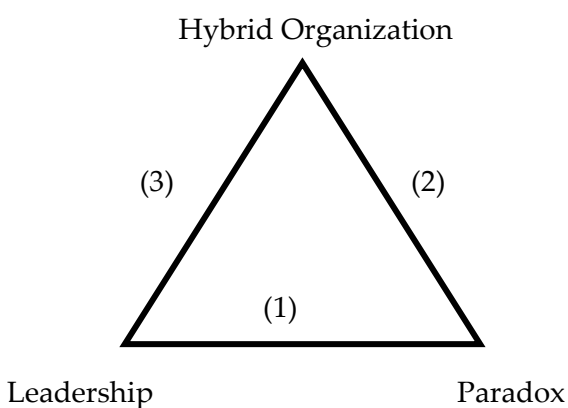
Figure 2. Research pillars

dealt with as a pair. Paradoxes are becoming more relevant to organizations behavior (Waldman & Bowen, 2016) and by itself is intrinsic to organization and leadership (Cunha

et al., 2019) therefore drawn by hybridity as a defining characteristic of social enterprises we aim to solve the following research questions: ***What are the leadership paradoxes of hybrid organizations? Which are the leadership strategies facing paradoxes?***

In order to solve these questions, we developed three inquiries through a systematic literature review, *(1) paradoxes and strategies existent in leadership literature (2) Paradoxes and strategies existent in hybrid organizations literature* and *(3) leadership in hybrid organizations.*

3. Systematic Literature Review

3.1. Research methods

To conduct a systematic literature review of leadership paradoxes in hybrid organizations we followed the PRISMA guidelines. The final time span for the search was up to April 19th, 2023. Using Scopus database, the following pairs of keywords were searched in the tittle, abstract or keywords: "Hybrid organization" AND paradox, OR "Hybrid organization" AND Leadership, OR "Social Enterprise" AND paradox, OR "Social Enterprise" AND "Leadership", OR "Social Venture" AND paradox, OR "Social Venture" AND Leadership, OR Paradox and Leadership; obtaining an initial base of 1276 articles, then language filter was included for English with a reduction to 1240 articles, next subject areas were filtered including Business management and Accounting, Economics Econometrics and Finance, and Psychology reducing the base to 1052 articles; after filtering document type and publication stage 701 final stage articles remained.

To guarantee peer reviewed and high-quality journals we used the Scimago Ranking[9] by quartiles of academic journals database selecting only 1st quartile journals, then we proceed to double check 33 articles that effectively had no quartile classification or Q0 ranking; also according to AiIG (Associazione Italiana di Ingegnieria Gestionale)

---

[9] https://www.scimagojr.com/journalrank.php

classification only gold, silver and bronze categories were included, at the end of this stage 396 articles remained.

Afterwards we proceed to do the abstract screening eliminating non-related articles with 148 articles remaining. Proceeding to the text screen were two evaluators checked group articles by keywords, the first group compressed 91 articles related to leadership and paradox, the second group 24 articles related to leadership and hybrid organizations and the third group 33 articles related to Paradox and hybrid organizations, after the first text screen 20 articles were double checked and 89 articles remained. While doing the research 9 backward references articles were included to end up with 98 articles.

Research objectives
- To examine the paradoxes and strategies to deal with them that emerge in the context of hybrid organizations.
- To examine the paradoxes faced in leadership, and the strategies used to deal with these paradoxes.
- To understand what are the characteristics (skills, traits, behaviors) of leadership managing paradoxes
- To review the leadership theories, models or styles associated to hybrid organizations.

Inclusion criteria

Search terms
"Hybrid Organization & Leadership", "Social enterprise & Leadership", "Social Venture & Leadership", "Hybrid Organization & Paradox", "Social enterprise & Paradox", "Social Venture & Paradox", "Paradox & Leadership"

Step 1 – May 2023
- Scopus

Filters: "In title, abstract and keywords", "English language", "Social sciences; Business, Management and Accounting; Economics, Econometrics and finance; Psychology", "Article", "Final publication", "1980-2023"

Exclusion criteria
- Articles from journals that were in Q2, Q3, Q4 according to Scimago Journal & Country Rank.
- Articles from journals with no quartile qualification in Scimago Journal & Country Rank.
- Articles of Business, management and Accounting and Economics and Econometrics that were in Copper according to AiGL classification.
- Articles of Business, management and Accounting and Economics and Econometrics no included in the AiGL classification.
- Articles that mentioned the search terms just in the abstract or keywords, but the concepts were not present in the content.

Final result
89 articles

Figure 3. Overview of sample selection process
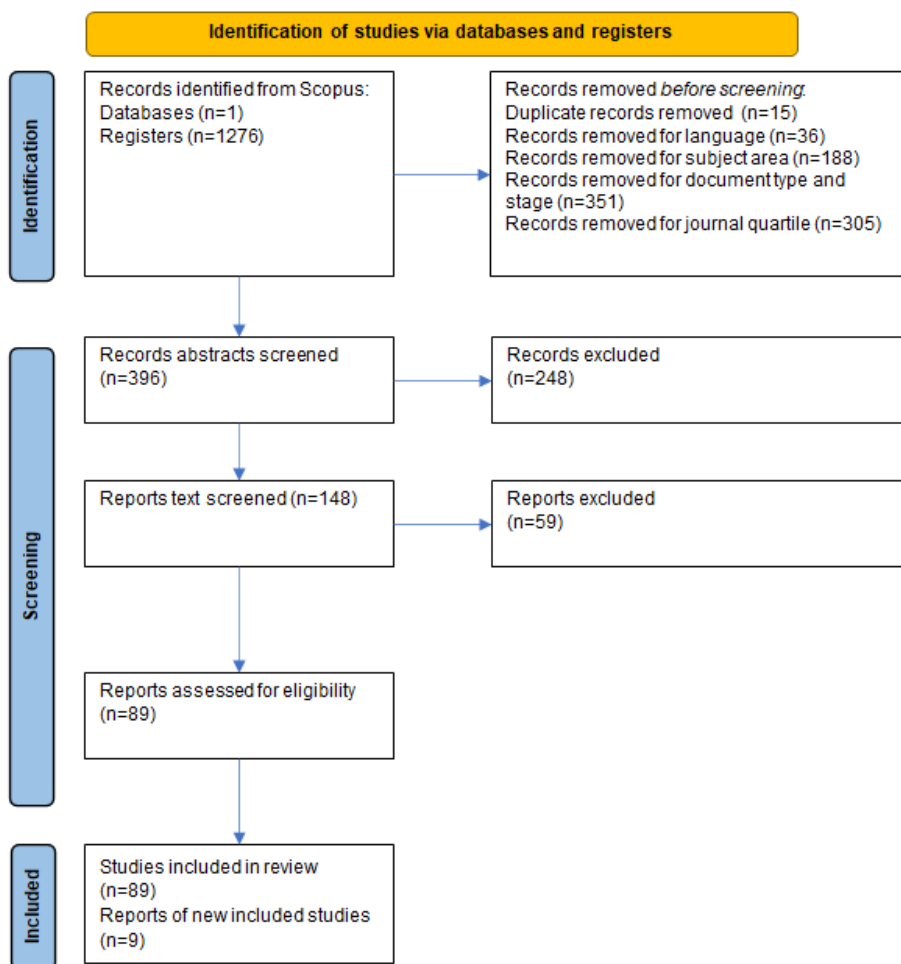
Figure 4. Prisma flow diagram

3.2. Data analysis

The articles analyzed were published between 1999 and 2023 distributed mainly after 2010 with publications from variety of countries[10], mainly from United states (18), China (7), Germany (7), United Kingdom (6), India (5), and articles where the object of study

---

[10] Country object of the study or in case of only theorical articles the country of publication.

was more than one country (10); 65% of the articles come from Business Management area, 17% psychology, 16% social sciences and 2 from Economics.
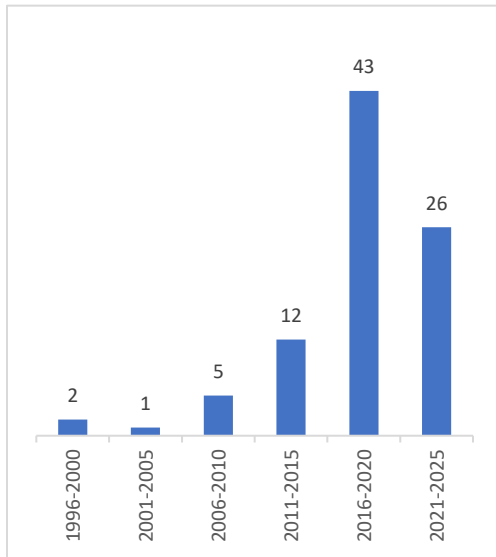
Figure 5. Distribution of articles by year of publication

Figure 6. Distribution of articles by subject area
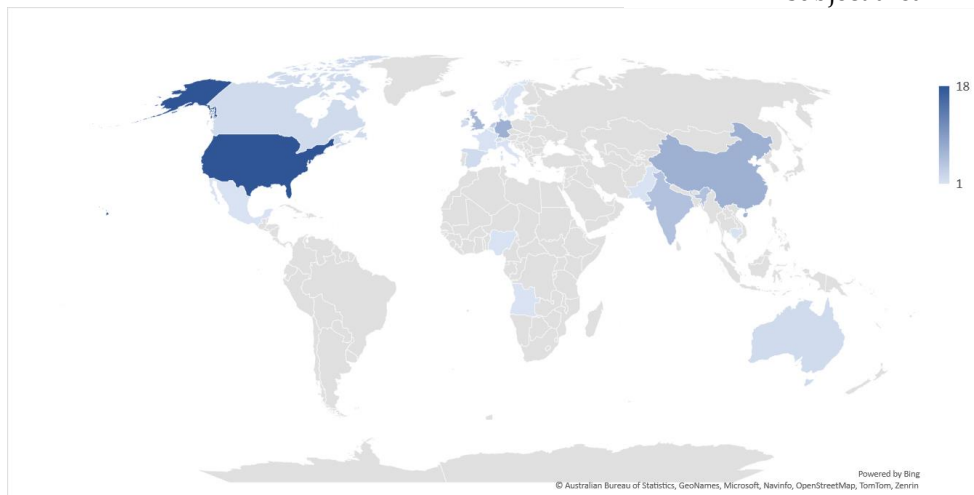
Figure 7. Distribution of articles by country

60 different Journals are part of the final selection with the following most mentioned: "Leadership and Organization Development Journal" (4), "Journal of Business Ethics" (4), "Organizational Behavior and Human Decision Processes" (4), "Frontiers in Psychology" (4), "Academy of Management Journal" (3), "Leadership" (3).

Talking about methodologies, majority of the articles used a qualitative approach (74%), followed by quantitative (21%) and mixed methods (5%); Qualitative articles performed mainly case studies (39%), theoretical framework, field study and literature review (36%); quantitative articles used surveys and questionnaires (68%), field study and other data gathering (16%).
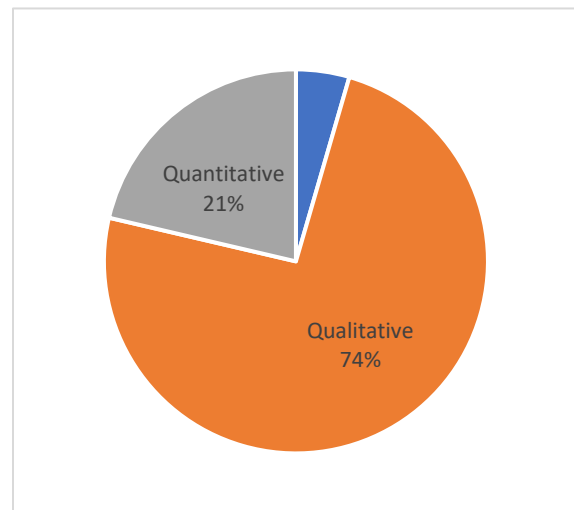
Figure 8. Distribution of articles by research methodology

Analyzing keywords, keeping in mind some articles didn't include them (8), the most repeated keywords apart from the searched ones were: tension (15), performance (9), identity (8), paradoxical leadership (8), innovation (8), paradox theory (8), ambidexterity (8), HR (6), community (5), case study (5), and health care (5).

Going to the most cited articles, we see: "Navigating paradox as a mechanism of change and innovation in hybrid organizations" with 704 citations (Jay, 2013), "Managing social-business tensions: A review and research agenda for social enterprise" 493 (Gonin et al., 2013), "Harnessing productive tensions in hybrid organizations: The case of work integration social enterprises" 454 (Battilana et al., 2015), "Complex business models: Managing strategic paradoxes simultaneously" 322 (W. K. Smith et al., 2010), "Micro foundations of organizational paradox: The problem is how we think about the problem" 297 (Miron-Spektor et al., 2018), "Bowing before Dual Gods: How Structured Flexibility Sustains Organizational Hybridity" 244 (W. K. Smith & Besharov, 2019), and "The paradox of greater NGO accountability: A case study of Amnesty Ireland" 225 (O'Dwyer & Unerman, 2008).

Additionally, looking at backward references we could identify significant contributions to the fields from the article "Toward a Theory of Paradox: A Dynamic Equilibrium Model of Organizing" (W. K. Smith & Lewis, 2011) cited 58 times on 65% of the base articles that we included in the systematic review. Other important contributions identified when reading the articles were: "Building sustainable hybrid organizations: The case of commercial microfinance organizations" (Battilana & Dorado, 2010) cited by 28% of the articles, "Paradoxical leader behaviors in people management: Antecedents and consequences" (Zhang et al., 2015) cited by 26% of the articles, and "Learning to be a paradox-savvy leader" (Waldman & Bowen, 2016b) cited by 17% of the articles.

Data base with complete metadata of the articles, Scimago and AiIG journal rankings, keywords and references analysis including graphs are available in the annexes.

3.3. Findings

For obtaining the insights from the selected articles and answer the research questions: *What are the leadership paradoxes of hybrid organizations? Which are the leadership strategies facing paradoxes?* we developed three inquiries:

(1) Paradoxes and strategies existent in leadership literature

(2) Paradoxes and strategies existent in hybrid organizations literature

(3) Leadership in hybrid organizations

A first categorization of the articles by these three topics was made based on their keywords leaving 49 articles belonging to the category: Paradox/Leadership, 26 articles from the second inquiry Paradox/Hybrid, including 3 articles transversal to the three

categories, and finally 14 articles from the Leadership/hybrid category, within each category subcategories were created:

Category - Sub Categories	Count
Leadership/paradox	**49**
Context	**8**
Change	1
China	1
Coaching	1
COVID19	1
Network, Collaboration	1
Small and Medium Enterprises	1
Tragedy	1
Virtual	1
Critical View	**2**
Exploration/exploitation, ambidexterity	**6**
Industry	**5**
Art	1
Healthcare	3
Safety	1
Innovation	**4**
Paradox	**8**
agentic/communal	2
control / autonomy	1
Directive/ participative	1
Hierarchy/ holistic	1
inclusion/ exclusion	1
preservation/ adaptation	1
loose/tight leadership	1
Paradoxical Leadership	**11**
Sensemaking/ Sensegiving	**3**
Theory	**2**

Category - Sub Categories	Count
Paradox/hybrid	**23**
Critical View	**1**
Exploration/exploitation, ambidexterity	**1**
Paradox	**5**
Governance	1
Mission measurement	1
Sensemaking	1
Trilemma: Commercial-social-cultural	1
Management	1
Sensemaking/ Sensegiving	**2**
Strategies	**4**
Tensions /Strategies	**9**
Theory	**1**
Leadership/hybrid	**14**
Characteristic	**5**
Entrepreneurship	1
Humility	1
Values	1
Empathy	1
Social entrepreneurial leadership	1
Context	**1**
Third Sector	1
Leadership styles	**6**
Ethical leadership	2
Passionate Leadership	1
Servant Leadership	2
Various	1
Strategies	**2**
Paradox/hybrid - Leadership/hybrid - Leadership/paradox	**3**
Strategies	**2**
Tensions /Strategies	**1**

Table 1. Clusters of categories and subcategories

In the next chapters we aim to develop the three categories with the main insights of each one:

3.3.1. Paradoxes and Strategies existent in Leadership Literature

3.3.1.1. General overview

The articles analyzed where mainly qualitative 67%, reflecting a strong emphasis on theoretical framework (10) and case study (11) followed by literature review (4), narrative (2), observation, field study, thematic analysis, critical discourse, book review and interviews; the quantitative articles used mainly survey (8) followed by field study (2) and theoretical framework, theoretical model, mix methods included field study, theoretical model, and survey/interviews.

Some articles explore paradox in different type of **context** (8) covering: change (Peters, 2012), virtual teams (Purvanova & Kenda, 2018), tragedy (McCarthy et al., 2005), Covid19 (Collings et al., 2021), Coaching (Dhar, 2022), Network (Ospina & Saz-Carranza, 2010), Small and Medium Enterprises ((Henriksen et al., 2021) and country specific China (McElhatton & Jackson, 2012).

Another section focused on different type of **industries** (5) covering: art (Parush & Koivunen, 2014), healthcare (Blair & Payne, 2000; Gibeau et al., 2020; Gorsky et al., 2018) and safety (Hu et al., 2020)

The next section identified was **specific paradoxes** (12), an important section of articles approached exploration/exploitation (7) (Cunha et al., 2019; Es-Sajjade et al., 2021; Guo et al., 2020; Knight & Paroutis, 2017; Lillegraven & Wilberg, 2016; W. K. Smith et al., 2010), hierarchy/holistic (O'Dwyer & Unerman, 2008), directive/participative (Aramovich & Blankenship, 2020), preservation/adaptation (Raffaelli et al., 2022), control/autonomy (Kearney et al., 2019), inclusion/exclusion (Solebello et al., 2016).

In addition to paradoxes the articles covered also strategies to face them, among the most mentioned were *sensemaking and Sensegiving* (3) (Benbenisty & Luria, 2021; Guarana &

Hernandez, 2015; Sparr et al., 2022), and *Paradoxical leadership* (9) (Backhaus et al., 2022; Batool et al., 2023; Fürstenberg et al., 2021; Klonek et al., 2021; Lewis et al., 2014; Pearce et al., 2019; Qu et al., 2022; Shao et al., 2019; van Assen & Caniëls, 2022).

Finally, **critical views** (2) (Collinson, 2014; Julmi, 2021) and general theory (2) (Y. Luo & Zheng, 2016; Miron-Spektor et al., 2018)

Analyzing the articles in the intersection of leadership and paradoxes four main sections of arguments would be developed based on the articles from the systematic search, concept of **Paradoxes**, **Paradoxes Frameworks**, **Strategies, sense-giving** and **Paradoxical Leadership.**

3.3.1.2. Paradoxes

Paradoxical tensions according to (W. K. Smith & Lewis, 2011) are "contradictory yet interrelated elements embedded in organizing process that persist because of organizational complexity and adaptation", this concept has been growing in the last years among management and psychological academic studies however, the concept of paradox could be tracked back to eastern philosophy and including Aristotle, Confucius, Freud and Lao Zi (Guo et al., 2020), concepts as **dilemmas, dialectic, or dualities** also examine relationship between two opposing elements. Dichotomizing tendency is extensive and embedded in leadership studies, for example born/made leader, transformational/ transactional, autocratic/participative, theory X/theory Y and much of the management and organization literature tends to use conceptual dichotomies such as centralized/decentralized, differentiation/integration, organic/mechanistic, formal/informal, autonomy/interdependence, tight/lose, change/stability and control/resistance (Collinson, 2014).

Dilemmas are competing choices, each with advantages and disadvantages (W. K. Smith & Lewis, 2011), some common examples of leadership dilemmas include ethical

dilemmas, managing individual aspirations and team dynamics or deciding whether to pursue innovative ideas and change or maintain stability and continuity. The concept of dilemma come from the ancient Greek philosophy and rhetoric to present an argument or problem with two or more options, dilemmas often involve ethical considerations, resource constraints or conflicting goals.

Dialectic highlights the importance of tensions and contradictions in relations, based on opposing but interdependent forces that produce conflict and change; dialectical approaches are also evident in leadership studies which emphasize how multiple diversities and inequalities can be mutually reinforcing (Collinson, 2014). The concept of dialectical also comes from the antient Greek philosophy, developed by Plato and Socrates, dialect is a method of inquiry to explore and arrive to deeper philosophical truths, involves the process of resolving conflicts or contradictions, dialectical approach in leadership include the elements of thesis, antithesis, and synthesis.

Dualities are opposites that exist within a unified whole: "internal boundary creates distinction and highlights opposition and, external boundary encourages synergies by constructing the unified whole." (W. K. Smith & Lewis, 2011). Dualities in leadership deal with the need of leaders to navigate among contradictory elements or tensions to be effective in their roles. The concept is recurrent throughout history with significant contributions of eastern philosophies where dualistic thinking is prominent as Taoism and Confucianism, Yin-Yang concept of Taoism represents the complementary and interconnected nature of opposing forces, such as light/dark, masculine/feminine, active/passive; the balance and interplay between these dualities are seen as essential for harmony and equilibrium (Y. Luo & Zheng, 2016).

Paradoxes describes a process in which two opposing elements continually define each other as the tension persist and becomes immune to resolution; this simultaneous

emphasis on contradiction, interdependence and persistence differentiate paradox from related concepts such as dilemma, dialectic and duality, which all examine the relationship between two opposing elements (Hu et al., 2020). The literature widely uses the term *paradoxical tensions* in the research of paradoxes, and both terms, (paradoxes and paradoxical tensions) seem to be interchangeable especially after Smith and Lewis proposed the focus of a "paradox lens" when discussing about dilemmas, dialectics and paradoxes.

According to W. K. Smith & Lewis (2011), paradoxical tensions are inherent in organizational systems, which are bound and made salient by what they call *environmental conditions* of **plurality, change and scarcity**; plurality surfaces goals and inconsistent processes, change conflicting short and long-term needs, roles and emotions, and scarcity involves resource limitations, whether temporal, financial or human; altogether challenge our bounded rationality and stress systems and prone individuals into either/or decisions.

Much of the management and organization literature tends to use conceptual dichotomies such as centralized/ decentralized, differentiation/integration, organic/mechanistic, formal/informal, autonomy/interdependence, tight/loose, change/stability and control/resistance (Collinson, 2014); these dichotomies primarily emerge as **either/or**, mutually exclusive alternatives while paradox theory highlights the value of **both/and** perspective, paradox theory has at its core the ambition to understand how organizations balance ambiguous tensions, under the conditions of plurality, change and scarcity, and has been shown to be effective in moving beyond paralysis and frustration (Collings et al., 2021) and helping leaders navigate ongoing decisions in the face of competing demands. (Lewis et al., 2014).

For managing paradoxical tensions Smith and Lewis defined *vicious cycles and virtuous cycles; vicious cycles* are negative and reinforce patterns that can hinder organizational performance perpetuating the tension, individuals demonstrate a strong preference for consistency in their attitudes and beliefs and between their cognition and their actions, as well as emotional anxiety in the face of contradiction, then, when facing contradiction, they often employ defense mechanisms, such as denial, repression or humor to avoid inconsistencies, individuals may also react by choosing one side of the paradox or avoiding the tension, these vicious cycles can emerge even in organizations that are seen as successful, and particularly in high-growth venture (Es-Sajjade et al., 2021); *virtuous cycles* in contrast are positive and reinforce patterns that facilitate adaptive capabilities, attending to competing demands simultaneously requires cognitive and behavioral complexity, emotional equanimity and dynamic organizational capabilities (W. K. Smith & Lewis, 2011).

Avoiding the creation of vicious cycles involves organizational and leadership aspects, (Cunha et al., 2019) on their study of ambidextrous leadership gave conceptual support of *paradox as intrinsic to **leadership** and **organization***, first proposed by Smith and Lewis, "organizations may contain the forces of paradox because opposing but mutually constituting demands have to be articulated and leaders may have to lead these as well as other contrasting demands intrinsic to the leader role", so the paradox work is referred to what (paradoxes that managers have to solve) but also to how: how can paradoxes be approached and tackled, and how can paradox be viewed as process rather than as episode

> *"Paradoxes are commonplace in everyday life, and they are becoming more relevant to organizations and effective leader behavior. The essence of paradoxes is that two opposites*

coexist and must be dealt with as a pair. Thus, for leaders, to act paradoxically is to adopt a "both/and" rather than "either/ or" strategy." (Waldman & Bowen, 2016)

In this order of ideas, paradox is intrinsic to **organizations** (Es-Sajjade et al., 2021; Knight & Paroutis, 2017). Research suggest that paradox become more salient under *complex and uncertain organizational structures* (W. K. Smith & Lewis, 2011), some examples of case studies found in the literature involved different type of organizations as public organizations (Backhaus et al., 2022), health services organizations (Blair & Payne, 2000), schools (Watson, 2013) or Small and Medium Enterprises (Henriksen et al., 2021), Pearce et al., 2019 stated that "organizations with organic structure, less predefined policies and procedures, high growth and change oriented patterns makes the environment more uncertain, hence is more likely to rise and/or stimulate paradoxes". *Institutional complexity* have become a particularly interested topic in recent years, also called institutional pluralism, it refers to the presence of multiple conflicting institutional logics, rules, norms, and expectations that coexist in a single organizational context (Gibeau et al., 2020), paradoxes emerge within institutional complexity but also institutional complexity is a source of paradox by introducing conflicting institutional logics, rules or demands, when these organizations operate in diverse context or interact with multiple stakeholders they may encounter different set of expectations and institutional pressures.

As well, paradox is intrinsic to **Leadership**, effective leaders navigate complex change by embracing paradox and accepting that paradoxical tensions are normal part of contemporary organizational life (Batool et al., 2023; Blair & Payne, 2000; Collings et al., 2021; Kearney et al., 2019; McCarthy et al., 2005; Purvanova & Kenda, 2018) and that this paradoxical tensions often surface when leaders face decisions to allocate resources, time, human resources or financial resources (Lewis et al., 2014) it is actors recognition of the paradoxical tensions what makes them salient (Knight & Paroutis, 2017); paradox theory

argue that leaders with paradox mindset are more likely to add to leadership effectiveness (Batool et al., 2023) **paradox mindset** is defined as

> *"The extent to which one, accepts and is energized by tensions, value, accept and feel comfortable with tensions, view them as opportunities and take proactive behaviors to solve them"* (Yin, 2022)

The paradox mindset is characterized by embracing complexity, holding multiple perspectives, challenging assumptions and balancing opposing forces. Conflicting institutional demands create challenges for organizations as they need to navigate and manage diverse institutional logics simultaneously. This interplay gives rise to paradoxes. Effectively managing paradox within complexity, or as Smith called it: plurality, change and scarcity, is crucial for organizations to thrive and adapt. Leaders and organizations need to develop strategies to embrace and reconcile conflicting demands.

Traditionally leadership effectiveness has been associated with the persuasive skills of transformational leaders who eliminate dilemmas and ambiguities through decisive decision making, influence, motivation, intellectual stimulation, and consideration. However, recent research suggests leadership effectiveness is more closely associated with versatile, agile, and ambidextrous practices that require a capacity to deal with uncertainty, unpredictability, paradox, simultaneity, and ambiguity in more subtle ways (Collinson, 2014; Miron-Spektor et al., 2018). Effective leaders who embrace paradoxes are catalysts for innovation and change. They encourage their teams to question, challenge and seek new ways of resolving paradoxical tensions (Batool et al., 2023; Buijs, 2007; Hunter et al., 2011; Li et al., 2018; Yin, 2022)

3.3.1.3. Paradoxes Frameworks

After reviewing the concept of paradox a question that emerges also covered in the literature is *What are the paradoxes leaders and organizations face?* Up next, we would cover the different mentions and models of paradoxes and choose one to use in the rest of the analysis.

The literature widely use the term *paradoxical tensions* in the research of paradoxes, and both terms, (paradoxes and paradoxical tensions) seem to be interchangeable especially after Smith and Lewis proposed the focus of a "paradox lens" when discussing about dilemmas, dialectics and paradoxes, explaining the terms they said: "Our goal is to sharpen the focus of a paradox lens, thereby enabling scholars to mere effectively apply this perspective to organizational tensions" (W. K. Smith & Lewis, 2011).

Adopting a paradoxical lens to managing organizations has been recognized to be at the core of leadership, some paradoxes concern **organizational-level** tensions and others entail dealing with **leadership-related tensions**. (Pearce et al., 2019)

Proposing various levels of paradox Hunter et al., 2011 (figure 9) recognize a division among internal paradoxes of the leader, leadership and team-level paradoxes, leadership and organization-level paradoxes and Leadership and contextual-level paradoxes; Purvanova & Kenda, 2018 (figure 10) writing about virtuality paradoxes proposed a division on technology dependence paradoxes, geographic dispersion paradox and a separate category of human capital paradox; particularly to innovation Buijs, 2007 summarized two opposing modes of leadership, generative and focusing initially proposed by Helga Hohn, 2000 (figure 11); Waldman & Bowen, 2016 (figure 12) argued that paradoxes are within effective leadership behavior but also in the core challenges that organizations increasingly face in the ongoing pursuit of effectiveness and proposed four key paradoxes increasingly relevant to leaders; or for example

Cunha et al., 2019 (figure 13) elaborated four emerging paradoxes of leadership of Angolan organizations, and Henriksen et al., 2021 (figure 14) focuses only on leadership-related tensions, and some articles mention the five dimensions of paradoxical leader behavior proposed initially by (Zhang et al., 2015).

(1) combining self-centeredness with other-centeredness

(2) maintaining both distance and closeness

(3) treating subordinates uniformly while allowing individualization

(4) enforcing work requirements while allowing flexibility

(5) maintaining decision control while allowing autonomy.

Figure 9. Paradoxes when leading for innovation (Hunter, 2011)

Figure 10. Conceptual model of Paradoxical Virtuality (Purvanova & Kenda, 2018)

Generative mode	Focusing mode
Vision development	Goal management
Play/fun metaphors	Fight/power metaphors
Development oriented	Business oriented
Have we created new ideas?	Have we solved the problem?
Pace given by the creative process	Pace given by planning and monitoring
Challenge and risk taking	Defining action
Exploration of conflicts	Crisis and conflict management
Finding freedom	Acting with constraints
Chaotic	Ordered
Intrinsic motivation	Extrinsic motivation
Autonomy and challenging conditions	Material and immaterial rewards

Figure 11. The two models of leadership (Hohn, 2000)

Paradoxes Inherent to Leader Behavior	Paradoxes in Organizations
(Agency and Communion)	**(Now and Next)**
● Strong sense of self combined with humility	● Maintaining continuity while simultaneously pursuing change
● Maintaining control while letting go of control	● Pursuing CSR for profits while simultaneously maintaining moral purposes

Figure 12. Four key paradoxes that are increasingly relevant to leaders (Waldman & Bowen, 2016)
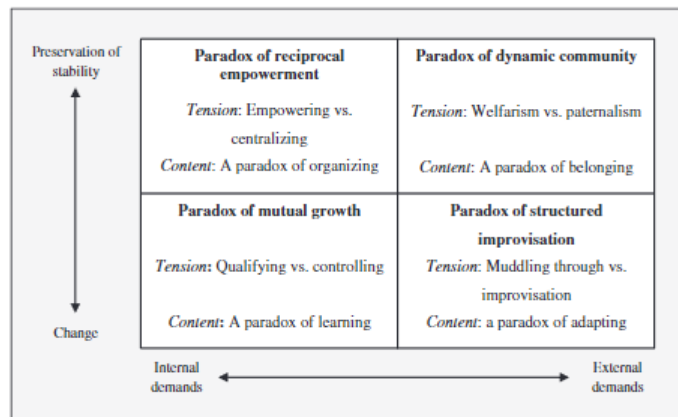
Figure 13. Paradoxes of leadership of Angolan organizations (Cunha, 2019)

The 10 Paradoxes Employed in the Leadership Programme.

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

Figure 14. Leadership-Related Tensions (Henriksen et al., 2021)

The highly referenced model (referenced by 70% of the articles) propose a **categorization of organizational tensions** (figure 15), mirroring early paradox research of Quinn's competing values, and even includes a category for individuals and collectives (W. K. Smith & Lewis, 2011).

- Learning category encompasses tensions related to knowledge acquisition within organizations.
- Organizing category refers to tensions that arise in the organizational structure and processes.
- Performing involves tensions related to performance and achieving goals.
- Belonging focuses on tensions related to the social dynamics and relationships within organizations.
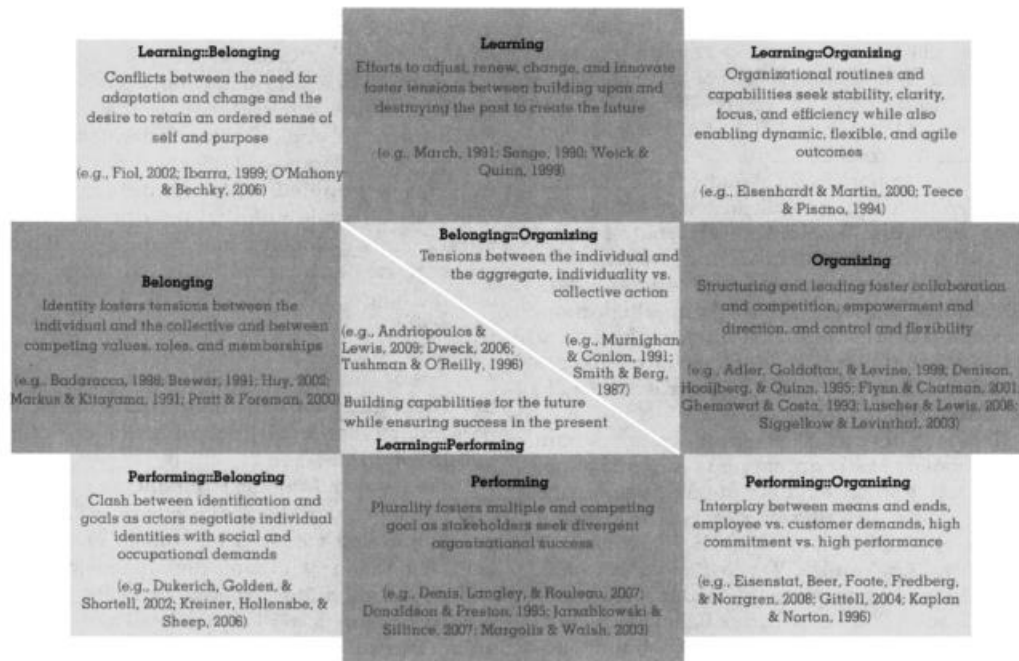
Figure 15. Categorization of organizational tensions (W.K. Smith & Lewis, 2011)

Zheng, Surgevil, et al., (2018) noted that most of the paradox research has studied paradoxical tensions at the organizational level, as normal part of contemporary organizational life (McCarthy et al., 2005), however as noted before leaders must pay attention to competing demands simultaneously in their role as a leader and supporting their followers in coping with paradoxes (Julmi, 2021).

Although tensions operate between as well as within these categories based on Smith & Lewis, 2011 categorization, up next most mentioned paradoxical tensions on the SLR articles were mapped into categories: *learning, organizing, performing, belonging*; and also by level, either *organizational-level* or *leadership related tensions* (Pearce et al., 2019).

Category	Paradoxical Tensions	Organizational Level	Individual Level	References
Performing	Profit vs Social Responsibility	x		(Guarana & Hernandez, 2015; Henriksen et al., 2021; W. K. Smith & Lewis, 2011)
	Short-Term vs Long-term	x		(Collings et al., 2021; Cunha et al., 2019; Dhar, 2022; Guarana & Hernandez, 2015; Zhang & Han, 2019)
Organizing	Agentic vs Communal		x	(Fürstenberg et al., 2021; Zheng, Kark, et al., 2018; Zheng, Surgevil, et al., 2018) (Zhang et al., 2015)
	Control vs Autonomy		x	(Blair & Payne, 2000; Cunha et al., 2019; Guo et al., 2020; Li et al., 2018) Centralizing/ Empowering: (Aramovich & Blankenship, 2020; Cunha et al., 2019; Henriksen et al., 2021; Hunter et al., 2011; Kearney et al., 2019) Top-down/shared: (Pearce et al., 2019)

	Competition vs Collaboration	x		(Blair & Payne, 2000; Hunter et al., 2011)
	Local vs Global	x		(Guarana & Hernandez, 2015; Henriksen et al., 2021; Y. Luo & Zheng, 2016)
Learning	Exploitation vs Exploration	x		(Cunha et al., 2019; Es-Sajjade et al., 2021; Guarana & Hernandez, 2015; Lewis et al., 2014; Y. Luo & Zheng, 2016; Raffaelli et al., 2022; W. K. Smith et al., 2010) Ambidexterity : (Es-Sajjade et al., 2021; Klonek et al., 2021; Knight & Paroutis, 2017; Lillegraven & Wilberg, 2016; Malik et al., 2022; W. K. Smith et al., 2010)
Belonging	Individual vs Collective		x	(Zhang et al., 2015) (Li et al., 2018; Y. Luo & Zheng, 2016; Raffaelli et al., 2022)
	Unity vs Diversity		x	(Zhang et al., 2015) (Hu et al., 2020; Ospina & Saz-Carranza, 2010)

Table 2. Paradoxical tensions in leadership literature

Performing Tensions

Performing tensions are those resulting from the different and sometimes contradictory objectives and strategies pursued by the different internal and external actors interacting with an organization (W. K. Smith & Lewis, 2011). Inside this category we mapped the *profit vs social responsibility* and *short-term vs long-term* paradoxical tensions.

Profit vs Social Responsibility paradox is the main paradox and reason of study in hybrid organizations, the tension is widely cover on a dedicated section (Guarana & Hernandez, 2015; Henriksen et al., 2021), (Waldman & Bowen, 2016); apart from hybrid organizations and social enterprise is also associated with reasons why pursuing corporate social responsibility initiatives when performance depends on financial and social goals (W. K. Smith & Lewis, 2011).

Short-term vs Long-term mentioned in (Collings et al., 2021; Cunha et al., 2019; Dhar, 2022; Guarana & Hernandez, 2015; Y. Luo & Zheng, 2016; Zhang & Han, 2019) is mainly associated to an organizational level tension, "the dynamic nature of organizational environments with an eye on both present and future, being reactive to demands in the present while simultaneously being proactive about the need for broad or sweeping change in the future" (Waldman & Bowen, 2016).

Organizing Tensions

Organizing tensions emerge through commitments to contradictory organizational structures, cultures, practices, and processes (W. K. Smith & Lewis, 2011). Inside this category we mapped *agency vs communion, control vs autonomy, competition vs collaboration*, and *local vs global paradoxical tensions.*

We classified the paradoxical tensions of agency-communion and control-autonomy as **leadership related**, as (Zheng, Surgevil, et al., 2018) noted most of the paradox research

has studied paradoxical tensions at the organizational level such as tensions between exploration and exploitation and between competing organizational identities, but not adequately explored how paradoxical tensions can be dealt with at the individual level. Leaders face paradoxical tensions on their roles, on the one hand, they are expected to set important work goals and control decision processes *(agentic leadership)*, yet, at the same time, they need to consider employees' needs and interests and provide them with flexibility and empowerment *(communal leadership)*. Most leadership theories do not address combining such contrasting leadership approaches but focus on either–or choices between **Agentic vs communal** behaviors and the conditions under which either of these behaviors may be more appropriate (Fürstenberg et al., 2021). Highly related to agency-communion is the concept of paradoxical leadership that would be covered in an additional chapter and cover the main leadership-related paradoxical tensions of (Zhang et al., 2015), this dynamic leadership style comprises contrasting behaviors that reflect both agentic and communal aspects of leadership simultaneously, namely:

- Treating subordinates uniformly while allowing individualization
- Combining self-centeredness with other-centeredness
- Maintaining decision '*control while allowing autonomy*'
- Enforcing work requirements while allowing flexibility
- Maintaining both distance and closeness

Specifically, talking about the **Control vs Autonomy** paradox (Cunha et al., 2019; Fürstenberg et al., 2021; Li et al., 2018; Shao et al., 2019), the leader uses authority in decision making to ensure work outcomes and simultaneously gives followers appropriate autonomy (Li et al., 2018), (Zhang et al., 2015) describe it with the following factors:

- Controls important work issues but let's subordinates handle details.

- Makes final decisions for subordinates but let's subordinates control specific work processes.

- Makes decisions about big issues but delegates lesser issues to subordinates.

- Maintains overall control but gives subordinates appropriate autonomy.

Control-autonomy paradox is also mentioned as '*loose-tight principle*' (Blair & Payne, 2000; Guo et al., 2020) initially proposed by Sagie,1997 reflects a paradox of autonomy versus control,

> *loose leadership refers to a participative leadership style that enables the sharing of power amongst leaders and followers, managers prefer to delegate power and provide autonomy to their employees and promote productivity; tight leadership refers to the directive leadership style, which uses specific frameworks and actions strictly in line with the thoughts of leaders, managers tend to use disciplines and regulations to manage employee behavior.*

Guo et al., 2020 exploring chain hotels in China confirmed the legitimacy of the paradox, their effects on LMX (Leader member exchange) quality, and proposed a loose-tight ambidextrous leadership model (figure 16) and integrate loose leadership and tight leadership into four combinations according to their different strengths (figure 17):

Loose Leadership \ Tight Leadership	HIGH	LOW
HIGH	**Congruence** High loose leadership & High tight leadership	**Incongruence** High loose leadership & Low tight leadership
LOW	**Incongruence** Low loose leadership & High tight leadership	**Congruence** Low loose leadership & Low tight leadership

Figure 16. Loose-tight leadership congruence (Guo et al., 2020)
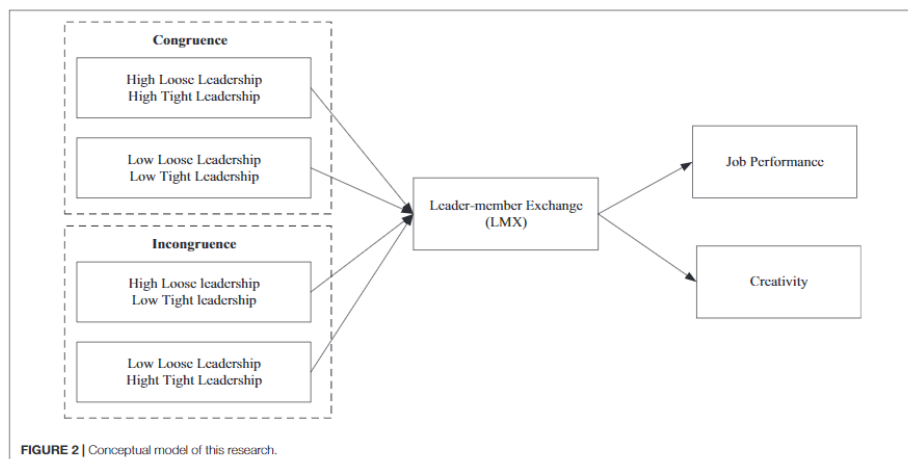
FIGURE 2 | Conceptual model of this research.

Figure 17. Conceptual model of leadership congruence (Guo et al., 2020)

Control-autonomy paradox as a leader-related tension is also seen as the '*centralizing-empowering*', sharing the power while exercising authority towards the vision (Cunha et al., 2019; Henriksen et al., 2021; Hunter et al., 2011); Aramovich & Blankenship, 2020 on their 360-degree feedback dataset analysis indicated that the most effective leaders are rated higher on both participation and decisiveness within and across stakeholder groups

but different stakeholders place
relatively more importance on one
behavior versus the other. Kearney
et al., 2019 on their field study of
197 leader-follower dyads argue
that visionary (centralizing) and
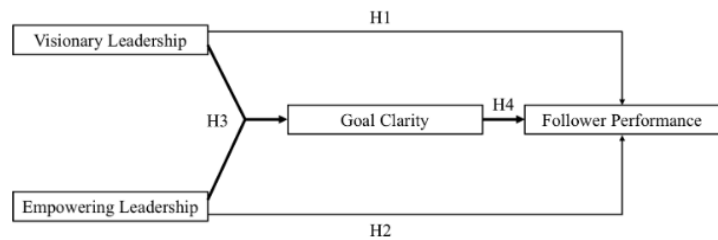
Figure 18. Visionary and empowering leadership model
(Kearney et al., 2019)

empowering (autonomy) leadership address the paradox of maintaining control while
simultaneously letting go control and that a both-and approach have an interactive effect
on goal clarity and conditional indirect effect mediating individual follower performance
(figure 18); they also argue that visionary and empowering leadership are agentic and
communal forms of leadership respectively as also Waldman & Bowen, 2016 classified
maintain control while letting go of control inside their agency and communion
paradoxes inherent to leader behavior.

Gorsky et al., 2018 on their analysis of career advertisements for medical school
leadership found coercion and caring formations embedded and normalized, they
classified what they called 'ironic pairings' (figure 19): collaborator/controller,
professor/police officer, servant/supervisor.

Table 4. Ironic pairings.

	Discourses of care 2010–2014	Discourses of coercion 2010–2014
Collaborator/ Controller	Collaborator: • will have a collaborative approach • will work collaboratively with fellow associate deans, administrators, faculty, staff and students • tradition of collaborative scholarship	Controller: • drive development and implementation • self-starter, and have the confidence to move initiatives forward • demonstrate impact on business performance • obtain and allocate required resources • direct the planning
Professor/ Police Officer	Professor: • create an innovative medical education programme • distinguished track record of innovative educational leadership, scholarly accomplishment • apply pedagogical principles	Police Officer: • maintain appropriate accreditation • monitoring accreditation requirements of the LCME • ensure the timely completion of all education-related reports and surveys of the reporting programmes • have a thorough understanding of the health centre's structure, policies, rules and procedures • continually assess relevance and quality of the educational programme
Servant/ Supervisor	Servant: • assist the reporting directors and coordinators in the execution of their respective duties as necessary • strong service orientation • be responsive to the needs of the learners and faculty • support and encourage	Supervisor: • review the performance of each reporting director, coordinator, on an annual basis and recommend salary increments • represent the Office of Education at Promotion Committee meetings • oversee decanal staff

Note: LCME, Liaison Committee on Medical Education.

Figure 19. Ironic parings (Gorsky et al., 2018)

Also seen in paradoxes faced by leadership, the decision to engage in *formal, top-down leadership* versus encouraging *shared leadership*, Pearce et al., 2019 noted how empowering and shared leadership concepts are a growing body of leadership Literature and studied the paradoxical effects of formal and shared leadership.

From the organizational level, *competition vs collaboration* and *local vs global* paradoxes are included inside **organizing** tensions, as these paradoxes represent contradictory organizational structures, cultures, practices, and processes.

The first one, **Competition vs Collaboration** highlight the need for accounting competitive issues as well as cooperative ones, this is an identified paradox mentioned in the articles by (Blair & Payne, 2000; Es-Sajjade et al., 2021; Hunter et al., 2011; Y. Luo & Zheng, 2016); as identified in the healthcare industry, organizations compete for power

and resources with many other organizations but they must also cooperate with many of the same organizations to obtain necessary resources to be successful (Blair & Payne, 2000); or as (Hunter et al., 2011) noted in the context of innovation: "leaders facilitate openness with other organizations but protect the organization's competitive advantage" the connections include not only other organizations but also suppliers, customers and clients.

On the other hand, **Local vs Global** paradoxical tension is cited on the articles analyzed (Guarana & Hernandez, 2015; Henriksen et al., 2021; Y. Luo & Zheng, 2016) but as Henriksen et al. (2021) mentioned it doesn't appear explicitly in the *categorization of organizational tensions* model of W. K. Smith & Lewis (2011) and had mainly been explored by international management and global leadership scholars, fewer have approached it as a paradox.

Belonging Tensions

Belonging tensions, "involve questions of identity, these tensions arise between the individual and the collective, as individuals and groups seek both homogeneity and distinction, responding to questions about who is going to do what highlights conflicting identities, roles, and values" (W. K. Smith & Lewis, 2011). Inside this category we mapped the *individual vs collective* and *unity vs diversity paradoxical* tensions.

Individual vs Collective paradoxical tension (Guarana & Hernandez, 2015; Li et al., 2018; Y. Luo & Zheng, 2016) draws on the need for individuals to maintain a sense of personal identity while also belong to a social group, also exploring innovation paradoxes. Hunter et al., 2011 said leaders must stimulate cohesion but avoiding insularity within the organization, and Solebello et al., 2016 identified a paradox of inclusion and exclusion; other authors also referred to leadership as a managerial action and as a collective endeavor referring to individual vs distributed leadership as leaders must supporting

teamwork, collaboration, empowerment and collective learning practices, but also to inspire and guide others through their own formal leadership (Henriksen et al., 2021; Pearce et al., 2019).

Unity vs Diversity is the paradox in terms of workforce characteristics as organizations search uniformity and alignment on the organizational culture, but also promote diverse perspectives and contributions (Hu et al., 2020); talking about emerging paradoxes in the digital revolution they mention the conflict or for example Ospina & Saz-Carranza, 2010 on their case study of paradox and collaboration on immigration coalitions identified that network leaders had to both manage and maintain diversity, as a fundamental characteristic and the starting point of their networks even though coalitions shared a 'immigrant' identity, Henriksen et al., 2021 also tackle diversity in workforce composition with tensions of creating a sensation of community and closeness in a distributed workforce.

Learning Tensions

Learning paradoxical tensions surface as dynamic systems change, renew and innovate. These efforts involve building upon, as well as destroying, the past to create the future. Such tensions reflect the nature and pace of engaging new ideas, including tensions between radical and incremental innovation (W. K. Smith & Lewis, 2011). Inside this category literature talks mainly of *exploration vs exploitation*; up next, we would develop what the literature reflects:

Exploration vs Exploitation might be the most renamed paradoxical tension in the articles analyzed (Cunha et al., 2019; Es-Sajjade et al., 2021; Guarana & Hernandez, 2015; Y. Luo & Zheng, 2016). Although this paradox encompasses both organizing and learning paradoxical tensions we considered inside the learning category as from a learning perspective it involves the challenge of striking the right balance between exploring new

options to gain new knowledge and exploiting existing knowledge to maximize short-term rewards.

In general terms *exploitation* seeks incremental innovation to deepen current knowledge and capabilities, fostering greater efficiency and continuous improvements; seeks to refine and improve products in an existing marketplace, while *exploration* is future looking, involves variance-increasing activities and risk minimization, fuels radical innovation through experiment and research and development seeking new knowledge, markets and possibilities; thrives in more mechanistic, centralized, hierarchical structures. (Lewis et al., 2014; W. K. Smith et al., 2010).

For example, Raffaelli et al., (2022) on their Swiss watchmaking case study of leader-dyad explored what they called "paradox of preservation-modernization", leaders contend with tensions between craft/traditions and modern techniques/tools, and between reimagination and invention.

When talking about exploration and exploitation literature intertwine the exploration-exploitation paradoxical tension with another concept: **ambidexterity**, the ability to balance and excel in both exploration and exploitation, this has even been linked with paradoxical leadership style that would be cover on a dedicated chapter (Klonek et al., 2021).

In the articles covered by the SLR: (Malik et al., 2022) explored the role of ambidextrous leadership in healthcare research, they recognized the ability of such firms to demonstrate organizational ambidexterity and deliver both established best-practice and safe health services while also engage in the exploration of new ideas and knowledge for sustainable service excellence; (Lillegraven & Wilberg, 2016) discussing inherent paradoxes in 22 industry-specific strategies within newspaper executives of four Nordic countries, found a link between organizational ambidexterity and strategic planning:

"Without a recognition that change is needed, leaders would probably just go about their daily business, failing to explore new, potentially disruptive, technologies and business opportunities"

They argue that ambidexterity and strategic planning is an iterative process, a dynamic interaction. Recalling ambidexterity theories in their framework (Lillegraven & Wilberg, 2016) make exploration and exploitation a strategic paradox (figure 20).

	Exploitative activities	**Exploratory activities**
Strategic intent	Cost control, profit	Innovation, growth
Critical tasks	Operations, efficiency, incremental innovation	Adaptability, new products, breakthrough innovation
Competencies	Operational	Entrepreneurial
Structure	Formal, mechanistic	Adaptive, loose
Controls, reward	Margins, productivity	Milestones, growth
Culture	Efficiency, low risk, quality, customers	Risk taking, speed, flexibility, experimentation
Leadership role	Authoritative, top down	Visionary, involved

Figure 20. The ambidexterity paradox (Lillegraven & Wilberg, 2016)

Knight & Paroutis (2017) on their study of Top Management Leader's practices in enabling tensions to become salient for lower-level managers, theoretically appreciate the role of leadership as a practice in enabling exploration and exploitation within organizations; (Es-Sajjade et al., 2021) exploring paradoxical tensions related to exploration-exploitation in a telecommunication firm (figure 21) identified vicious cycle originators (tradeoff cognition, structural separation and structural leadership) and vicious cycle perpetuators (intergroup tensions, ineffectual integration and temporal leadership void).
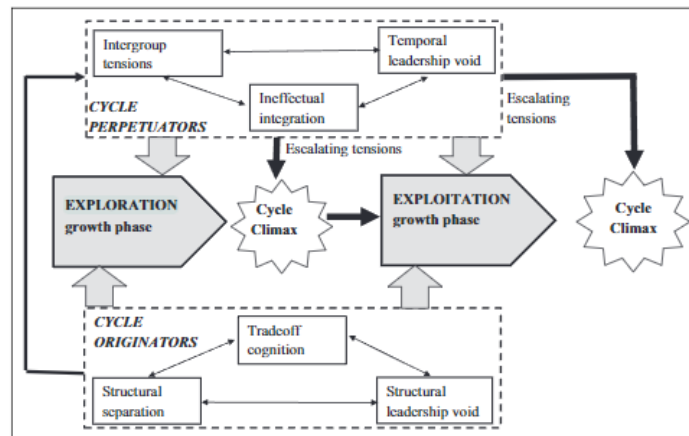
Figure 21. A vicious cycle model of new venture growth (Knight & Paroutis, 2017)

- o *Tradeoff cognition: Preference by the organizational management for one organizational demand at the expense of another, based on the condition that there is a tradeoff to be made between conflicting demands and that the most appropriate one must be selected.*

- o *Structural separation: Physical separation of distinct but interdependent organizational groups.*

- o *Structural leadership void: Absence of top management in a critical area, where it needs to address an organizational demand.*

- o ***Temporal leadership void: Absence of transitional leadership guidance between venture growth phases.***

- o ***Intergroup tensions: Defensive responses to paradoxical tensions, aimed at protecting group interests.***

- o ***Ineffectual integration: contrary to effective leaders that adopt paradoxical frames.***

W. K. Smith et al. (2010) research seek to identify the characteristics of senior leaders who succeed in managing the tensions between simultaneous exploratory and exploitative strategies: (1) dynamic decision-making (2) Building commitment to overarching visions and agenda specific goals (3) Actively learning at multiple levels (4) engaging (and

encouraging) conflict (5) Team structures – Leader centric or team centric; additional proposed several types of complex business models that seek value by supporting paradoxical strategies including, *ambidextrous organizations, social enterprises and learning organizations.*

A transversal topic to learning paradoxes of exploration and exploitation is **innovation** (Blair & Payne, 2000; Lewis et al., 2014; van Assen & Caniëls, 2022), Buijs, 2007 describe how innovation leaders are already aware of the natural conflict between the day to day routine processes in the firm *(exploitation)* and the innovation processes *(exploration)* yet should also be aware of the inherently conflicting and paradoxical aspects inside the innovation process itself, handling these paradoxes requires what he called "controlled schizophrenic innovation leader"; Klonek et al., 2021 says that close temporal proximity of exploration and exploitation fosters synergies and drives innovative performance and van Assen & Caniëls, 2022 found a significant direct positive effect of paradox mindset on innovative work behavior.

If talking about open and closed strategies for innovation, Gebert et al., 2010 argue that team innovation can best be fostered by continuously and simultaneously enacting opposing action strategies, they also developed a framework that provides theorical rational for the claim that combining opposing strategies foster team innovation (figure 22) or for example Hunter et al., 2011 mention the need to develop open external relationships but also be aware of the need to protect emerging ideas. Particularly to innovation Buijs, 2007 summarized two opposing modes of leadership (figure 23), generative and focusing initially proposed by Helga Hohn, 2000.

Knowledge generation ↓ − Undesired effects	Knowledge integration ↑ + Desired effects	Outcomes	Closed action strategies (examples)	**Basic assumptions**	Open action strategies (examples)	Outcomes	Knowledge generation ↑ + Desired effects	Knowledge integration ↓ − Undesired effects
Rigidity, repression	Coordinated action plans	Rules, regulations	Providing directive leadership	**(1) Anthropological dimension: Human beings need control ⟺ autonomy**	Providing delegative leadership	Exploration of alternative options	New suggestions	Destabilization of team cooperation model
Redundancy	Willingness to consent	Cohesion, harmony, trust	Fostering collectivistic culture	**(2) Social dimension: In need of protection is consensus ⟺ dissent**	Fostering task-related diversity	Task conflicts	Increased range of ideas	Relationship conflicts, value conflicts
Dogmatism	Common standards of evaluation	Stable shared task model	Promoting reliance on team-internal knowledge	**(3) Epistemological dimension: Knowledge is certain ⟺ uncertain**	Promoting team-external communication	Evolving knowledge	Openness to different views	Confusion

Figure 22. A taxonomy of basic assumptions, corresponding action strategies, outcomes and their desired and undesired effects (Gebert et at., 2020)

Generative mode	**Focusing mode**
Vision development	Goal management
Play/fun metaphors	Fight/power metaphors
Development oriented	Business oriented
Have we created new ideas?	Have we solved the problem?
Pace given by the creative process	Pace given by planning and monitoring
Challenge and risk taking	Defining action
Exploration of conflicts	Crisis and conflict management
Finding freedom	Acting with constraints
Chaotic	Ordered
Intrinsic motivation	Extrinsic motivation
Autonomy and challenging conditions	Material and immaterial rewards

Figure 23. Two modes of leadership (Hohn, 2000)

Paradox interrelations:

Another topic found in the articles is the interrelation among these paradoxical tensions, tensions operate between as well as within these categories (W. K. Smith & Lewis, 2011);

for example Henriksen et al. (2021) in their paradox knotting perspective, claim that management paradoxes are not to be seen in isolation but as intertwined with other paradoxes, dawning from "10 Paradoxes employed in Leadership" of the Danish Industry Foundation event in 2016 they identified three paradox knots, verifying through factor analysis how six of the 10 paradoxes were entangled:

1) *"Managing organizational flexibility involves the various tensions that emerge as an adaptative space when organizations exploit various kinds of flexibility.*
   a. *Employee mobility vs stability*
   b. *Digital vs analogue generations*

2) *Balancing engagement and control is a converse problem that diminishes when addressed, which reflects a lack of formal management training among the participants.*
   a. *Management vs Leadership*
   b. *Passion vs performance*

3) *Dealing with dispersion concerns the dissolution of customary boundaries that impacts organizational belongingness and how we work*
   a. *Distance vs proximity*
   b. *Local vs Global"*

Also Pearce et al. (2019) on their study of multiple paradoxes focused on the paradox between engaging in formal, hierarchical leadership and shared leadership considering both the long-term and short-term combination, they also mentioned that *exploration and exploitation* tension has overarching demands on organizations, leading to nested paradoxes of strategic intent (short-term profit vs long-term breakthrough orientation), customer orientation (tight vs. loose), and personal drivers (disciplined vs passion oriented); also Waldman & Bowen (2016) included 2 paradoxes in organizations under

the umbrella of short-term and long-term: Continuity vs change and CSR for profits vs moral purposes.

Zheng, Surgevil, et al., (2018) on their inductive study of women executives identified four pairs of agentic and communal tendencies: Demanding and caring, authoritative and participative, self-advocating and other-serving, and distant and approachable, also Waldman & Bowen (2016) adopted agency and communion as an umbrella category for two paradoxes inherent to leader behavior: strong sense of self combined with humility and maintaining control while letting go of control; also (Kearney et al., 2019) on their field study of 197 leader-follower dyads argue that visionary and empowering leadership are agentic and communal forms of leadership respectively.

3.3.1.4. Strategies

"…in the face of paradoxical circumstances, leaders tended to stall, postpone, study, or just avoid making decisions at all… or take the less risky, more comfortable alternative that they know won't address the issue at hand. Such tactics do not, of course, remove the paradox" (Peters, 2012).

While paradox can be a motivation for change, can also be **inhibiting**; paradox can produce anxiety and defensive responses at individual and organization levels like repression, denial, and splitting (W. K. Smith & Lewis, 2011; Watson, 2013); on their study of situational complexity (Guarana & Hernandez, 2015) explain how situational complexity cause intrapersonal ambivalence, involving uncertainty for leaders and followers about the options available within the environment and in front of cognitive challenges from contradictory work demands.

Authors have suggested some strategies, for example (Peters, 2012) made some suggestions to **identify and deal** with paradoxical circumstances successfully:

> (1) be ready for paradoxical circumstances.

(2) resist jumping to an either/or solution.

(3) ask for help in spotting these paradoxical circumstances.

(4) look for help when addressing a paradoxical circumstance.

(5) engage all stakeholders in looking for solutions.

(6) build resources to address the common paradoxical circumstances.

Dynamic equilibrium model of Smith and Lewis propose the *'virtuous cycles'* (Figure) where awareness of tensions triggers a management strategy of acceptance rather than defensiveness, it proposes a managerial approach to paradox involving complementary and interlaced strategies of **acceptance and resolution**, for example on their study of paradoxical tensions in virtual teams (Purvanova & Kenda, 2018) mention 'perception' as the first step toward developing a synergistic style, the virtual leader must view through a both-and mindset to see virtuality as a paradox; resolution strategies confront paradoxical tensions via iterative responses of: **splitting, and integration**; the outcome of *'virtuous cycles'* would be sustainability through short-term peak performance that fuels long-term success, factors driving towards sustainability can be **individual or organizational** (Es-Sajjade et al., 2021; W. K. Smith & Lewis, 2011).

From the organizational side, dynamic capabilities refer to the processes, routines, and skills that enable effective responses to shifting environments; for example, learning orientation of the organization (Zheng, Kark, et al., 2018). On their study of complex business models W. K. Smith et al. (2010) identified functions and structures of teams that execute paradoxical strategies effectively, including:

o Dynamic decision making

o Building commitment to an overarching visons and agenda specific goals

o Actively learning about each agenda and the relationships between them

o Engaging conflict

Based on W. K. Smith & Lewis (2011) model (figure 24), individual factors to embrace paradoxical tensions include: (1) Cognitive and behavioral complexity, intended as: cognitive complexity reflects an ability to recognize and accept complexity, and behavioral complexity is a facility to adopt competing behaviors, and (2) Emotional equanimity as emotional calm, and evenness.
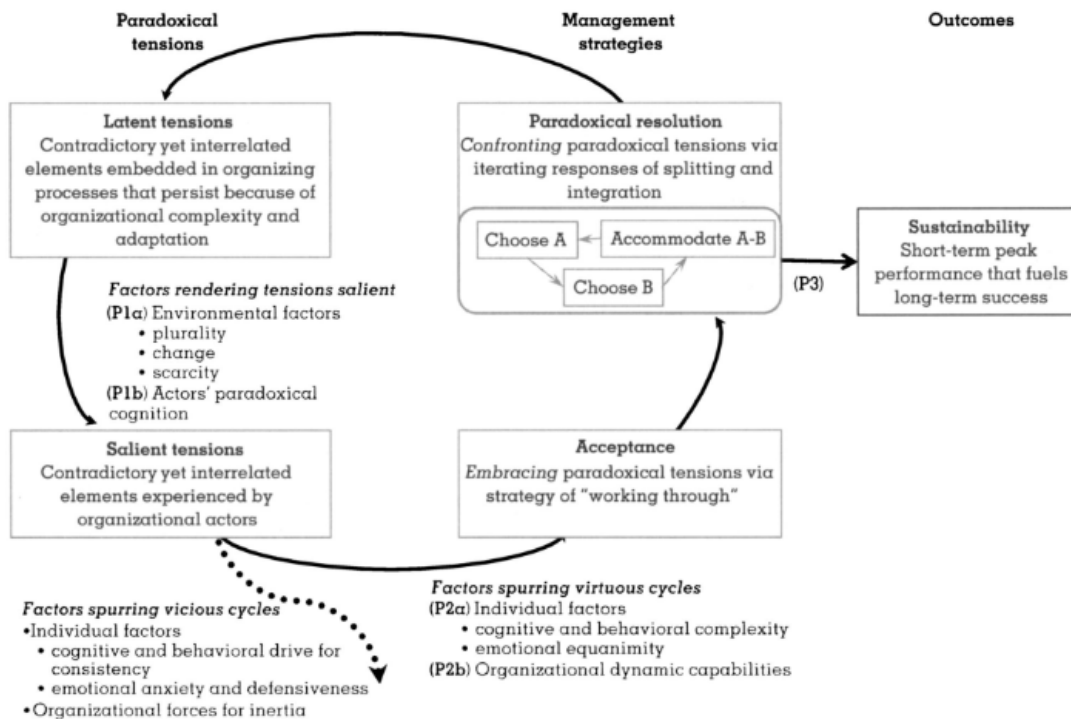
Figure 24. A dynamic Equilibrium Model of Organizing (W.K. Smith & Lewis, 2011)

Recalling Poole and Van de Ven 1889, Smith and Lewis set out possible responses when managing paradoxes: *acceptance, spatial separation, temporal separation,* and *synthesis*:

Strategy	Terms Used	References
Acceptance	Accept Shared interpretation	(Raffaelli et al., 2022; Watson, 2013)

Spatial Separation	Specialized structures Separated roles Situational accentuating	(Es-Sajjade et al., 2021; Lewis et al., 2014; Raffaelli et al., 2022; Watson, 2013; Zheng, Surgevil, et al., 2018)
Temporal Separation	Punctuated equilibrium Switching Temporal sequencing	(Klonek et al., 2021; Watson, 2013; Zhang & Han, 2019; Zheng, Surgevil, et al., 2018)
Synthesis	Synergistic style Overlapping Complementing Reframing	(Hu et al., 2020; Purvanova & Kenda, 2018; Watson, 2013; Zheng, Surgevil, et al., 2018) Sensegiving: (Benbenisty & Luria, 2021; Guarana & Hernandez, 2015; Sparr et al., 2022)

Table 3. Strategies for managing tensions in leadership

- **Acceptance**, keeping tensions separate and appreciating their differences, brokering a shared interpretation without resolution (Raffaelli et al., 2022), the paradox may be accepted and lived with (Watson, 2013), managers accept that tensions can and should coexist, and they mindfully examine the link and synergy between tensions and explore both-and possibilities.

Another approach is called 'compartmentalization' or splitting, separating attention to different logics structurally or temporally:

- ✓ **Spatial separation**, different parts of the organization may deal with the oppositional aspects (Watson, 2013), separation of activities, also known as specialized structures (Es-Sajjade et al., 2021), for example in the case of (Lewis et al., 2014) separating

divergent innovation streams, focusing some units on discovery and experimentation while others seek to extend and improve existing capabilities and products. Separation may also involve roles (Gibeau et al., 2020); separating efforts to focus on both sides of a tension as effective, for example the leader-dyad example of Swiss watchmaking (Raffaelli et al., 2022). Zheng, Surgevil, et al., 2018 on their study, identified mechanisms through which women leaders bring together agency and communion, among which *Situational accentuating*: (temporal separation) Accentuating either agency or communion depending on the situation, for example sit at the head of the table depending on the meeting and the environment.

- **Temporal Separation,** or also called punctuated equilibrium in which tensions are sequentially separated (Watson, 2013), switching from one tension to the other (Klonek et al., 2021; Malik et al., 2022; Zhang & Han, 2019). From an innovation perspective Klonek et al., 2021 explored how entrepreneurs manage ambidexterity via temporal sequencing of explorations and exploitation behaviors, they also found that ambidexterity was strongly associated in the start-up stage and became weaker for entrepreneurs in the growth stage. Zheng, Surgevil, et al., 2018, identified *Sequencing* as a mechanism through which women leaders bring together agency and communion: Following a temporal sequence to enact agency or communion, usually with communion preceding agency, for example invite others' input first then show decisiveness or, support people first then ask for their support.

- ✓ **Synthesis,** seeking to accommodate and resolve the apparent tensions (Watson, 2013), finding synergies that accommodate both demands simultaneously (Hu et al., 2020), identifying novel creative synergies concealed withing conflicting demands (Raffaelli et al., 2022). On their study of paradoxical tensions in virtual teams Purvanova &

Kenda, 2018, mention 'conceptualizing solutions' and 'enacting synergistic behaviors', toward developing a synergistic style

> *"…synergistic leaders engage in some behaviors that might be considered more managerial, task-oriented in nature, such as setting communication rules (touch tension) or monitoring timeliness and progress (time tension). At the same time, synergistic leaders also engage in behaviors considered to be more leader-like, relational in nature, such as improving the psychological well-being of team members (task tension), celebrating members' individuality (culture tension), or helping team members build meaningful relationships (human capital tension)."* (Purvanova & Kenda, 2018)

Talking specifically about *Agency and communion* paradoxes, (Zheng, Surgevil, et al., 2018) on their study of women leaders identified integrating mechanisms through which leaders bring together agency and communion:

- o *Overlapping*: Creating a common ground so that agency and communion converge into one course of action, creating win-win solutions.

- o *Complementing:* applying agency and communion to different aspects of a situation in a complementary way, for example be tough on tasks and caring on people, assert one's strengths and affirm others' strengths in different domain.

- o *Reframing:* Creating positive associations between agency and communion so that they become embedded within each other

    - Framing communion as a reflection of agency, for example rather than framing vulnerability (communion) as a sign of weakness (lack of agency), women leaders reframed it as a reflection of confidence (agency) in the sense that confidence gave them the comfort to reveal their weaknesses.

- Ascribing communal intentions to agency, for example giving negative feedback (agency) as a gift that reflected the givers' helping intentions (communion) rather than a threat to others.

3.3.1.5. Sense-giving

From the literature also emerged the topic of Sense-giving, as organizations face complexity, environmental conditions of *plurality, change and scarcity* make paradoxes salient, leaders and followers are embedded in this complexity facing multiple paradoxical tensions on a daily basis entailing ambiguity (Guarana & Hernandez, 2015). Sense-giving is 'the process of attempting to influence the sensemaking and meaning construction of others toward a preferred redefinition of organizational reality, is breaking down organizational goals in light of the challenges faced' (Benbenisty & Luria, 2021).

For example, on their study of Defense Forces in Israel tasked with policing and counterinsurgency duties, Benbenisty & Luria, 2021 point to two sense-giving strategies: **internalization,** based on framing the paradox in terms of individual and organizational values, conveying meaning through value-laden language and imagery, along with direct appeals to emotion, -

> *"Leaders relying on this strategy may point out that a suspect is somebody's father, mother, grandmother, or brother, emphasizing their humanity. At a more abstract level, they may appeal directly to common values such as human dignity and purity of arms."*

- and the second strategy, **practical**, based on framing the paradox in terms of pragmatic organizational goals, influencing compliance changing team's understanding of the mission,

"… the leader connects the current operation with a larger organizational goal - to win the battle for public opinion or to avoid escalating the conflict, respectively. By framing the paradox through this wider lens, he shifts the team's perspective to a different plane."

- and extra strategy they found was solely communication strategy, conveying procedures without trying to influence follower's sensemaking

"…the leaders who employ this strategy do not deny the tensions and complexity inherent in the restraint policy, they believe the best course of action is to simply tell soldiers how they are expected to behave in different situations without influencing the way they perceive or understand the policy"

On their study of sense building out of situational complexity, Guarana & Hernandez, 2015 developed a theoretical model on how leader and follower ambivalence activate interpretative processes (Figure 25):
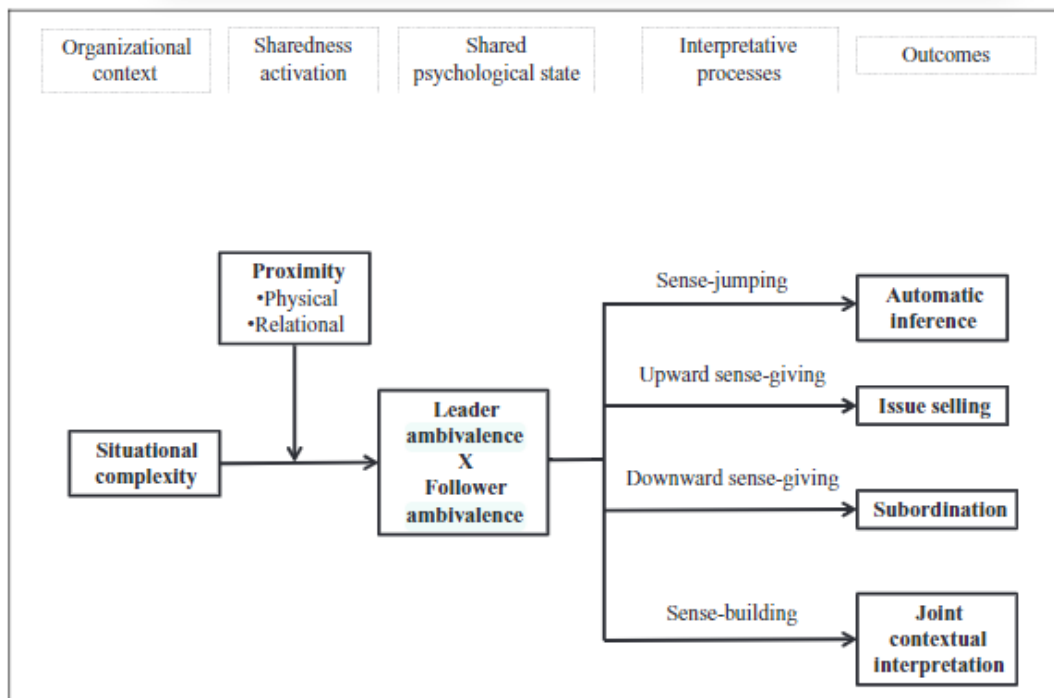
Figure 25. Sense-giving model (Guarana & Hernandez, 2015)

- **Sense-jumping (Automatic inference)**: leaders and followers who experience relatively low levels of ambivalence will not expand their contextual search, but instead will automatically jump to conclusions before engaging in cognitive elaboration.

- **Upward sense-giving (Issue selling)**: leader experiences relatively higher levels of ambivalence in comparison to the follower, the follower is likely to engage in upward sense-giving processes, followers can identify solutions for the problem and engage in contextual translation for leaders.

- **Downward sense-giving (Subordination)**: Followers experiencing relatively high ambivalence look for explanations of the context to minimize their cognitive discomfort. As such, they are highly vulnerable to leaders' interpretations of complex contexts. Because complex contexts call for leaders and followers to interpret new information that can be highly ambiguous, leaders who have already made sense of the context will present information that supports their interpretation.

- **Sense-building (Joint contextual interpretation)**: Leaders and followers who experience psychological discomfort with a common identifiable cause focus their cognitive resources to jointly interpret the context, remarkably they posit that leaders and followers who experience relatively high levels of ambivalence are less likely to be influenced by hierarchical structures that minimize the effects of social schemas in the contextual interpretational effort.

On their mediation model of paradoxical leader as sense-giving and follower performance Sparr et al., 2022 contended that sense-giving is at the core of paradoxical leadership, their findings suggest that being shown by their leader why both opposites

in a paradox are important stimulates follower readiness to change, which in turn facilitates follower's adaptative and proactive responses. Up next, we would expand what emerged from the literature about the Paradoxical Leadership:

3.3.1.6. Paradoxical Leadership

Much of the management and organization literature use dichotomies such as born/made leaders; task/people orientation, autocratic/participative, centralized/decentralized, organic/mechanistic, autonomy/interdependence, as Collinson (2014) argued "dichotomization is pervasive, deep-rooted and often taken for granted in leadership studies".

Traditional leadership theories suggest that leaders follow either/or strategy that is ideal for the short-term (W. K. Smith & Lewis, 2011), whereas for long-term results, paradox theory suggest leadership effectiveness lies in finding integrative solutions relying on both/and strategies (Batool et al., 2023; W. K. Smith & Lewis, 2011), both/and cognition or holistic mindset is the basis for paradoxical behavior (Zhang & Han, 2019), used to endure conflicting states, interconnect contradictions and solve dilemmas and inconsistencies, such a behavior is referred to as **Paradoxical Leader Behavior (PLB)**, according to (Zhang et al., 2015) paradoxical leadership is the "seemingly competing yet interrelated behaviors to meet structural and follower demands simultaneously and over time", they conducted the first empirical study and developed a measure of PLB which consisted of five behavioral dimension and 22 single items (figure 26).

Factors and items
.   **Treating subordinates uniformly while allowing individualization**
    1) Uses a fair approach to treat all subordinates uniformly, but also treats them as individuals.
    2) Puts all subordinates on an equal footing, but considers their individual traits or personalities.
    3) Communicates with subordinates uniformly without discrimination, but varies his/her communication styles depending on their individual characteristics or needs.
    4) Manages subordinates uniformly, but considers their individualized needs.
    5) Assigns equal workloads, but considers individual strengths and capabilities to handle different tasks.
.   **Combining self-centeredness with other-centeredness**
    1) Shows a desire to lead, but allows others to share the leadership role.
    2) Likes to be the center of attention, but allows others to share the spotlight as well.
    3) Insists on getting respect, but also shows respect toward others.
    4) Has a high self-opinion, but shows awareness of personal imperfection and the value of other people.
    5) Is confident regarding personal ideas and beliefs, but acknowledges that he/she can learn from others.
.   **Maintaining decision control while allowing autonomy**
    1) Controls important work issues, but lets subordinates handle details.
    2) Makes final decisions for subordinates, but lets subordinates control specific work processes.
    3) Makes decisions about big issues; but delegates lesser issues to subordinates.
    4) Maintains overall control, but gives subordinates appropriate autonomy.
.   **Enforcing work requirements while allowing flexibility**
    1) Stresses conformity in task performance, but allows for exceptions.
    2) Clarifies work requirements, but does not micro-manage work.
    3) Is highly demanding regarding work performance, but is not hypercritical.
    4) Has high requirements, but allows subordinates to make mistakes.
.   **Maintaining both distance and closeness**
    1) Recognizes the distinction between supervisors and subordinates, but does not act superior in the leadership role.
    2) Keeps distance from subordinates, but does not remain aloof.
    3) Maintains position differences, but upholds subordinates' dignity.
    4) Maintains distance from subordinates at work, but is also amiable toward them.

Figure 26. Paradoxical leadership behavioral dimensions (Zhang et al., 2015))

The essence of paradoxical leadership lies in **interaction and integration of different leadership behaviors** by a leader to become effective and fulfil the tasks assigned (Batool et al., 2023), paradoxical leaders engage in learning at multiple levels (W. K. Smith et al., 2010) switching between opening and closing behaviors (Zhang & Han, 2019), and constructing interpretive contexts (Knight & Paroutis, 2017), they may use their high level of psychological hardiness and motivation to transform tensions into chances, impacting subordinates, (Yin, 2022) (Zhang et al., 2015) fostering goal clarity and work autonomy (Fürstenberg et al., 2021). Paradoxical leaders also respect   every   team   member's viewpoint and encourage all members to voice differentiated ideas and opinions. (Li et al., 2018)

In the literature we found that paradoxical leadership can influence in diverse forms individuals and organizations as condensed in the following table:

Effects	Mentioned in
Leadership effectiveness	(Batool et al., 2023)
Facilitates subordinates to develop a paradox mindset, reducing subordinates; stress and anxiety and building confidence, ambidexterity	(Batool et al., 2023; Klonek et al., 2021; Yin, 2022)
Employees' self-efficacy, psychological safety, voice behavior and taking charge	(Batool et al., 2023; Julmi, 2021; Yin, 2022)
Employees beneficial outcomes by stimulating their flexible cognition, positive psychological states, initiative, and challenging future-oriented behaviors	(Yin, 2022)
Follower performance, task performance	(Backhaus et al., 2022; Julmi, 2021; Qu et al., 2022; Sparr et al., 2022)
Innovation performance	(Batool et al., 2023; Li et al., 2018; Yin, 2022)
Creativity	(Batool et al., 2023; Fürstenberg et al., 2021; Julmi, 2021; Shao et al., 2019; Yin, 2022) (Shao et al., 2019)

Work engagement	(Backhaus et al., 2022; Batool et al., 2023; Fürstenberg et al., 2021)
Organizational citizenship behavior	(Julmi, 2021) (Batool et al., 2023)
Cultivate a bounded discretionary work climate	(Li et al., 2018)

Table 4. Effects of paradoxical leadership

Drowning also from the yin-yang and Taoism philosophies, a model was proposed by McElhatton & Jackson (2012) even though is not related to paradoxical leadership the authors formulated leader characteristics to embrace paradoxes, the five-element model of Chinese harmonious leadership formulates:

- **Intellect of the leader**. This is gained through a life-long appreciation of both technical and human arts and artistry, a pursuit of the material grounded in an appreciation of the ephemeral. It is an understanding that we manage things and lead people.

- **Mastery of paradox**, the realm of complexity and change; this is gained through a rejection of received wisdom or orthodoxy, a rejection of can't and posture in favor of a view of what is not what conformity says ought to be.

- **Mastery of continuity**. This is gained through the recognition that we are often blinded and seduced by change and thus fail to recognize that much in life remains the same. Despite the technological changes, the characters in the Chuang-Tzu for example are as modern as us.

- **Moral strength of the leader.** A counterpart to intellect, morality is an all-encompassing notion that includes physical and mental health and well-being; the

ability to communicate for the greater good; the ability to weather the good and the bad; and integrity and contextual bravery.

- **Benevolence within the organization**. This is achieved through the harmonious relationship between leader and follower underpinned by authoritative patrimony. The leader understands that authority comes from the followers and that long-term success is built upon a leader/follower trust base.

3.3.2. Paradoxes and Strategies existent in Hybrid Organizations Literature

3.3.2.1. General overview

In this section, we address the following questions. First, what are the paradoxical tensions that arise in the context of a hybrid organization? And second, what are the strategies found in the literature to manage these paradoxes? In our research, social enterprises are the most mentioned type of hybrid organizations, sometimes using the term as interchangeable. It is important to note that different business models were referred in the articles used in this section, being mostly mentioned the employment model with the Work Integration Social Enterprise (WISE) (Battilana et al., 2015; Ciambotti et al., 2023; Civera et al., 2020). 23 articles were analyzed in this section: regarding the methodology, quantitative and mixed examinations were almost null, being just one each, while qualitative studies were 21 with a marked tendency on empirical research, being the multiple, single and field case study the most popular (15); this was followed by theoretical models (3), narrative inquiries (2), and a literature review (1). From these studies, 9 covered tensions and strategies to deal with tensions, 5 covers paradoxes and theory, 4 strategies for tensions, 1 exploration vs exploitation, 1 theory of tensions and 1 critical view.

Analyzing the articles and the most important arguments that emerged, we divided this section to address the following topics: **Paradoxical tensions within Hybrid Organizations**, **Sensemaking** and **Strategies for managing tensions in Hybrid Organizations.**

3.3.2.2. Paradoxical tensions within Hybrid Organizations

According to the literature, conventional for-profit and nonprofit organizations have evolved over time, shifting from traditional charities or typical for-profit businesses to more complex hybrid models (Miller-Stevens et al., 2018). This transition has been driven

primarily by two factors: the reduction of government funding for nonprofit organizations and the increased pressure and motivation of for-profit organizations to create social value (Newman et al., 2018). These factors have set the stage for the emergence of hybrid organizations.

Hybrid organizations are recognized as entities that possess substantial characteristics from more than one sector, resulting in a combination of elements that would typically be mutually exclusive, thus creating external and internal conflicts between multiple logics and identities (Maine et al., 2022; Reynolds & Holt, 2021). Simultaneously pursuing different goals because of external constraints or strategic choices, hybrids embrace a **central paradox in their core activities** (W. K. Smith & Besharov, 2019), and therefore are described as inherently arenas of contradiction that can be potentially collapsed or dominated by one logic over another (Kannothra et al., 2017; Mogapi et al., 2019).

This can be seen in the most prominent type of hybrid organization found in our review: the "Social Enterprise". As the name suggests, this type of organization combine entrepreneurial and social activities, models, and processes to successfully achieve dual goals, financial success, and social impact (Ciambotti et al., 2023; Reynolds & Holt, 2021), by addressing directly needs of marginalized groups and environmental issues (White et al., 2022). Different perspectives exist regarding balancing the importance of each objective; some authors argue that the social value creation objective is the primary goal, considering the integration of business objectives and economic strategies as mere means to achieve it (Kimakwa et al., 2023; Newman et al., 2018). On the other hand, some define a social enterprise as *"the organized effort on the part of for-profit firms to produce both profits and social value"* (Child, 2020). However, there is a broader viewpoint that moves away from polarization: other authors propose that both goals are equally desirable since they are interconnected and inseparable, although this may lead to incongruities (Battilana et

al., 2015; Child, 2020; W. K. Smith & Besharov, 2019). Recognizing the embedded **paradoxical nature** of hybrids, scholars acknowledge that social mission and profitability are competing yet interdependent core elements of this type of organization (Child, 2020; Ciambotti et al., 2023; B. N. Luo et al., 2020; W. K. Smith & Besharov, 2019).

The **paradoxical tensions** that arise in this context of **institutional complexity,** where overlapping or contradictory institutional logics emerge from the exposure to multiple, different, and competing demands, may pose several challenges for managing this type of organization, additional and different from traditional for-profit organizations, such as: developing a coherent organizational identity that successfully covers the different aspects of business and nonprofit values in front of internal and external constituents (Cornelissen et al., 2021; Schneider & Clauß, 2020; W. K. Smith & Besharov, 2019), the possible conflicts among members and stakeholders which could compromise performance, and legitimacy problems that could constrain entrepreneurial actions and resource mobilization (Gonin et al., 2013; Kimakwa et al., 2023; Y. Luo & Zheng, 2016). However, according to Cherrier (2018), institutional complexity not only poses challenges but can also become a source of opportunities for social entrepreneurship and innovation, triggering creative strategic responses, demonstrating the ability of hybrids to respond to a broader set of stakeholders and enact social change.

While it is widely accepted that paradox is inherent in hybrids, several studies suggest that these tensions may unfold differently depending on the specific context, explaining that paradoxes in social enterprises can be considered both intrinsic and socially constructed. (W. K. Smith & Lewis, 2011). Multiple logics can create latent paradoxical elements in organizations, but **tensions become salient** at certain moments when activated by various factors such as change and resource scarcity (Ciambotti et al., 2023; Gonin et al., 2013; Jay, 2013).

Also, we found in the literature that tensions in hybrid organizations may also arise at different levels and with different degrees of intensity depending on the structure of their business model. Following institutional theory, tensions could be categorized into two categories: individual (actor) and organizational (field) level (Cherrier et al., 2018; B. N. Luo et al., 2020), but other studies refer to three classifications, adding the societal dimension to include also tensions between the organization and its stakeholders (Longoni et al., 2019).

In terms of **business models**, we found in the literature that different models seem to reduce or increase tensions, for example, according to highly a cited paper in our review Making Hybrids Work by Santos et al. (2015), in models where clients are the beneficiaries and there is "automatic spillover" *-that is, the mission is achieved directly through the commercial transactions-* financial returns are aligned with impact as sales correlate with the degree to which they can pursue their social mission, and therefore there is synergy rather than tension. However, there are other models where the risk of mission drift is higher, such as hybrids with "contingent value spillover" *- meaning that additional steps should be taken after the commercial transaction to achieve social impact*. (Kannothra et al., 2017; Mogapi et al., 2019). In addition, a multi-case study of social enterprises in Korea provides a hint that not all paradoxes affect social enterprises to the same extent, concluding that differentiated or integrated hybrid models *- referring to the degree of integration between the social and commercial activities -* may exacerbate some types of paradoxes. For example, differentiated models, that separately manage activities to serve beneficiaries and customers, may experience severe identity paradoxes related to organizational structures, processes, and cultures compared to integrated models, while integrated ones may experience higher tensions between metrics for the two activity types (Park, 2020).

In the literature we found several articles that tried to answer what are the paradoxical tensions that arise in hybrid organizations and how they manifest in empirical settings. We describe and categorize the tensions found in our review, following Smith & Lewis' (2011) categorization as showed in the following table:

Category	Paradoxical tensions	Organizational Level	Individual Level	References
Performing	Social vs Commercial purposes	x	x	(de Mon et al., 2022; B. N. Luo et al., 2020) (W. K. Smith & Besharov, 2019) (White et al., 2022) (Al Taji & Bengo, 2019) (Ambos et al., 2020; Child, 2020; Engbring & Hajjar, 2022). (Jay, 2013) (Ormiston & Seymour, 2011) (Civera et al., 2020)
	Short-term vs Long-term	x		(Mogapi et al., 2019) (Gonin et al., 2013). (Child, 2020)
	Ethical demands vs Economic concerns	x	x	Child (2020) (Pasricha et al., 2018) (W. K. Smith & Besharov, 2019) (Melnikova, 2020)
Organizing	Customers vs Beneficiaries	x		(Kannothra et al., 2017) (Battilana et al., 2015) (Longoni et al., 2019)
	Efficiency vs Effectiveness	x		(W. K. Smith & Besharov, 2019). (Battilana & Dorado, 2010)

				(Ismail & Johnson, 2019) (Engbring & Hajjar, 2022) (Longoni et al., 2019).
	Local vs global	x		Ambos et al. (2020) (Gonin et al., 2013)(Kannothra et al., 2017).
	Competition vs Collaboration	x		White et al. (2022) Ismail & Johnson (2019) (Prabhu, 1999)
	Control vs Autonomy		x	(Engbring & Hajjar, 2022).
Belonging	Mission vs Commercial identities	x	x	Gonin et al. (2013) and Ismail & Johnson (2019) (Ambos et al., 2020). Cornelissen (2021)
	Private vs Professional lives		x	De Mon et al. (2022)
Learning	Exploration vs Explotation	x		Maine et al. (2022) (de Mon et al., 2022) (Gonin et al., 2013).

Performing tensions

As described in the previous section, "Paradoxes and strategies existent in leadership literature", performing tensions are those that result from the different and sometimes opposing goals and strategies pursued by the various internal and external actors interacting with an organization. (W. K. Smith & Lewis, 2011). In hybrid organizations, performance tensions are particularly salient because of their dual purpose, which

obliges them to be accountable to a variety of different stakeholders for multiple and interdependent goals (Schneider & Clauß, 2020). Inside this category we mapped *social vs commercial purposes, short-term vs long-term,* and *ethical demands vs economic concerns.*

Considering the nature of these tensions, we have grouped them all at the organizational level, considering the social vs. mission and ethical demands vs economic concerns also at the individual level, since these tensions are highly related to the values of the social entrepreneur and their capacity to integrate both pressures (Cherrier et al., 2018).

Different labels as "sustainability paradox" (de Mon et al., 2022; B. N. Luo et al., 2020), or "social vs economic growth"(de Mon et al., 2022) have been used to describe the most prominent tension found in the literature in hybrid organizations regarding the intrinsic paradox between the pursuit of **social and commercial purposes**. On one hand, social enterprises address problems like social exclusion, healthcare access, education, or environmental issues (White et al., 2022), and on the other hand, these organizations must ensure profitability and the resources needed to support the operations. Pursuing a social mission while generating revenue is a constant tension (Engbring & Hajjar, 2022; W. K. Smith & Besharov, 2019) because economic survival is a core aim of the organization to sustain their operations and make the mission survive (Child, 2020; White et al., 2022).

The risk associated to this paradox is to focus more in one objective and jeopardize the other: prioritizing business to the detriment of the social mission causes the so-called "mission drift", failing to deliver the social impact they were supposed to (Al Taji & Bengo, 2019), or increasing attention to social welfare over commercial, may lead to decrease in economic returns or even financial failure (Ambos et al., 2020; Child, 2020; Civera et al., 2020; Engbring & Hajjar, 2022).

According to Ormiston & Seymour (2011), an important aspect of this tension is the alignment of mission, goals, and impact measurement, defining indicators that can truly

measure mission achievement rather than growth-related measures. Gonin (2013) mentioned that is critical how an organization define success across contradictory goals and how this success is evaluated in a context of competing metrics, because as suggested by Jay (2013), this tension becomes more complicated when a success in one goal is seen as a failure in the other one. Researchers advise that in the context of competing metrics, there is a preference for more quantifiable, clear, and short-term oriented metrics, which also threatens mission drift since business objectives, reflected in financial measurement, can become dominant over mission (Engbring & Hajjar, 2022; Ormiston & Seymour, 2011). Scholars suggest that in order to sustain conflicting goals over time and avoid losing focus on the social mission, organizations should intentionally establish reliable and effective specific metrics to measure social performance and be able to communicate them to stakeholders. (Al Taji & Bengo, 2019; Engbring & Hajjar, 2022; White et al., 2022).

Related to the social vs mission paradox, other performing tensions were identified in the literature:

Short-term vs long-term paradox is directly connected to the mission and profit. In the literature, short-term is associated with financial security and long-term with the social impact (Mogapi et al., 2019). For example, in the case of Digital Divide Data (DDD) mentioned by various authors, this social enterprise that provides job and train to disadvantaged people in Cambodia deal with this tension of investing on improving efficiency and meet immediate needs or invest in better services to improve beneficiaries' wellbeing over the long-term (Gonin et al., 2013). However, studies and practitioners have suggested that social and business goals can be mutually reinforcing, such that long-term success depends on taking both concerns into account, and by focusing on the short-term financial situation, the company can protect its future and thus generate long-term social benefits (Child, 2020; Gonin et al., 2013).

Ethical demands vs economic concerns was cited once and then was briefly mentioned by Child (2020) while studying why people within Fair Trade (FTSE) and Socially Responsible Investing organizations don't see their work as paradoxical. In their paper, they explored how some members of a social enterprise were able to reconcile the fact of accepting suppliers who were explicitly involved in questionable behavior without compromising the social mission; but the truth is that engaging in unethical practices can potentially compromise an organization's integrity and its ability to deliver impact (Pasricha et al., 2018). From using ethical sources for materials and supplies to monitoring compliance, all of the activities required to ensure that the supply chain includes fair and ethical practices often require additional investment, which is likely to increase the cost to the organization, and although this paradox was not explicitly mentioned in our review, the literature highlights the pressure to keep costs down (W. K. Smith & Besharov, 2019) while managing the social mission, which is also an ethical mission (Melnikova, 2020). Furthermore, moral values and high ethical standards are characteristics of leaders and employees working in this type of organizations (Pasricha et al., 2018), but this will be further explained in the next chapter "Leadership in Hybrid Organizations".

Social and commercial goals are not only opposed in their ends, but also in their means (Jones et al., 2021), since the manner in which the organization achieves these goals is different according to each logic. **The coexistence of different goals at the very roots of the organization has been recognized by some researchers as one of the main causes for the generation of other types of tensions**, such as organizing, belonging, and learning (Mafico et al., 2021), since different identities, goals and practices are confronted, creating tensions for leaders and organizations (Gonin et al., 2013). These paradoxical tensions will be explored in more detail below.

Organizing tensions

Hybrid organizations are often confronted with different and inconsistent structures, cultures, and practices at the core of the organization (W. K. Smith & Lewis, 2011). They face tensions in important decisions about central aspects of the organization that include conflicts over whom to hire, where to locate facilities, choices about resource allocation, organizational structure, and legal form (Gonin et al., 2013; B. N. Luo et al., 2020).

Inside this category we identified *customers vs beneficiaries, efficiency vs effectiveness, local vs global, competition vs collaboration* and *control vs autonomy.* It is important to highlight that, according to our understanding of the tensions, not all of them apply in all types of hybrid organizations and their emergence will depend on the business model adopted by each organization. As such, we classified the tensions as organizational, except for *control vs autonomy*, which was classified as individual level, following the logic explained in the "Paradoxes and Strategies existent in Leadership Literature" section.

Customers vs Beneficiaries is a common tension that arises when the market target of the social enterprise is different from the beneficiary group. We found this tension especially present in integrated models, such as WISEs and FTSEs, but may also occur in other types of models where the providers of economic resources to the enterprise are other actors, such as donors or grantors. Customers *(commercial logic)* are those who pay for the organization's products or services; they have preferences, demands and expectations about quality, value and functionality that should be met; and beneficiaries *(social logic)* are the individuals or communities for whom the social mission is intended; they may have needs and concerns that should be addressed by the SE. The tension stems from the divergent expectations and priorities of the two groups (Kannothra et al., 2017): as Battilana et al., (2015) note in discussing this tension in WISEs, activities that serve beneficiaries usually are not fully aligned with those that serve clients, and this is

particularly critical in a context of limited resources where the decision to focus on one more than the other may have significant opportunity costs, threating with mission drift.

In this categorization are also found the tensions related to hiring and selection criteria in employee as beneficiary models. Examples of the tensions are found in diverse cases, such as the case of 'Mescladis', a social enterprise that addresses the integration of migrants by providing them with training and jobs. The tension was salient as the customers perceived the service slow and unwelcoming, this in part because migrants don't master the language and their inability to communicate effectively made them appear impolite and uncaring about the customers, suggesting a lack of professionalism. This of course affects the image of the company, and then the possible sales in the future *(commercial logic)*, but at the same time the organization stayed in the point of never saying that they do not take someone because he is not qualified, as they want people development *(social logic)* (Longoni et al., 2019).

Within customers vs beneficiaries' tension, location facilities conflicts may also arise. Depending on the target group of beneficiaries and the business model adopted, the decision of where to place the offices could potentially influence the financial competitiveness and the social impact delivered by the hybrid organization, as showed in the cases of DDD (W. K. Smith & Besharov, 2019) and Mexican community forest enterprises (Engbring & Hajjar, 2022). Rural or urban locations could directly affect the access of beneficiaries to population centers, markets, and services, facilitating the accomplishment of the organization's mission *(social logic)*, but also could lead to challenges regarding productivity and then economic problems, being distant from markets and customers *(commercial logic)* (Gonin et al., 2013).

Other examples show the tension with beneficiaries from a "who to hire" perspective, which is not directly a client vs. beneficiary tension, but would be better described as an **Efficiency vs effectiveness tension**. The Digital Divide Data (DDD) case showed the paradox between hiring the best talent in Cambodia to deliver better services *(commercial logic)* or hiring the most disadvantaged to scale impact (social logic), and the tension between hiring senior managers from outside *(commercial logic)* or promoting staff development *(social logic)* with the risk of skills mismatch (W. K. Smith & Besharov, 2019).

We also refer to a similar tension in the highly cited case of microfinance by (Battilana & Dorado, 2010) where the paradox of hiring people with a background in social work or psychology *(social logic)* or highly skilled businesspeople *(commercial logic)* was experienced. This efficiency-effectiveness paradox was also found in the literature to be related to resource allocation decisions (Ismail & Johnson, 2019): DDD data faced tensions between operational efficiency *(commercial logic)* or reaching more disadvantaged people *(social logic)*, and the decision to invest in more scholarships for beneficiaries *(social mission)* or growth *(commercial logic)* (W. K. Smith & Besharov, 2019); Mexican community forest enterprises faced tensions in benefit distribution, deciding whether to invest in the enterprise according to a logic of future growth *(commercial logic)*, but that would mean depriving members of shorter-term investments in community services *(social logic)* (Engbring & Hajjar, 2022); and Mescladis experienced conflicts regarding accepting more trainees and thus enlarging the number of beneficiaries *(social logic)* or slowing down the service, efficiency of the operations, therefore diminishing potential sales and opportunity to growth *(commercial logic)* (Longoni et al., 2019).

Local vs global tension has been cited by Ambos et al. (2020) in his study of a *multinational* hybrid organization. The local dimension refers to the specific context in which the organization operates, in which the focus are the dynamics of the local communities,

stakeholders and regulatory frameworks, while the global one refers to a wider landscape with a larger global network. According to Ambos et al. (2020), this tension is not exclusive to hybrid organizations and has been the subject of research for years because it is an essential part of the strategy of multinational organizations. From their perspective, in hybrid organizations this tension manifests in the interaction between HQ and its subsidiaries, explaining how they arise from the need to adapt and balance the local strategy with global standardization, and from the coordination of activities across the different units and subsidiaries, working to achieve global objectives while at the same time pursuing their own local objectives, without losing focus of the social mission. Others have also described the tension between the local needs and the global demands (Gonin et al., 2013), or international clients and local communities (Kannothra et al., 2017).

Competition vs Collaboration refers to the tension in hybrids' strategy of cooperating with external stakeholders, mainly with peer organizations, to achieve common goals in order to maximize social impact *(social logic)*, versus competing with them to pursue their individual objectives *(commercial logic)*. This tension has been mentioned by White et al. (2022) and Ismail & Johnson (2019) describing how social enterprises can engage in collaboration with others to develop capacity, reliability, and legitimacy, and yet compete with the same organizations for funds, talent, market share, and other resources (Prabhu, 1999), thereby affecting mutual trust and risking undermining social capital and value.

The tension between **Control and autonomy** is present in the decision-making processes and practices of hybrid organizations. As demonstrated in the case of Mexican community forest social enterprises, this tension was evident in leaders who faced paradoxes related to governance: on the one hand, they should pursue faster, more rational, and efficient decisions taken in a centralized and controlled process by leaders *(commercial logic)*, but at the same time, they should ensure a deliberative, participatory,

shared and transparent decision-making process involving the community *(social logic)* (Engbring & Hajjar, 2022).

Belonging tensions

As explained previously, belonging tensions are related to identity concerns (W. K. Smith & Lewis, 2011). In effect, the definition of "who we are" and "what we do" has been widely cited as a key component in the development of a social enterprise, and as a source of paradoxical tension. Within this category, we identified *mission vs social identities* and *private vs personal lives*, both of which were grouped as leadership tensions, with the first also included in organizational. We classified private vs personal lives tension inside the category of belonging because it is related to the leader's sense of meaning with respect to the social mission.

Mission vs commercial identities, as explained by Gonin et al. (2013) and Ismail & Johnson (2019), can create conflicts among leaders and employees of social enterprises, both individually and collectively, leading to the creation of subgroups based on personal affiliation or identification with one goal over the other, resulting in internal conflict. An example of this tension was found in the case study of HQ-subsidiary relationships in the context of a Latin American multinational, where tensions related to culture and mindset as a for-profit company vs. NGO arose as the subsidiary manager and team members had different perceptions of the organization's purpose, with some prioritizing social benefit over commercial goals (Ambos et al., 2020). Cornelissen (2021), in his research on the formation of hybrid identities in social enterprises, explains the importance of having a clear identity and suggests that before the social enterprise reaches a sustainable level of development and growth, its hybrid identity may collapse due to internal and external pressures that pull the organization to move in separate directions, potentially

weakening its collective identity and its ability to work together toward the common dual mission.

Private vs professional lives tension was reviewed by De Mon et al. (2022) when they interviewed 23 social entrepreneurs to explore the various tensions present in their daily business activities. They recognized that this tension is not limited to social entrepreneurs, but it was found to be more intense for them. Social enterprises often require considerable time and effort, and leaders may be motivated by a deep sense of meaning, purpose, and commitment to the social mission, resulting in long working hours, unpredictable schedules, and heavy workloads that can limit the time available for personal and family activities. According to the article, the passion for their work can override the importance placed on other aspects of life (relationships, health, etc.), resulting *"in a situation where the entrepreneur feels happier at work than at home, and on many occasions, they do not hesitate to jeopardize their personal relationships for the sake of the company"*.

Learning tensions

Tensions of learning emerge from the juxtaposition of multiple time horizons, as organizations strive for growth, scale, and flexibility over the long-term, while also seeking stability in the short-term (Smith & Lewis, 2011). In the literature of hybrid organizations, we identified *Exploration vs exploitation* and was categorized at the organizational level.

Exploration vs exploitation tension has been explained as the paradox of utilizing existing competencies while simultaneously seeking new ones, as reported by Maine et al. (2022). In their case study examining Swedish municipal housing corporations, they argued that this tension is inherent in the pursuit of sustainability in hybrid organizations because they must explore new opportunities and simultaneously exploit existing

competencies in order to fulfill their dual mission. The paradox arises because whereas exploitation, which involves the efficient use of competencies and resources for sustainability, can provide stability and efficiency to meet financial goals *(commercial logic)*, exploration can foster innovation and produce novel and possibly more effective concepts, capabilities, and competencies for social impact *(social logic)*.

Similar paradoxes were found in the literature as culture vs innovation (de Mon et al., 2022) and stability vs change (Gonin et al., 2013). We decided to group them in exploration vs exploitation because both are related with the tension of maintaining the roots, ideas and the culture of the organization and the need for change, adaptation, and innovation.

3.3.2.3. Sensemaking

The literature on managing paradoxes in hybrids suggests that it is important for leaders to have a clear *meaning* and *sense* of dual mission when dealing with paradoxical situations, as it shapes the foundations of their understanding of the *identity* of the social enterprise as a whole (Cornelissen et al., 2021). This approach, called **"sensemaking"**, consists in processes of interpreting and reinterpreting identity meaning and experimenting with different practices (Gonin et al., 2013; Ismail & Johnson, 2019; Jay, 2013; W. K. Smith & Besharov, 2019). As conceptualized by (Cornelissen et al., 2021), the leader should re-key the view of the organization into an integrative hybrid understanding to support the process of sensemaking, which will allow members to combine different values into the organization's identity.

The paradox is illustrated in the case study of DDD, in which Smith & Besharov (2019) studied how this organization was able to sustain hybridity through what they called "structured flexibility", referring to the interaction of stability in the commitments and adaptation to meanings and practices. In their study, they proposed a model based on

stable features such as paradoxical frames and guardrails in the process of adaptation and transformation to develop novel approaches to ongoing tensions. From one side, they referred to paradoxical frames as the cognitive understanding of the contradiction and complementarity of the two elements of the social and mission objectives, rather than considering them as mutually exclusive, it considers them as both conflicting and in cooperation; while guardrails referenced to the formal structures used to establish boundaries and constraints within which the organization can operate while still maintaining its hybridity, avoiding mission drift (Cornelissen et al., 2021).

From the findings collected after conducting a study in 45 social enterprises, Child (2020) proposed that sensemaking cannot just help sense-makers to deal with paradoxes, but that may help to frame potentially paradoxical conditions as in fact not paradoxical. According to their model (figure 27), the mere existence of a paradox can triggers sensemaking, leading members to rethink their practices and innovate new ways of reconciling what might have at first seemed irreconcilable through the following practices: 1) developing a sense of the big picture, 2) engaging with the paradoxical conditions and 3) making comparisons to ease the paradoxical strain.
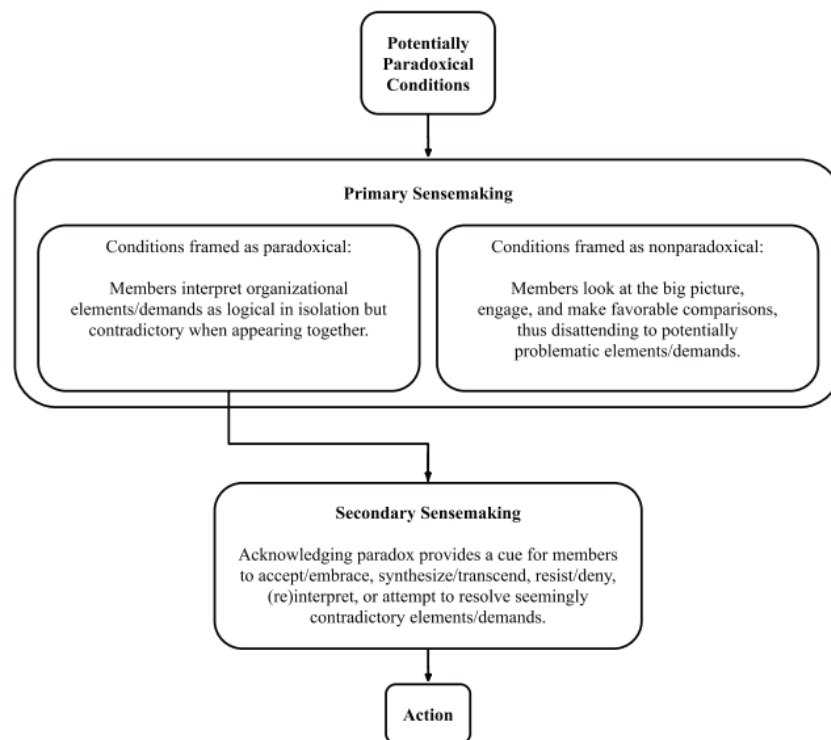
Figure 27. Model of Sensemaking (Child, 2020)

Other studies have mentioned how sensemaking help to handle with paradox in hybrids:

- Making sense of paradoxical outcomes allows agents to deal with the definition of success and navigate ambiguity to take action, which triggers the generation of innovative solutions to complex problems. (Jay, 2013)

- Making sense of leaders' dual goals by integrating personal values with business strategies: *altruism and ambition*. (Reynolds & Holt, 2021)

- Making sense of maneuvering between market and mission logics to develop *ambidextrous sustainability* (Maine et al., 2022).

The term "ambidextrous sustainability" was mentioned by Maine et al. (2022) as the ability to manage the tension between exploration and exploitation in hybrid organizations. In their qualitative study, they found that this ability has a positive

relationship with social performance and a small but still positive relationship with financial performance, but this last one resulted to be dependent on the organizational structure of the organization (the more informal structures and the higher level of centralization, lower financial performance), suggesting that organizations that are able to manage the tension between exploration and exploitation are more likely to achieve dual goals, but it is necessary to consider the organizational structure.

3.3.2.4. Strategies for managing tensions in Hybrid Organizations

Hybrid organizations and leaders experience paradoxical tensions all the time because of the environment in which they operate in, however these tensions can be responded to in different ways. The literature provides different responses, strategies and approaches used for dealing with paradoxical tensions in hybrids, but a common highlight is the importance of accepting and embracing the paradox and allow inconsistencies to exist (Ambos et al., 2020; Michaud & Audebrand, 2019; Mogapi et al., 2019); which can result on creative and beneficial alternatives for dealing with it (W. K. Smith et al., 2012).

Acceptance is an essential stage because, as recalled by Kannothra et al. (2017), Ismail & Johnson (2019) and Mason & Doherty (2016), addressing paradoxes may be an iterative and continuous process: paradoxical tensions may not be resolved completely, and therefore may be constantly present, remaining as an ongoing concern for social entrepreneurs, shifting and resurfacing as time goes on and processes change (Jay, 2013). Some authors proposed that, as leaders cannot eliminate and solve the tensions, they should instead "navigate them" (Jay, 2013; W. K. Smith & Besharov, 2019), and to do so, they should rely on paradoxical mindset (Ismail & Johnson, 2019).

Luo et al. (2020), recalling Hahn, 2018 and Livonen, 2018, categorized responses to paradoxical tensions as proactive and defensive. Proactive responses are defined as the ones that acknowledged the existence of paradoxes and the correlation between elements

(Lewis & Smith, 2014), considering that is feasible to achieve multiple goals at the same time and makes fundamental changes to achieve it, such as differentiation (spatial and temporal separation), also called compartmentalization, and integration; while defensive strategies are those that deny or ignore the existence of contradictions, divert or eliminate and maintain the existing patterns. Within this category are splitting, projection, repression, reaction formation, and ambivalence (Lewis, 2000).

Examples of some strategies were found in our review:

- Spatial differentiation: also found in the literature as "decoupling", is the separation of economic and social logic, and by doing so, they become compatible (Civera et al., 2020; de Mon et al., 2022). The classical example is having two separate units within the SE, each one with a different mission as in the case of Korean Social Enterprises that introduced a new business to manage the tension (Park, 2020), and the case of WISEs mitigating the negative relationship between social imprinting and economic productivity by assigning responsibility for social and economic activities to distinct groups (Battilana et al., 2015). Other example is having a separated governance structure of two separate boards with experience in social and financial sectors respectively (Civera et al., 2020).

- Temporal separation: also called "selective decoupling", is the strategy most adopted by hybrids while dealing with paradoxes and consists in the selection of components of both social and commercial logic in a specific moment and context (Civera et al., 2020; de Mon et al., 2022). This strategy was used by Digital Divide Data when emphasizing on one mission, alternating the organizational identity presented to different stakeholder groups (Gonin et al., 2013)

- Integration: combining and reconciling through synergies. Some examples are the inclusion of external members into the decision-making structure of the cooperative

(Michaud & Audebrand, 2019), balancing boards with hybrid, social and commercial skills (Mason & Doherty, 2016), cross-bracing activities (Ciambotti et al., 2023), "spaces of negotiation" (Civera et al., 2020), and compromising (de Mon et al., 2022),

Studies suggests that proactive strategies could help sustain competing logics, leading to tension mitigation (Gonin et al., 2013; Kimakwa et al., 2023; B. N. Luo et al., 2020; W. K. Smith & Lewis, 2011), while defensive ones, as denying or ignoring, could initially decreases anxiety and discomfort, but ultimately intensify the paradoxical tensions, producing inaction, internal conflict and even mission drift (Jay, 2013).

Up next, the mentions found to proactive strategies in hybrid organizations literature:

Strategy	Terms used	References
Acceptance	Accepting, appropriation, acceptance, embrace	(Ambos et al., 2020; Cherrier et al., 2018; Kimakwa et al., 2023; Michaud & Audebrand, 2019; W. K. Smith & Lewis, 2011)
Spatial Separation	Differentiation, compartmentalization, spatial separation, decoupling	(Smith & Lewis, 2011). (Kimakwa et al., 2023) (Michaud & Audebrand, 2019) (Cherrier et al., 2018) (Gonin et al., 2013) (Civera et al., 2020) (de Mon et al., 2022)

Temporal Separation	Differentiation, compartmentalization, temporal separation, selective coupling	(Cherrier et al., 2018; Civera et al., 2020; de Mon et al., 2022; Gonin et al., 2013; Kimakwa et al., 2023; Michaud & Audebrand, 2019; W. K. Smith & Lewis, 2011)
Synthesis	Synthesis, Integration, Working-through, Cross-bracing, Integrate, compromising	(Ambos et al., 2020; Cherrier et al., 2018; Ciambotti et al., 2023; Civera et al., 2020; Kimakwa et al., 2023; Longoni et al., 2019; Michaud & Audebrand, 2019; Schneider & Clauß, 2020; W. K. Smith & Lewis, 2011)

Table 5. Strategies for managing tensions in Hybrid Organizations

In addition to the strategies, there are some success factors mentioned in the literature that helps in balancing financial and social aims in hybrid organizations, such as internal and external communication practices (Civera et al., 2020; Park, 2020), trust building, relationships, moral legitimacy (Ismail & Johnson, 2019), governance, power management (Longoni et al., 2019), values alignment (Mogapi et al., 2019) (Ismail & Johnson, 2019), clear market orientation, coherent organizational culture, and **in particular, engaged leadership** (Newman et al., 2018).

3.3.3. Leadership in Hybrid Organizations

3.3.3.1. *Leader in the Hybrid Organization: Social Entrepreneur*

"Good leadership is vital given the complex and dynamic third sector environment. While many of the qualities required of leaders in the third sector are similar to those leading in other sectors, there are distinct skills and behaviors needed to be successful in the sector as a result of its multiple stakeholder relationships and challenges that are qualitatively different from the public and private sectors" (Hopkins, 2010)

It is well known that leadership is critical for organizational success (Newman et al., 2018), especially in the context of a social enterprise where there are multiple goals, simultaneous institutional pressures and different stakeholders' groups to be accountable for (Mason & Doherty, 2016). As stated by Smith et al., (2012), social enterprises' leaders face several challenges: they must maintain commitments to both their social mission and their business plan, and they must effectively manage internal conflict between these two sides of the organization. Performance of a social enterprise is highly dependent on the behaviors and activities of social entrepreneurs as they play a key role in managing tensions by bringing people together across perspectives, negotiating (Ismail & Johnson, 2019), and guiding the organization towards better strategies for paradox management, for instance embracing, rather than resisting or rejecting competing demands (W. K. Smith et al., 2012).

In our review, we found that the leader of a social enterprise is referred to as the "social entrepreneur" and has been studied by various authors to find the differences between them and the traditional one. Some authors sustain that even if they share many characteristics, they are distinct to commercial ones mainly by their ethical purpose and social concerns (Lambrechts et al., 2020). Apart from the skills needed to build strong social networks to articulate the social mission (Smith et al., 2012) and integrating market

pressures and stakeholders demands with values and vision of the social mission (Cherrier et al., 2018) they still need business skills (Newman et al., 2018).

Some authors stated that social entrepreneurs tend to have a "prosocial personality orientation", which is a feeling and a concern for others (Kimakwa et al., 2023; Lambrechts et al., 2020); this personality is linked to traits, some also mentioned by other authors, as empathy (Hodges & Howieson, 2017; Prabhu, 1999; Thorgren & Omorede, 2015), altruism, (Cherrier et al., 2018; Thorgren & Omorede, 2015) compassion, passion for social justice, strong ethical standards and deep sense of moral responsibility. Other traits recalled in the literature are resilience (Hodges & Howieson, 2017; Prabhu, 1999), creativity and innovation (Jay, 2013; Melnikova, 2020; Prabhu, 1999), humility (Roundy & Lyons, 2022), communication (Hodges & Howieson, 2017), networking and self-confidence (Melnikova, 2020). In a study done in benefit corporations and nonprofits a sample of executives, managers and supervisors rated integrity, trust, effectiveness, and accountability as the most important leadership values in their context (Miller-Stevens et al., 2018).

Cognitive capacities (Cherrier et al., 2018), self-direction and entrepreneurship orientation (Thorgren & Omorede, 2015) are mentioned as necessary business skills; while cognitive and behavioral complexity, emotion regulation and consistent behavior are cited as required to navigate paradoxes (W. K. Smith & Lewis, 2011). We also found some apparent contradictions in some traits: empathy may be directly opposed to achievement and performance, but entrepreneurs that are not driven by an empathic attitude tend to focus more on economic value creation and hence drifted away from the social mission (Lambrechts et al., 2020); and humility, on one hand may make better leaders, but could produce negative outcomes depending on followers' perceptions of

self-capabilities and perceptions on the authenticity of leaders' humility (Roundy & Lyons, 2022), but this is still an area that would need more research.

3.3.3.2. Leadership models in Hybrid Organizations

Even if it is recognized the importance of leadership in hybrid organizations, research in leadership models and styles in this organizational form is still at a young stage: from our review, only 6 articles directly addressed the topic, with the oldest study dating back to 2018. The styles reviewed were: Ethical leadership (2), Servant leadership (2), Passionate leadership (1) and one study about combination of different styles (cognitive, exemplary, entrepreneurial, and structural leadership).

Ethical leadership has been studied by Pasricha in two studies of 2018. According to Brown et al., 2005 cited by Pasricha & Rao, is *"the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement and decision making"*. From its definition, ethical leaders base their decision-making on altruism and concern for others, leading followers to a deeper awareness of their impact on individuals inside and outside the organization and creating more responsible interactions and relationships among different stakeholders.

Ethical leadership is the most predominant leadership style related to social responsibility and has been studied in empirical research to test how it influences employees, showing beneficial results such as moral identity, organizational commitment, job satisfaction, ethical decision making, and prosocial behavior, as well as having a positive influence on CSR practices (Pasricha et al., 2018). However, in the context of hybrids, Pasricha & Rao (2018) proposed that it can influence social innovation, and indeed they found a positive relationship between them with the mediating role of social capital. When employees perceive their leaders to be ethical, they are more willing

to trust and cooperate with them, leading to the development of a supportive and innovative work environment (social capital), which can encourage employees to engage in social innovation and develop new products and services to create social change. According to both of Pasricha's studies, leaders who provide moral direction to the organization and ensure that the social mission stands by steering the organization in the right direction can help prevent mission drift and ensure long-term sustainability, but these long-run effects should be the subject of further study.

In a study made by Newman et al. (2018) was studied the influence of two distinct leadership styles in hybrid organizations: Servant leadership and entrepreneurial leadership. **Servant leadership** is described as a style in which *"the leader is effectively a first among equals"*, emphasizing the leader's role as a servant who prioritizes followers' needs over their own. In contrast, entrepreneurial leadership emphasizes innovation, risk-taking, and the seeking of new opportunities. In his study, servant leadership was positively related to followers' organizational commitment, while entrepreneurial leadership was positively related to followers' innovative behavior, both important in social enterprises. The conclusions of the study suggest that these styles are not mutually exclusive and can be adopted to exploit its positive outcomes according to the group of followers and situation handled. The other research about servant leadership was realized by Kimakwa et al. (2023), in his conceptual study was proposed that servant leadership is suitable for social enterprises, as it is flexible to accommodate the requirements of a dynamic environment and to multiple stakeholders, managing paradoxical types of decisions. Also, it is said that servant leadership may affect social venture performance thanks to employee flourishing regarding work meaningfulness, well-being and job engagement.

Thorgren & Omorede (2015) in their quantitative study in African social enterprises suggest that **passionate leadership** can help create social value by motivating employees and strengthening organizational power, making stakeholders trust the organization, and generating interest from potential partners, investors, and customers, which can help the organization grow and achieve its social goals; and Biedenkopf et al. (2019) study four leadership types based on environmental leadership: **cognitive, exemplary, entrepreneurial, and structural**. They argue that each type describes a different mechanism for engaging followers and propose that different stakeholder groups are susceptible to different (combinations of) leadership types, with some being more suitable than others depending on the specific relationship between the leader and the follower group.

As a general overview, we see that according to these studies, leadership styles applied in hybrid organizations may be a dynamic process that could be situational depending on the target of the stakeholder group and the results desired by the leaders. However, while prosocial leadership styles such as ethical, servant, and passionate are not new and are specifically studied in the nonprofit leadership literature, and other styles such as transformational or transactional have been the focus of traditional leadership, in our review of the literature we didn't find much empirical support for these theories and their outcomes in social enterprises. Even though these styles have not been explored, we identify a deficit of studies in a style that may be critical to sustaining the essence of hybrid organizations: Paradoxical leadership.

4. Theoretical Framework

Theoretical Framework: Paradoxes and strategies in leadership for hybrid organizations

To answer the research questions "What are the leadership paradoxes of hybrid organizations?" and "Which are the leadership strategies facing paradoxes?" we developed three inquiries through a systematic literature review, (1) paradoxes and strategies existent in leadership literature, (2) Paradoxes and strategies existent in hybrid organizations literature and (3) leadership in hybrid organizations; here we propose a theoretical framework of paradoxes and strategies in leadership of Hybrid organizations (figure 28), followed by its explanation:
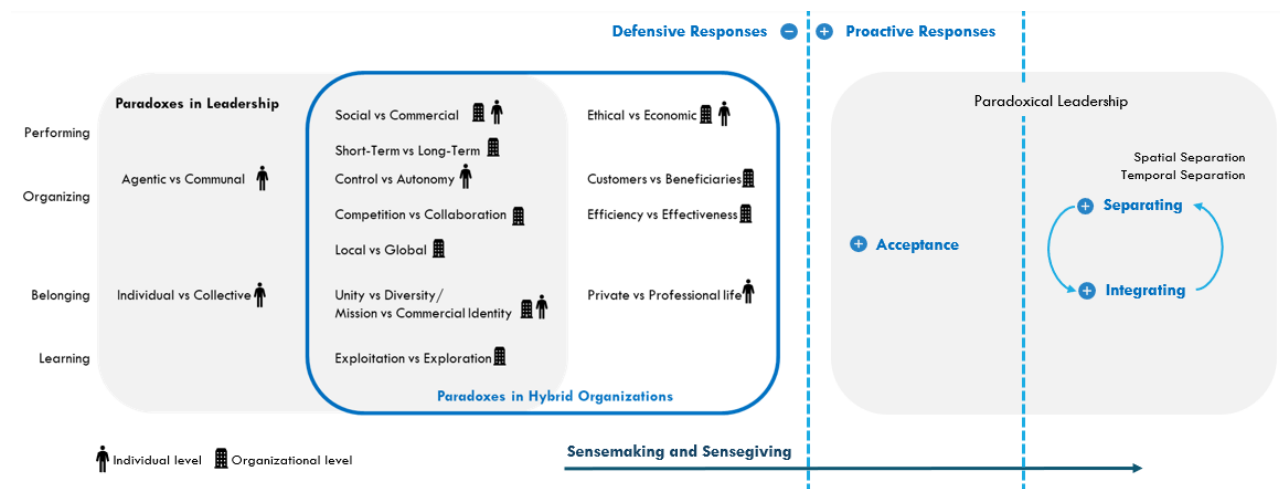

Figure 28. Theoretical framework of paradoxes and strategies in leadership of Hybrid organizations

Dichotomizing tendency is extensive and embedded in leadership studies, for example born/made leader, transformational/ transactional, autocratic/participative, theory X/theory Y and much of the management and organization literature tends to use

conceptual dichotomies such as centralized/decentralized, organic/mechanistic, formal/informal, autonomy/interdependence, tight/lose, change/stability and control/resistance (Collinson, 2014). Among dichotomy concepts examining relationships between two opposing elements there is paradoxes; paradoxes and paradoxical tensions seem to be interchangeable terms in the literature, especially after Smith & Lewis proposed the 'paradox lens' perspective to understand and explain inherent contradictions and tensions that exist in complex systems, they define paradoxical tensions as **"contradictory yet interrelated elements embedded in organizing process that persist because of organizational complexity and adaptation."**

Among other categorization of paradoxes such as the four key paradoxes of (Waldman & Bowen, 2016), the paradoxes when leading to innovation of (Hunter et al., 2011), the generative and focusing modes of (Buijs, 2007), virtuality paradoxes of (Purvanova & Kenda, 2018), the four emerging paradoxes of leadership of Angolan organizations (Cunha et al., 2019), and the five dimensions of paradoxical leader behavior of (Zhang et al., 2015), we decided to use the widely mentioned **categorization of organizational tensions** of (W. K. Smith & Lewis, 2011). The four categories, represent core activities and elements of organizations: **performing,** related to performance and goals achievement; **organizing,** raised in the organizational structure and processes**; belonging**, related to the social dynamics and relationships within organizations; and **learning**, related to knowledge acquisition within organizations; paradoxical tensions operate between as well as within these categories.

Recent research suggest leadership effectiveness is more closely associated with versatile, agile, and ambidextrous practices that require a capacity to deal with uncertainty, unpredictability, paradox, simultaneity, and ambiguity (Collinson, 2014). Adopting paradoxical lens to manage organizations has been recognized to be at the core of

leadership, leaders must articulate mutually constituting demands of organizations as well as other contrasting demands intrinsic to the leader role, therefore authors give conceptual support of paradox as intrinsic to leadership and to organization (Collinson, 2014; Cunha et al., 2019; Julmi, 2021; Pearce et al., 2019; W. K. Smith & Lewis, 2011); and considering this, we categorized paradoxes at **organizational-level, individual level** or both in our proposed framework.

4.1. Hybrid Organization Paradoxes in Leadership

Taking leadership literature of paradox theory as the theoretical base when looking for paradoxes, eleven paradoxical tensions emerged for hybrid organizations, seven paradoxes emerged in both inquiries (leadership and hybrid organizations literature), and four paradoxical tensions emerged particularly for the context of hybrid organizations.

However, although hybrid organizations may experiment common paradoxes to leadership literature, those slightly differ in the way they are salient for leadership as simultaneous social and commercial goals drive performing, organizing, belonging, and learning paradoxical tensions (figure 29).
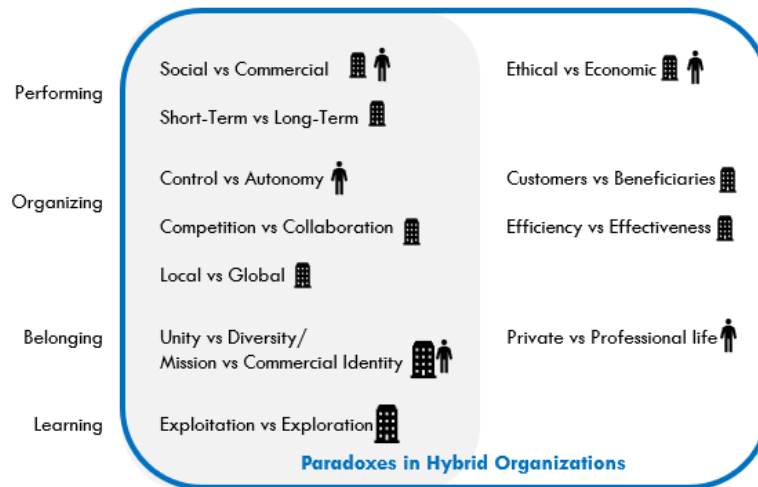
Figure 29. Theoretical framework – Paradoxes in Hybrid organizations

Performing tensions of *short-term vs Long-term* and *social vs commercial* were present in leadership literature and in hybrid organizations literature.

Social vs commercial paradox, initially was associated with reasons why pursuing corporate social responsibility initiatives where performance depends on *financial and social goals* (W. K. Smith & Lewis, 2011) or from the individual-level, leading for *purpose* with a passion-oriented approach, versus leading for *performance* employing measures in order to secure a system of coordinated action (Henriksen et al., 2021); however, in the context of hybrid organizations this is the most prominent tension regarding the intrinsic paradox between the pursuit of *social and commercial purposes,* (Al Taji & Bengo, 2019; de Mon et al., 2022; B. N. Luo et al., 2020; Ormiston & Seymour, 2011; White et al., 2022). Coexistence of different social and commercial goals at the very roots of the organization has been recognized by some researchers as one of the main generation sources for other types of performing, organizing, belonging, and learning tensions (Mafico et al., 2021) since different identities, goals, processes and practices are confronted, creating tensions for leaders and organizations (Gonin et al., 2013).

Short-term vs Long-Term reflect the dynamic nature of organizational environments, being reactive to demands in the present while simultaneously being proactive about the need for broad or sweeping change in the future (Waldman & Bowen, 2016), short-term vs long-term paradox was briefly mentioned in (Collings et al., 2021; Cunha et al., 2019; Dhar, 2022; Guarana & Hernandez, 2015; Y. Luo & Zheng, 2016; Zhang & Han, 2019) and also present in hybrid organizations articles that specifically evidenced how *short-term* is associated with financial security and *long-term* with social impact (Child, 2020; Gonin et al., 2013; Mogapi et al., 2019).

Organizing tensions that arose in the intersection were *control vs autonomy*, *competition vs collaboration* and *local vs global.*

Control vs autonomy was categorized as individual-related tension, leaders use authority in decision-making to ensure work outcomes while simultaneously give followers appropriate autonomy (Li et al., 2018), also briefly mentioned as loose-tight principle (Blair & Payne, 2000; Guo et al., 2020) and centralizing-empowering (Cunha et al., 2019; Hunter et al., 2011; Kearney et al., 2019). The tension is present in processes and practices of hybrid organizations, on the one hand, they should pursue faster, more rational, and efficient decisions taken in a centralized and controlled process by leaders *(commercial)*, but at the same time, they should ensure a deliberative, participatory, shared, and transparent decision-making process in(Engbring & Hajjar, 2022)*cial)* (Engbring & Hajjar, 2022).

Competition vs collaboration tension was categorized in the organizational level as organizations compete for power and resources with many other organizations, but they must also cooperate with many of the same organizations to obtain necessary resources to be successful (Blair & Payne, 2000). Generally, in the context of traditional enterprises the ultimate objective of compete and collaborate is always the same: work for profit and

greater (financial) resources; but in the case of hybrids organizations, collaboration with external stakeholders and peers is focused in achieving common goals to maximize social impact (Prabhu, 1999).

Local vs global tension has been studied by international management and global leadership scholars, and fewer have approached it as a paradox (Henriksen et al., 2021) but was briefly mentioned in the articles (Guarana & Hernandez, 2015; Y. Luo & Zheng, 2016). It is classified into the organizational level category and refers to the need of adaptation and matching of the local strategies with global objectives within organizations; we infer that this tension could be present without being strongly salient in traditional multinational companies because of the preeminence of the financial objective and therefore alignment may not result paradoxical, but in the case of hybrids pursuing both local and global objectives and strategies may significate the risk of losing the focus on communities and impact in the local perspective (Kannothra et al., 2017).

Belonging tension of **Unity vs Diversity** is the paradox in terms of workforce characteristics as organizations search uniformity and alignment on the organizational culture, but also promote diverse perspectives and contributions (Hu et al., 2020); among hybrid organizations this paradox was identified to be related to the **mission vs commercial identity** tension, also driven by uniformity and alignment on its collective identity responding to diverse social and commercial logics, the tension arise as individuals and collectives drawn to the creation of subgroups based on affiliation with one goal over the other (Gonin et al., 2013).

Learning paradoxical tension mentioned both on leadership and hybrid organizations literature was **Exploration vs exploitation,** which is the most cited tension in the leadership literature (Cunha et al., 2019; Es-Sajjade et al., 2021; Guarana & Hernandez, 2015; Y. Luo & Zheng, 2016)**.** Is considered to be present in the organizational level and

refers to the opposite demands of exploring new options to gain new knowledge and exploiting existing one to maximize short-term rewards. Exploitation is related to incremental innovation, efficiency, and continuous improvements, while exploration is rooted on radical innovation, experiments and research (Lewis et al., 2014; W. K. Smith et al., 2010). In hybrid organizations, exploitation can provide stability and efficiency to meet financial goals *(commercial logic)* and exploration can foster innovation and produce more effective resources for social impact *(social logic)*.

Four paradoxes have emerged particularly and exclusively in hybrid organizations: *Ethical vs economic, customers vs beneficiaries, efficiency vs effectiveness*, *and private vs professional life*. As explained in the findings chapter of the systematic literature review: **ethical demands vs economic concerns** arise from the pressure to keep costs down (W. K. Smith & Besharov, 2019) while aiming high ethical standards and moral values associated with costly managerial decisions, **customers vs beneficiaries** are mostly present in integrated models[11] when the market target of the social enterprise is different from beneficiary group (Battilana et al., 2015), **efficiency vs effectiveness** paradox surface when social and commercial logics collide in resource allocation decisions, precisely when hiring (Ismail & Johnson, 2019)**, and **private vs professional lives** tension that arise for leaders as the passion for their work overrides the importance on other aspects of life (de Mon et al., 2022).

This particularly plural, scarce, and unpredictable environment of hybrid organizations render also their paradoxical tensions particular, as explained by (W. K. Smith & Lewis,

---

[11] WISE (Work Integration Social Enterprise), FTSE (Fair Trade Social Enterprise)

2011) paradoxical tensions can be latent or salient: **latent tensions** exist between a system but are dormant, unperceived or ignored until environmental factors (plurality, change and scarcity) or cognitive efforts accentuate their contradictory nature; in contrast, **salient tensions** are those that become experienced when contradictory and inconsistent nature of the tensions become apparent to organizational actors. Hence, in the case of hybrid organizations, latent tensions from traditional organizations become salient under the hybrid environment, for example even thou *private vs professional life* tension is not limited to social entrepreneurs, is more intense (*salient*) for them as leaders are motivated by a deep sense of meaning, purpose, and commitment (de Mon et al., 2022).

Although hybrid organization literature is a growing area of research is definitely young compared to leadership literature, examining the paradoxes found in leadership literature but not in hybrid organizations literature, we can deduce that paradoxical tensions have not yet been studied at the individual level, but the focus have been mainly on the organizational one, possibly because of the peculiarity of the organizational form that made organizational tensions predominate over individual, drawing all the attention for academics and practitioners. In hybrid organizations, the **Agentic vs. communal** tension may be less pronounced because communal styles such as servant leadership, ethical leadership, and passionate leadership seem to be prevalent in the leadership of hybrids, as seen in the "Leadership Models in Hybrid Organization" chapter; and **Individual vs. collective** may not be a salient tension in hybrids, given that the organization's leaders, employees, and members are generally community-oriented, motivated by purpose, philanthropy, high standards, and the search for the common good, so their collective identity is perhaps markedly stronger than their individual one.

4.2. Defensive and Proactive Responses

In the plural, scarce and unpredictable environment of hybrids, organizations and leaders experiment paradoxical tensions and while paradox can be a motivation for change, can also be inhibiting, paradox can produce anxiety and defensive responses at individual and organization levels like repression, avoidance, denial and even mission drift (Guarana & Hernandez, 2015; Jay, 2013; Peters, 2012; W. K. Smith & Lewis, 2011; Watson, 2013). As noted by some authors (Ambos et al., 2020; B. N. Luo et al., 2020) responses can be categorized as **proactive or defensive**, defensive responses involves actors who often deny or ignore the existence of contradiction while proactive responses involve acknowledging the existence of paradoxes and correlation among their poles. However, even these proactive responses do not aim to solve completely the paradoxical tensions because, as some authors mentioned, paradoxes are not to be resolved but "navigated" (Jay, 2013; McCarthy et al., 2005; W. K. Smith & Besharov, 2019) and is **acceptance** the first proactive response towards managing paradoxes. Some authors had emphasized this idea: Purvanova & Kenda (2018) mentions 'perception' as the first step towards developing synergistic style, W. K. Smith & Lewis (2011) propose the 'virtuous cycles' where awareness of tensions triggers a management strategy of acceptance rather than defensiveness, and W. K. Smith et al. (2012) proposed three meta-skills that enable social entrepreneurs to embrace paradox. These strategies were mentioned equally in leadership literature and in the literature on hybrid organizations, indicating that there are no particular approaches for managing tensions in different types or organizations.

Our proposal adopts the "dynamic equilibrium model" proposed by W. K. Smith & Lewis (2011), considering that is not just one strategy the one that should be adopted, but the iterative shift between differentiating and integrating which may lead to a more effective paradox management.

4.3. Role of Sensemaking and Sensegiving in navigating paradoxes

Continuing with our framework, Sensemaking and Sensegiving processes go along with navigating paradoxes, making them salient and guiding organizations and actors trough proactive strategies. As noted before, paradoxical tensions may exist in the environment but remain unrecognized by organizational actors, that is to say paradoxical tension remain latent, however, as organizational actors develop a shared understanding of the paradoxical nature of these tensions, these become salient.

Key aspect of how actors recognize and understand paradoxical tensions is referred in the literature as **Sensemaking,** "the cognitive process through which individuals and groups interpret and make sense of complex and ambiguous situations or phenomena" (Knight & Paroutis, 2017), making sense involves creating meaning, understanding and coherence out of the information and experiences available; even though the mere existence of a paradox can trigger sensemaking in all organizational actors (Child, 2020; Guarana & Hernandez, 2015), some authors have supported the role of the leader in making these tensions salient to others shaping the interpretive context through their actions and communication (Cornelissen et al., 2021; Guarana & Hernandez, 2015; Knight & Paroutis, 2017; Sparr et al., 2022), this is also referred in the literature as **Sensegiving,** "the process of attempting to influence the sensemaking and meaning construction of others towards a preferred redefinition of organizational reality" (Benbenisty & Luria, 2021), for example on their case study of pacification duties of Defense forces in Israel leaders would frame the paradox in terms of individual values pointing that a suspect is somebody's father, mother, grandmother, or brother, emphasizing their humanity conveying meaning through value added language. Sensemaking and Sensegiving are

enablers for organizations and leaders to understand and share meaning and identity, thus making paradoxical tensions salient and facilitating the adaptation of proactive strategies to navigate paradoxical tensions.

4.4. Proactive Strategies

Literature proposes two types of proactive strategies, *separation and integration*, these strategies involve engaging with paradoxes and embracing contradictions thus leading to tension mitigation (Gonin et al., 2013; Kimakwa et al., 2023; B. N. Luo et al., 2020; W. K. Smith & Lewis, 2011). Separation and integration strategies are not mutually exclusive, and individuals and organizations may shift between them, the key is to balance and ensure simultaneous attention to the paradoxical tensions (W. K. Smith & Lewis, 2011).

Separation strategies include spatial and temporal separation: **Spatial separation**, also known as specialized structures (Es-Sajjade et al., 2021), means separating activities and logics to make them compatible (Civera et al., 2020; de Mon et al., 2022), for example divergent innovation streams (Lewis et al., 2014) or separating roles (Raffaelli et al., 2022), two separate units, each one with a different mission (Battilana et al., 2015; Park, 2020) or two separate boards with experience in social and financial sectors respectively (Civera et al., 2020). In **temporal separation,** tensions are successively decoupled (Watson, 2013), and components alternate depending on the choice to focus on one dimension or the other at a given point in time (Civera et al., 2020; de Mon et al., 2022), as in the case of the SE Digital Divide Data that manage to alternate identities while dealing with different stakeholders (W. K. Smith & Besharov, 2019), or following a temporal sequence to enact agency or communion as (Zheng, Surgevil, et al., 2018) found among women leaders. On the other hand **Integration** or **synthesis** strategies refers to synergies that accommodate both demands simultaneously (Hu et al., 2020) to combine and reconcile paradoxes, for

example complementing and reframing mechanisms of women leaders to bring together agency and communion (Zheng, Surgevil, et al., 2018), or the creation of balanced boards with hybrid, social and commercial skills in social enterprises (Mason & Doherty, 2016; Michaud & Audebrand, 2019).

In addition to these strategies, literature mention other success factors for dealing with strategies including: adaptative and learning orientation (W. K. Smith et al., 2010; Zheng, Kark, et al., 2018); supportive organizational culture, communication practices (Civera et al., 2020; Park, 2020; Zheng, Kark, et al., 2018), values alignment (Ismail & Johnson, 2019; Mogapi et al., 2019; W. K. Smith et al., 2010); and Leadership and governance (Longoni et al., 2019; Newman et al., 2018).

4.5. Paradoxical Leadership for managing paradoxical tensions

Environmental factors contribute to make paradoxes salient, however also actors' cognition of paradoxical tensions makes them salient (W. K. Smith & Lewis, 2011), paradox theory suggest leadership effectiveness lies in finding integrative solutions relying on both/and strategies (Batool et al., 2023; W. K. Smith & Lewis, 2011), both/and cognition or holistic mindset is the basis for paradoxical behavior (Zhang & Han, 2019), used to endure conflicting states, interconnect contradictions and solve dilemmas and inconsistencies, such a behavior is referred to as **Paradoxical Leader Behavior (PLB)**, according to (Zhang et al., 2015) paradoxical leadership is the "seemingly competing yet interrelated behaviors to meet structural and follower demands simultaneously and over time", they conducted the first empirical study and developed a measure of PLB which consisted of five behavioral dimensions and 22 items: (1) leader being self-centered and also follower centered; (2) leader retaining final decision-making authority with

him/herself and also empowering followers; (3) leader maintaining distance from followers yet close enough; (4) leader specifying strict work requirements yet providing flexibility; and (5) leader treating all employees uniformly while also identifying their individuality.

The essence of paradoxical leadership lies in interaction and integration of different leadership behaviors by a leader to become effective and fulfill the tasks assigned (Batool et al., 2023), paradoxical leaders engage in learning at multiple levels (W. K. Smith et al., 2010) switching between opening and closing behaviors (Zhang & Han, 2019), and constructing interpretive contexts (Knight & Paroutis, 2017), they may use their high level of psychological hardiness and motivation to transform tensions into chances, impacting subordinates (Yin, 2022) (Zhang et al., 2015) fostering goal clarity and work autonomy (Fürstenberg et al., 2021). Paradoxical leaders also respect every team member's viewpoint and encourage all members to voice differentiated ideas and opinions (Li et al., 2018).

Some articles mentioned positive correlations and effects of paradoxical leadership in: leadership effectiveness (Batool et al., 2023), subordinates paradox mindset development, reducing stress, anxiety and building confidence (Batool et al., 2023; Yin, 2022), ambidexterity (Klonek et al., 2021), follower performance, task performance, innovation performance (Backhaus et al., 2022; Batool et al., 2023; Julmi, 2021; Li et al., 2018; Qu et al., 2022; Sparr et al., 2022), creativity (Fürstenberg et al., 2021; Shao et al., 2019) and work engagement (Backhaus et al., 2022; Batool et al., 2023; Fürstenberg et al., 2021).

However, despite the existence of a measurable scale (Zhang et al., 2015) used before in the context of traditional organizations and the paradoxical nature of hybrids, we didn't find any particular study in our base articles using this framework or measuring paradoxical leadership behavior in social enterprises or hybrid organizations.

5. Conclusions

Given the growing interest in hybrid organizations as a response to current societal challenges and the well-known relevance of leadership for organizational success, we developed a systematic literature review with the objective of examining the leadership paradoxes faced in the context of this type of organizational form and the strategies used to deal with these paradoxes. We did not limit our research to paradoxes in hybrids, but also examined paradoxes and strategies in the general leadership literature and understand the characteristics of leadership in dealing with paradoxes, also examining the leadership theories and models associated with hybrid organizations.

In the leadership and paradox literature several concepts emerged that served as a framework that allowed us to give an appropriate approach to our research by making the distinction of "paradoxical tension" to other terms that are similar but substantially different such as "dilemmas", "dialectics" or "dualities". This distinction is important for leadership when approaching tensions, as **paradox lens** allows a perspective of embrace rather than denial or ignoring.

In both leadership and hybrid's literature we found different organizational and individual level paradoxical tensions, that were classified according to the highly mentioned framework developed by Smith & Lewis, 2011 in their seminal article "*Toward a theory of paradox*". Even if there is not a consensus of what are the specific tensions experienced in leadership of hybrid organizations and probably this consensus will not exist, given the environmental and situational factors that influence paradoxes to be latent or salient; we consider that **acknowledging** what are the tensions that arise in

hybrids may help leadership to recognize them and take **proactive** action to manage it properly and guarantee organization sustainability.

Some tensions were found just in leadership (agentic vs communal and individual vs collective), others just in hybrids (ethical vs economic concerns, customer vs beneficiaries, efficiency vs effectiveness and private vs personal life) and some in both (social vs commercial, short-term vs long-term, control vs autonomy, competition vs collaboration, local vs global, unity vs diversity/mission vs commercial identity and exploitation vs exploration). Paradoxes found exclusively in leadership are at the individual level, while we see the **predominance of organizational-level** paradoxes found in hybrid organizations, **deeply rooted** to the social vs commercial tension; we infer that given the novelty of this organizational form, practitioners and academics have focused their attention in understanding the organization itself, but there is still a need of further research that can be exploited from the individual-level leadership perspective.

In addition, we noted that some paradoxes found in hybrid organizations may become more pronounced depending on **the business model** adopted by the organization; although we didn't aim to explore this area in depth, we believe it could be interesting to further study the differences in paradoxes faced in the various business models in empirical settings.

Regarding the strategies used to manage tensions, we found **similar theoretical approaches** in the leadership literature and hybrid literature: the management of tensions should be considered as a dynamic process based on the adoption of proactive strategies, being a cycle that starts with the acceptance of the paradoxical tension and then goes through the iteration of differentiation and integration approaches. Since the strategies were found in leadership and hybrid alike, we conclude that there is no particular distinction in the type of strategies used for dealing with tensions depending on the type

of organization, but of course we noted that the implementation may take different forms when applied in a hybrid context.

As expected, we confirmed in the literature of hybrid organizations that leadership plays a major role in managing paradoxical tensions, not only by implementing strategies, but also by initiating relevant processes of recognizing and giving meaning to the paradoxes, known as **sensemaking** and sense-giving, guiding organization and employees to understand the nature of these tensions and process them to work towards synergies.

Some articles found in our review deal with leadership styles in hybrids: ethical, servant and passionate leadership, but we didn't find many studies on how these leadership styles contribute to paradox management, therefore we consider that this is an important area of further research. However, **paradoxical leadership** has emerged from the leadership literature as a set of behaviors used to endure conflicting states and connect contradictions. Given the paradoxical nature of hybrids and the ability to effectively coexist with and manage tensions of paradoxical leaders, we propose that this leadership style is the most suitable for hybrid organizations, yet despite the existence of a measurable scale of paradoxical leadership behavior, we didn't find any study in hybrid organizations measuring its correlations and effects, therefore we suggest that the paradoxical leadership model should be studied in hybrids, also taking into account the possible links that may exist with other prosocial leadership styles previously studied.

Given the growing interest in hybrid organizations, we wanted to have a broad perspective and structure the complexity in order to provide general insights and a framework for further research on paradox and leadership in hybrid organizations. As a result of the above, we proposed a theoretical framework of paradoxes and strategies in the leadership of hybrid organizations, to contribute academics and practitioners understanding, by rendering more **comprehensible** the social vs commercial paradox

umbrella into more specific ones; so, acknowledgement of paradoxical tensions listed in this work contribute to paradox **acceptance**, and as evidenced in the discussion chapter, acceptance is the first proactive response towards navigating paradoxes.

6. Bibliography

Al Taji, F. N. A., & Bengo, I. (2019). The Distinctive Managerial Challenges of Hybrid Organizations: Which Skills are Required? *Journal of Social Entrepreneurship*, *10*(3), 328–345. https://doi.org/10.1080/19420676.2018.1543724

Ambos, T. C., Fuchs, S. H., & Zimmermann, A. (2020). Managing interrelated tensions in headquarters–subsidiary relationships: The case of a multinational hybrid organization. *Journal of International Business Studies*, *51*(6), 906–932. https://doi.org/10.1057/s41267-020-00307-z

Aramovich, N. P., & Blankenship, J. R. (2020). The relative importance of participative versus decisive behavior in predicting stakeholders' perceptions of leader effectiveness. *The Leadership Quarterly*, *31*(5), 101387. https://doi.org/10.1016/j.leaqua.2020.101387

Backhaus, L., Reuber, A., Vogel, D., & Vogel, R. (2022). Giving sense about paradoxes: paradoxical leadership in the public sector. *Public Management Review*, *24*(9), 1478–1498. https://doi.org/10.1080/14719037.2021.1906935

Batool, U., Raziq, M. M., Sarwar, N., Saleem, S., & Obaid, A. (2023). Paradoxical leader behavior and leader effectiveness: moderating role of structural and job-related uncertainty. *European Business Review*, *35*(2), 239–260. https://doi.org/10.1108/EBR-08-2022-0163

Battilana, J., & Dorado, S. (2010). Building Sustainable Hybrid Organizations: The Case of Commercial Microfinance Organizations. *Academy of Management Journal*, *53*(6), 1419–1440. https://doi.org/10.5465/amj.2010.57318391

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), 1658–1685. https://doi.org/10.5465/amj.2013.0903

Benbenisty, Y., & Luria, G. (2021). A time to act and a time for restraint: Everyday sensegiving in the context of paradox. *Journal of Organizational Behavior*, *42*(8), 1005–1022. https://doi.org/10.1002/job.2537

Biedenkopf, K., Van Eynde, S., & Bachus, K. (2019). Environmental, climate and social leadership of small enterprises: Fairphone's step-by-step approach. *Environmental Politics*, *28*(1), 43–63. https://doi.org/10.1080/09644016.2019.1521927

Blair, J. D., & Payne, G. T. (2000). The Paradox Prescription: Leading the Medical Group of the Future. *Health Care Management Review*, *25*(1), 44–58. https://doi.org/10.1097/00004010-200001000-00006

Buijs, J. (2007). Innovation Leaders Should be Controlled Schizophrenics. *Creativity and Innovation Management*, *16*(2), 203–210. https://doi.org/10.1111/j.1467-8691.2007.00431.x

Cherrier, H., Goswami, P., & Ray, S. (2018). Social entrepreneurship: Creating value in the context of institutional complexity. *Journal of Business Research*, *86*, 245–258. https://doi.org/10.1016/J.JBUSRES.2017.10.056

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. https://doi.org/10.1177/0170840619857467

Ciambotti, G., Pedrini, M., Doherty, B., & Molteni, M. (2023). Unpacking social impact scaling strategies: challenges and responses in African social enterprises as

differentiated hybrid organizations. *International Journal of Entrepreneurial Behaviour and Research*, *29*(11), 25–57. https://doi.org/10.1108/IJEBR-02-2022-0156

Civera, C., Cortese, D., Mosca, F., & Murdock, A. (2020). Paradoxes and strategies in social enterprises' dual logics enactment: A csQCA between Italy and the United Kingdom. *Journal of Business Research*, *115*, 334–347. https://doi.org/10.1016/j.jbusres.2019.11.004

Collings, D. G., Nyberg, A. J., Wright, P. M., & McMackin, J. (2021). Leading through paradox in a COVID-19 world: Human resources comes of age. *Human Resource Management Journal*, *31*(4), 819–833. https://doi.org/10.1111/1748-8583.12343

Collinson, D. (2014). Dichotomies, dialectics and dilemmas: New directions for critical leadership studies? *Leadership*, *10*(1), 36–55. https://doi.org/10.1177/1742715013510807

Cooney, K. (2006). The Institutional and Technical Structuring of Nonprofit Ventures: Case Study of a U.S. Hybrid Organization Caught Between Two Fields. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations*, *17*(2), 137–155. https://doi.org/10.1007/s11266-006-9010-8

Cornelissen, J. P., Akemu, O., Jonkman, J. G. F., & Werner, M. D. (2021). Building Character: The Formation of a Hybrid Organizational Identity in a Social Enterprise. *Journal of Management Studies*, *58*(5), 1294–1330. https://doi.org/10.1111/joms.12640

Cunha, M. P. e, Fortes, A., Gomes, E., Rego, A., & Rodrigues, F. (2019). Ambidextrous leadership, paradox and contingency: evidence from Angola. *The International Journal of Human Resource Management*, *30*(4), 702–727. https://doi.org/10.1080/09585192.2016.1201125

de Mon, I. A., Gabaldón, P., & Nuñez, M. (2022). Social entrepreneurs: making sense of tensions through the application of alternative strategies of hybrid organizations.

International Entrepreneurship and Management Journal, *18*(2), 975–997. https://doi.org/10.1007/s11365-020-00731-5

Dhar, U. (2022). Managerial coaching: a paradox-based view. *Leadership & Organization Development Journal*, *43*(2), 291–301. https://doi.org/10.1108/LODJ-07-2021-0326

Doherty, B., Haugh, H., & Lyon, F. (2014). Social Enterprises as Hybrid Organizations: A Review and Research Agenda. *International Journal of Management Reviews*, *16*(4), 417–436. https://doi.org/10.1111/ijmr.12028

Engbring, G., & Hajjar, R. (2022). Conflicts between core purposes: Trade-offs associated with organizational shifts in Mexican community forest enterprises. *World Development*, *160*. https://doi.org/10.1016/j.worlddev.2022.106078

Es-Sajjade, A., Pandza, K., & Volberda, H. (2021). Growing pains: Paradoxical tensions and vicious cycles in new venture growth. *Strategic Organization*, *19*(1), 37–69. https://doi.org/10.1177/1476127020929003

Fürstenberg, N., Alfes, K., & Kearney, E. (2021). How and when paradoxical leadership benefits work engagement: The role of goal clarity and work autonomy. *Journal of Occupational and Organizational Psychology*, *94*(3), 672–705. https://doi.org/10.1111/joop.12344

Gebert, D., Boerner, S., & Kearney, E. (2010). Fostering team innovation: Why is it important to combine opposing action strategies? *Organization Science*, *21*(3), 593–608. https://doi.org/10.1287/orsc.1090.0485

Gibeau, É., Langley, A., Denis, J.-L., & van Schendel, N. (2020). Bridging competing demands through co-leadership? Potential and limitations. *Human Relations*, *73*(4), 464–489. https://doi.org/10.1177/0018726719888145

Gonin, M., Besharov, M. H.-P., & Smith, W. K. (2013). Managing Social-Business Tensions: A Review and Research Agenda for Social Enterprises. *Academy of Management Proceedings*, *2013*(1), 11745. https://doi.org/10.5465/ambpp.2013.187

Gorsky, D., Barker, J. R., & MacLeod, A. (2018). Servant and supervisor: contrasting discourses of care and coercion in senior medical school leadership roles. *Studies in Higher Education*, *43*(12), 2238–2250. https://doi.org/10.1080/03075079.2017.1318366

Guarana, C. L., & Hernandez, M. (2015). Building sense out of situational complexity. *Organizational Psychology Review*, *5*(1), 50–73. https://doi.org/10.1177/2041386614543345

Guo, Z., Yan, J., Wang, X., & Zhen, J. (2020). Ambidextrous Leadership and Employee Work Outcomes: A Paradox Theory Perspective. *Frontiers in Psychology*, *11*. https://doi.org/10.3389/fpsyg.2020.01661

Henriksen, T. D., Nielsen, R. K., Vikkelsø, S., Bévort, F., & Mogensen, M. (2021). A paradox rarely comes alone a quantitative approach to investigating knotted leadership paradoxes in SMEs. *Scandinavian Journal of Management*, *37*(1), 101135. https://doi.org/10.1016/j.scaman.2020.101135

Hodges, J., & Howieson, B. (2017). The challenges of leadership in the third sector. *European Management Journal*, *35*(1), 69–77. https://doi.org/10.1016/j.emj.2016.12.006

Hopkins, L. (2010). *Mapping the Third Sector: A context for social leadership*. https://www.researchgate.net/publication/330324148

Hu, X., Casey, T., & Griffin, M. (2020). You can have your cake and eat it too: Embracing paradox of safety as source of progress in safety science. *Safety Science*, *130*, 104824. https://doi.org/10.1016/j.ssci.2020.104824

Hunter, S. T., Thoroughgood, C. N., Myer, A. T., & Ligon, G. S. (2011). Paradoxes of Leading Innovative Endeavors: Summary, Solutions, and Future Directions. *Psychology of Aesthetics, Creativity, and the Arts*, *5*(1), 54–66. https://doi.org/10.1037/a0017776

Ismail, A., & Johnson, B. (2019). Managing Organizational Paradoxes in Social Enterprises: Case Studies from the MENA Region. *Voluntas*, *30*(3), 516–534. https://doi.org/10.1007/S11266-018-00083-3/TABLES/4

Jay, J. (2013). Navigating Paradox as a Mechanism of Change and Innovation in Hybrid Organizations. *Source: The Academy of Management Journal*, *56*(1), 137–159. https://doi.org/10.5465/amj.2010.0772

Jones, J., Seet, P. S., Acker, T., & Whittle, M. (2021). Barriers to grassroots innovation: The phenomenon of social-commercial-cultural trilemmas in remote indigenous art centres. *Technological Forecasting and Social Change*, *164*. https://doi.org/10.1016/j.techfore.2019.02.003

Julmi, C. (2021). Crazy, stupid, disobedience: The dark side of paradoxical leadership. *Leadership*, *17*(6), 631–653. https://doi.org/10.1177/17427150211040693

Kannothra, C. G., Manning, S., & Haigh, N. (2017). How Hybrids Manage Growth and Social-Business Tensions in Global Supply Chains: The Case of Impact Sourcing. *Journal of Business Ethics*. https://doi.org/10.1007/s10551-017-3585-4

Kearney, E., Shemla, M., van Knippenberg, D., & Scholz, F. A. (2019). A paradox perspective on the interactive effects of visionary and empowering leadership. *Organizational Behavior and Human Decision Processes*, *155*, 20–30. https://doi.org/10.1016/j.obhdp.2019.01.001

Kimakwa, S., Gonzalez, J. A., & Kaynak, H. (2023). Social Entrepreneur Servant Leadership and Social Venture Performance: How are They Related? *Journal of Business Ethics*, *182*(1), 95–118. https://doi.org/10.1007/s10551-021-04986-y

Klonek, F. E., Volery, T., & Parker, S. K. (2021). Managing the paradox: Individual ambidexterity, paradoxical leadership and multitasking in entrepreneurs across firm life cycle stages. *International Small Business Journal: Researching Entrepreneurship*, *39*(1), 40–63. https://doi.org/10.1177/0266242620943371

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. https://doi.org/10.1177/0170840616640844

Lambrechts, W., Caniëls, M. C. J., Molderez, I., Venn, R., & Oorbeek, R. (2020). Unraveling the Role of Empathy and Critical Life Events as Triggers for Social Entrepreneurship. *Frontiers in Psychology*, *11*. https://doi.org/10.3389/fpsyg.2020.579500

Lewis, M. W. (2000). Exploring Paradox: Toward a More Comprehensive Guide. *The Academy of Management Review*, *25*(4), 760. https://doi.org/10.2307/259204

Lewis, M. W., Andriopoulos, C., & Smith, W. K. (2014). Paradoxical Leadership to Enable Strategic Agility. *California Management Review*, *56*(3), 58–77. https://doi.org/10.1525/cmr.2014.56.3.58

Lewis, M. W., & Smith, W. K. (2014). Paradox as a Metatheoretical Perspective. *The Journal of Applied Behavioral Science*, *50*(2), 127–149. https://doi.org/10.1177/0021886314522322

Li, Q., She, Z., & Yang, B. (2018). Promoting innovative performance in multidisciplinary teams: The roles of paradoxical leadership and team perspective taking. *Frontiers in Psychology*, *9*(JUL). https://doi.org/10.3389/fpsyg.2018.01083

Lillegraven, T.-B., & Wilberg, E. (2016). Editor, Executive and Entrepreneur. *Nordicom Review*, *37*(2), 115–130. https://doi.org/10.1515/nor-2016-0014

Longoni, A., Luzzini, D., Pullman, M., & Habiague, M. (2019). Business for Society is Society's Business: Tension Management in a Migrant Integration Supply Chain. *Journal of Supply Chain Management*, *55*(4), 3–33. https://doi.org/10.1111/jscm.12213

Luo, B. N., Tang, Y., Chen, E. W., Li, S., & Luo, D. (2020). Corporate Sustainability Paradox Management: A Systematic Review and Future Agenda. *Frontiers in Psychology*, *11*. https://doi.org/10.3389/fpsyg.2020.579272

Luo, Y., & Zheng, Q. (2016). Competing in Complex Cross-Cultural World: Philosophical Insights from Yin-Yang. *Cross Cultural & Strategic Management*, *23*(2). https://doi.org/10.1108/CCSM-01-2016-0020

Mafico, N., Krzeminska, A., Härtel, C., & Keller, J. (2021). The mirroring of intercultural and hybridity experiences: A study of African immigrant social entrepreneurs. *Journal of Business Venturing*, *36*(3), 106093. https://doi.org/10.1016/j.jbusvent.2021.106093

Maine, J., Florin Samuelsson, E., & Uman, T. (2022). Ambidextrous sustainability, organisational structure and performance in hybrid organisations. *Accounting, Auditing & Accountability Journal*, *35*(3), 734–769. https://doi.org/10.1108/AAAJ-12-2019-4338

Mair, J. (2010). Social Entrepreneurship: Taking Stock and Looking Ahead. *SSRN Electronic Journal*. https://doi.org/10.2139/ssrn.1729642

Malik, A., Budhwar, P., & Kandade, K. (2022). Nursing excellence: A knowledge-based view of developing a healthcare workforce. *Journal of Business Research*, *144*, 472–483. https://doi.org/10.1016/j.jbusres.2022.01.095

Margiono, A., Zolin, R., & Chang, A. (2018). A typology of social venture business model configurations. *International Journal of Entrepreneurial Behavior & Research*, *24*(3), 626–650. https://doi.org/10.1108/IJEBR-09-2016-0316

Mason, C., & Doherty, B. (2016). A Fair Trade-off? Paradoxes in the Governance of Fair-trade Social Enterprises. *Journal of Business Ethics*, *136*(3), 451–469. https://doi.org/10.1007/S10551-014-2511-2/TABLES/6

McCarthy, J. F., O'Connell, D. J., & Hall, D. T. (2005). Leading beyond tragedy: the balance of personal identity and adaptability. *Leadership & Organization Development Journal*, *26*(6), 458–475. https://doi.org/10.1108/01437730510617663

McElhatton, E., & Jackson, B. (2012). Paradox in harmony: Formulating a Chinese model of leadership. *Leadership*, *8*(4), 441–461. https://doi.org/10.1177/1742715012444054

Melnikova, J. (2020). Leading complementary schools as non-profit social entrepreneurship: Cases from Lithuania. *Management in Education*, *34*(4), 149–156. https://doi.org/10.1177/0892020620945331

Ménard, C. (2004). *The Economics of Hybrid Organizations* (Vol. 160, Issue 3). https://www.jstor.org/stable/40752467

Michaud, M., & Audebrand, L. K. (2019). Inside out, outside in: "supporting members" in multi-stakeholder cooperatives. *Management Decision*, *57*(6), 1382–1398. https://doi.org/10.1108/MD-01-2017-0042

Miller-Stevens, K., Taylor, J. A., Morris, J. C., & Lanivich, S. E. (2018). Assessing Value Differences Between Leaders of Two Social Venture Types: Benefit Corporations and Nonprofit Organizations. *Voluntas*, *29*(5), 938–950. https://doi.org/10.1007/s11266-017-9947-9

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. https://doi.org/10.5465/amj.2016.0594

Mogapi, E. M., Sutherland, M. M., & Wilson-Prangley, A. (2019). Impact investing in South Africa: managing tensions between financial returns and social impact. *European Business Review*, *31*(3), 397–419. https://doi.org/10.1108/EBR-11-2017-0212/FULL/PDF

Newman, A., Neesham, C., Manville, G., & Tse, H. H. M. (2018). Examining the influence of servant and entrepreneurial leadership on the work outcomes of employees in social enterprises. *International Journal of Human Resource Management*, *29*(20), 2905–2926. https://doi.org/10.1080/09585192.2017.1359792

O'Dwyer, B., & Unerman, J. (2008). The paradox of greater NGO accountability: A case study of Amnesty Ireland. *Accounting, Organizations and Society*, *33*(7–8), 801–824. https://doi.org/10.1016/j.aos.2008.02.002

Ormiston, J., & Seymour, R. (2011). Understanding Value Creation in Social Entrepreneurship: The Importance of Aligning Mission, Strategy and Impact Measurement. *Journal of Social Entrepreneurship*, *2*(2), 125–150. https://doi.org/10.1080/19420676.2011.606331

Ospina, S. M., & Saz-Carranza, A. (2010). Paradox and collaboration in network management. *Administration and Society*, *42*(4), 404–440. https://doi.org/10.1177/0095399710362723

Park, J. H. (2020). Chasing two rabbits: how social enterprises as hybrid organizations manage paradoxes. *Asian Business and Management*, *19*(4), 407–437. https://doi.org/10.1057/s41291-019-00065-3

Parush, T., & Koivunen, N. (2014). Paradoxes, double binds, and the construction of 'creative' managerial selves in art-based leadership development. *Scandinavian Journal of Management*, *30*(1), 104–113. https://doi.org/10.1016/j.scaman.2013.12.001

Pasricha, P., & Rao, M. K. (2018). The effect of ethical leadership on employee social innovation tendency in social enterprises: Mediating role of perceived social capital. *Creativity and Innovation Management*, *27*(3), 270–280. https://doi.org/10.1111/CAIM.12287

Pasricha, P., Singh, B., & Verma, P. (2018). Ethical Leadership, Organic Organizational Cultures and Corporate Social Responsibility: An Empirical Study in Social Enterprises. *Journal of Business Ethics*, *151*(4), 941–958. https://doi.org/10.1007/S10551-017-3568-5/TABLES/8

Pearce, C. L., Wassenaar, C. L., Berson, Y., & Tuval-Mashiach, R. (2019). Toward a theory of meta-paradoxical leadership. *Organizational Behavior and Human Decision Processes*, *155*, 31–41. https://doi.org/10.1016/j.obhdp.2019.03.003

Peters, L. (2012). The Rhythm of Leading Change. *Journal of Management Inquiry*, *21*(4), 405–411. https://doi.org/10.1177/1056492612454456

Prabhu, G. N. (1999). Social entrepreneurial leadership. *Career Development International*, *4*(3), 140–145. https://doi.org/10.1108/13620439910262796/FULL/PDF

Purvanova, R. K., & Kenda, R. (2018). Paradoxical Virtual Leadership: Reconsidering Virtuality Through a Paradox Lens. *Group & Organization Management*, *43*(5), 752–786. https://doi.org/10.1177/1059601118794102

Qu, Y., Todorova, G., & Dasborough, M. T. (2022). Someone Must be Mindful: Trait Mindfulness as a Boundary Condition for Paradoxical Leader Behaviors. *Journal of Leadership and Organizational Studies*, *29*(4), 486–499. https://doi.org/10.1177/15480518221115487

Raffaelli, R., DeJordy, R., & McDonald, R. M. (2022). How Leaders with Divergent Visions Generate Novel Strategy: Navigating the Paradox of Preservation and Modernization in Swiss Watchmaking. *Academy of Management Journal*, *65*(5), 1593–1622. https://doi.org/10.5465/amj.2018.0764

Reynolds, N., & Holt, D. (2021). Sustainable development and profit? A sensemaking perspective on hybrid organisations and their founders. *Business Strategy and the Environment*, *30*(4), 2147–2159. https://doi.org/10.1002/bse.2737

Roundy, P. T., & Lyons, T. S. (2022). Humility in social entrepreneurs and its implications for social impact entrepreneurial ecosystems. *Journal of Business Venturing Insights*, *17*. https://doi.org/10.1016/j.jbvi.2021.e00296

Santos, F., Pache, A.-C., & Birkholz, C. (2015). Making Hybrids Work: Aligning Business Models and Organizational Design for Social Enterprises. *California Management Review*, *57*(3), 36–58. https://doi.org/10.1525/cmr.2015.57.3.36

Schmitz, B., & Glänzel, G. (2016). Hybrid organizations: concept and measurement. *International Journal of Organizational Analysis*, *24*(1), 18–35. https://doi.org/10.1108/IJOA-07-2013-0690

Schneider, S., & Clauß, T. (2020). Business Models for Sustainability: Choices and Consequences. *Organization & Environment*, *33*(3), 384–407. https://doi.org/10.1177/1086026619854217

Secinaro, S., Corvo, L., Brescia, V., & Iannaci, D. (2019). Hybrid organizations: A Systematic Review of the Current Literature. *International Business Research*, *12*(11), 1. https://doi.org/10.5539/ibr.v12n11p1

Shao, Y., Nijstad, B. A., & Täuber, S. (2019). Creativity under workload pressure and integrative complexity: The double-edged sword of paradoxical leadership. *Organizational Behavior and Human Decision Processes*, *155*, 7–19. https://doi.org/10.1016/j.obhdp.2019.01.008

Smith, B. R., & Stevens, C. E. (2010). Different types of social entrepreneurship: The role of geography and embeddedness on the measurement and scaling of social value. *Entrepreneurship & Regional Development*, *22*(6), 575–598. https://doi.org/10.1080/08985626.2010.488405

Smith, W. K., & Besharov, M. L. (2019). Bowing before Dual Gods: How Structured Flexibility Sustains Organizational Hybridity*. *Administrative Science Quarterly*, *64*(1), 1–44. https://doi.org/10.1177/0001839217750826/FORMAT/EPUB

Smith, W. K., Besharov, M. L., Wessels, A. K., & Chertok, M. (2012). A paradoxical leadership model for social entrepreneurs: Challenges, leadership skills, and pedagogical tools for managing social and commercial demands. *Academy of Management Learning and Education*, *11*(3), 463–478. https://doi.org/10.5465/AMLE.2011.0021

Smith, W. K., Binns, A., & Tushman, M. L. (2010). Complex business models: Managing strategic paradoxes simultaneously. *Long Range Planning*, *43*(2–3), 448–461. https://doi.org/10.1016/j.lrp.2009.12.003

Smith, W. K., & Lewis, M. W. (2011). TOWARD A THEORY OF PARADOX: A DYNAMIC EQUILIBRIUM MODEL OF ORGANIZING. In *Source: The Academy of Management Review* (Vol. 36, Issue 2). https://about.jstor.org/terms

Solebello, N., Tschirhart, M., & Leiter, J. (2016). The paradox of inclusion and exclusion in membership associations. *Human Relations*, *69*(2), 439–460. https://doi.org/10.1177/0018726715590166

Sparr, J. L., van Knippenberg, D., & Kearney, E. (2022). Paradoxical leadership as sensegiving: stimulating change-readiness and change-oriented performance. *Leadership & Organization Development Journal*, *43*(2), 225–237. https://doi.org/10.1108/LODJ-04-2021-0161

Thorgren, S., & Omorede, A. (2015). Passionate Leaders in Social Entrepreneurship: Exploring an African Context. *Https://Doi.Org/10.1177/0007650315612070*, *57*(3), 481–524. https://doi.org/10.1177/0007650315612070

van Assen, M. F., & Caniëls, M. C. J. (2022). Economic and social LMX and innovative work behaviour: the moderating effect of paradox mindset. *European Journal of Innovation Management*, *25*(6), 1057–1075. https://doi.org/10.1108/EJIM-05-2022-0234

Van Ham, H., & Koppenjan, J. (2001). BUILDING PUBLIC-PRIVATE PARTNERSHIPS: Assessing and managing risks in port development. *Public Management Review*, *3*(4), 593–616. https://doi.org/10.1080/14616670110070622

Waldman, D. A., & Bowen, D. E. (2016). Learning to Be a Paradox-Savvy Leader. *Academy of Management Perspectives*, *30*(3), 316–327. https://doi.org/10.5465/amp.2015.0070

Watson, C. (2013). How (and why) to avoid making rational decisions: embracing paradox in school leadership. *School Leadership & Management*, *33*(3), 256–269. https://doi.org/10.1080/13632434.2012.723614

White, G. R. T., Samuel, A., Peattie, K., & Doherty, B. (2022). Reconciling social enterprise: beyond the paradox perspective. *International Journal of Entrepreneurial Behavior & Research*, *28*(2), 500–526. https://doi.org/10.1108/IJEBR-02-2021-0135

Wilburn, K., & Wilburn, R. (2014). The double bottom line: Profit and social benefit. *Business Horizons*, *57*(1), 11–20. https://doi.org/10.1016/J.BUSHOR.2013.10.001

Yin, J. (2022). Living with tensions in the workplace: a grounded theory of paradoxical leadership in cultivating subordinates' paradox mindset. *Leadership & Organization Development Journal*, *43*(6), 862–873. https://doi.org/10.1108/LODJ-04-2021-0151

Zhang, Y., & Han, Y.-L. (2019). Paradoxical leader behavior in long-term corporate development: Antecedents and consequences. *Organizational Behavior and Human Decision Processes*, *155*, 42–54. https://doi.org/10.1016/j.obhdp.2019.03.007

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. https://doi.org/10.5465/amj.2012.0995

Zheng, W., Kark, R., & Meister, A. L. (2018). Paradox versus dilemma mindset: A theory of how women leaders navigate the tensions between agency and communion. *Leadership Quarterly*, *29*(5), 584–596. https://doi.org/10.1016/j.leaqua.2018.04.001

Zheng, W., Surgevil, O., & Kark, R. (2018). Dancing on the Razor's Edge: How Top-Level Women Leaders Manage the Paradoxical Tensions between Agency and Communion. *Sex Roles*, *79*(11–12), 633–650. https://doi.org/10.1007/s11199-018-0908-6

Annexes

Articles Data

Country/Region	Count
USA	18
Various	10
Germany	7
China	7
UK	6
India	5
Netherlands	4
Europe	4
switzerland	2
Latin America	2
Spain	2
Ireland	2
Canada	2
Australia	2
Africa	2
Pakistan	1
France	1
Sweden	1
Cambodia	1
Norway	1
Lithuania	1
Belgium	1
Mexico	1

Country/Region	Count
Angola	1
Denmark	1
Korea	1
Nigeria	1
Israel	1
Italy	1
Grand Total	**89**

Journals	Articles
Leadership and Organization Development Journal	4
Journal of Business Ethics	4
Organizational Behavior and Human Decision Processes	4
Frontiers in Psychology	4
Academy of Management Journal	4
Leadership	3
Journal of Business Research	3
Journal of Social Entrepreneurship	2
International Journal of Human Resource Management	2
Organization Studies	2
Creativity and Innovation Management	2
Voluntas	2
European Business Review	2
Leadership Quarterly	2
Human Relations	2
International Journal of Entrepreneurial Behaviour and Research	2
Scandinavian Journal of Management	2
Administration and Society	1
Business Strategy and the Environment	1

Journals	Articles
Environmental Politics	1
Academy of Management Learning and Education	1
Nordicom Review	1
Group and Organization Management	1
Journal of Occupational and Organizational Psychology	1
Health Care Management Review	1
Asian Business and Management	1
California Management Review	1
Management Decision	1
Human Resource Management Journal	1
Organization Science	1
International Entrepreneurship and Management Journal	1
Psychology of Aesthetics, Creativity, and the Arts	1
Career Development International	1
Journal of Organizational Behavior	1
Business Ethics Quarterly	1
Journal of Supply Chain Management	1
International Small Business Journal: Researching Entrepreneurship	1
Accounting, Organizations and Society	1
Accounting, Auditing and Accountability Journal	1
Long Range Planning	1
Public Management Review	1
Management in Education	1
Safety Science	1
Organization and Environment	1
Studies in Higher Education	1
European Journal of Innovation Management	1
Cross Cultural and Strategic Management	1
Organizational Psychology Review	1

Journals	Articles
Journal of Management Inquiry	1
European Management Journal	1
Journal of Management Studies	1
Business and Society	1
Sex Roles	1
Strategic Organization	1
World Development	1
Technological Forecasting and Social Change	1
Journal of International Business Studies	1
Administrative Science Quarterly	1
Journal of Leadership and Organizational Studies	1
Journal of Business Venturing Insights	1

Type:	Methodology	Count	%
Mix methods		**4**	**4%**
	Theoretical Model	1	25%
	Survey, Interviews	1	25%
	Field Study	1	25%
	Multiple Case Study	1	25%
Qualitative		**66**	**74%**
	Case Study	14	21%
	Multiple Case Study	12	18%
	Theoretical framework	11	17%
	Field Study	7	11%
	Literature Review	5	8%
	Inductive Model	3	5%
	Narrative inquiry	3	5%
	Narrative	2	3%

Type:	Methodology	Count	%
Mix methods		**4**	**4%**
	Theoretical Model	1	25%
	Survey, Interviews	1	25%
	Field Study	1	25%
	Multiple Case Study	1	25%
Qualitative		**66**	**74%**
	Case Study	14	21%
	Theoretical Model	2	3%
	Thematic analysis	1	2%
	Critical Discourse Analysis	1	2%
	Theoretical Approach	1	2%
	Comparative Field Study	1	2%
	Book Review	1	2%
	Interviews	1	2%
	Structurate Observation	1	2%
Quantitative		**19**	**21%**
	Survey	10	53%
	Field Study	3	16%
	Questionnaries	3	16%
	Data	1	5%
	Theoretical Model	1	5%
	Theoretical framework	1	5%

Keywords	Count
paradox	31
leadership	27
Social enterprise	16

tension	15
hybrid organization	14
Social entrepreneurship	13
performance	9
identity	8
Paradoxical leadership	8
innovation	8
Paradox theory	8
Ambidexterity	8
HR	6
community	5
article	5
case study	5
health care	5
Strategy	4
human	4
power	4
competition	4
organization	4

Most Cited Articles

Titles	Year	Source title	Cited
Navigating paradox as a mechanism of change and innovation in hybrid organizations	2013	Academy of Management Journal	704
Managing social-business tensions: A review and research agenda for social enterprise	2013	Business Ethics Quarterly	493
Harnessing productive tensions in hybrid organizations: The case of work integration social enterprises	2015	Academy of Management Journal	454
Complex business models: Managing strategic paradoxes simultaneously	2010	Long Range Planning	322

Microfoundations of organizational paradox: The problem is how we think about the problem	2018	Academy of Management Journal	297
Bowing before Dual Gods: How Structured Flexibility Sustains Organizational Hybridity*	2019	Administrative Science Quarterly	244
The paradox of greater NGO accountability: A case study of Amnesty Ireland	2008	Accounting, Organizations and Society	225
Paradoxical leadership to enable strategic agility	2014	California Management Review	197
A paradoxical leadership model for social entrepreneurs: Challenges, leadership skills, and pedagogical tools for managing social and commercial demands	2012	Academy of Management Learning and Education	177
Social entrepreneurial leadership	1999	Career Development International	144
Dichotomies, dialectics and dilemmas: New directions for critical leadership studies?	2014	Leadership	142
Fostering team innovation: Why is it important to combine opposing action strategies?	2010	Organization Science	140
Understanding Value Creation in Social Entrepreneurship: The Importance of Aligning Mission, Strategy and Impact Measurement	2011	Journal of Social Entrepreneurship	103

Most Backward Referenced Articles

References	#	%
Smith W.K., Lewis M.W., Toward a Theory of Paradox: A Dynamic Equilibrium Model of Organizing, Academy of Management Review, 36, 2, pp. 381-403, (2011)	58	65%
Lewis M.W., Exploring paradox: Toward a more comprehensive guide, Academy of Management Review, 25, pp. 760-776, (2000)	38	43%
Schad J., Lewis M., Raisch S., Smith W., Paradox research in management science: Looking back to move forward, Academy of Management Annals, 10, pp. 5-64, (2016)	31	35%

References	#	%
Smith W.K., Tushman M.L., Managing strategic contradictions: A top management model for managing innovation streams, Organization Science, 16, pp. 522-536, (2005)	27	30%
Luscher L.S., Lewis M.W., Organizational change and managerial sensemaking: Working through paradox, Academy of Management Journal, 51, pp. 221-240, (2008)	26	29%
Battilana J., Dorado S., Building sustainable hybrid organizations: The case of commercial microfinance organizations, Academy of Management Journal, 53, 6, pp. 1419-1440, (2010)	25	28%
Zhang Y., Waldman D.A., Han Y.-L., Li X.-B., Paradoxical leader behaviors in people management: Antecedents and consequences, Academy of Management Journal, 58, pp. 538-566, (2015)	23	26%
Andriopoulos C., Lewis M. W., Exploitation-exploration tensions and organizational ambidexterity: Managing paradoxes of innovation, Organization Science, 20, pp. 696-717, (2009)	23	26%
Poole M.S., Van De Ven A.H., Using paradox to build management and organization theories, Academy of Management Review, 14, pp. 562-578, (1989)	21	24%
Smith W.K., Dynamic decision making: A model of senior leaders managing strategic paradoxes, Academy of Management Journal, 57, 6, pp. 1592-1623, (2014)	19	21%
Pache A.C., Santos F., Inside the hybrid organization: Selective coupling as a response to conflicting institutional logics, Academy of Management Journal, 56, pp. 972-1001, (2013)	19	21%
Jay J., Navigating paradox as a mechanism of change and innovation in hybrid organisations, Academy of Management Journal, 56, 1, pp. 137-159, (2013)	19	21%
Miron-Spektor E., Ingram A., Keller J., Smith W.K., Lewis M.W., Microfoundations of organizational paradox: the problem is how we think about the problem, Acad. Manage. J, 61, pp. 26-45, (2018)	18	20%
Battilana J., Lee M., Advancing research on hybrid organizing – Insights from the study of social enterprise, Academy of Management Annals, 8, pp. 397-441, (2014)	18	20%
Ebrahim A., Battilana J., Mair J., The governance of social enterprises: Mission drift and accountability challenges in hybrid organizations, Research in Organizational Behavior, 34, pp. 81-100, (2014)	16	18%

References	#	%
Waldman D.A., Bowen D.E., Learning to be a paradox-savvy leader, Academy of Management Perspectives, 30, 3, pp. 316-327, (2016)	15	17%

Categories

Category – Sub-Category	Count
Leadership/paradox	**49**
Context	**8**
Change	1
China	1
Coaching	1
COVID19	1
Network, Collaboration	1
Small and Medium Enterprises	1
Tragedy	1
Virtual	1
Critical View	**2**
Exploration/exploitation, ambidexterity	**6**
Industry	**5**
Art	1
Healthcare	3
Safety	1
Innovation	**4**
Paradox	**4**
Directive/ participative	1
Hierarchy/ holistic	1
preservation/ adaptation	1
loose/tight leadership	1
Paradox	**4**

Category – Sub-Category	Count
agentic/ comunal	1
agentic/communal	1
control / autonomy	1
inclusion/ exclusion	1
Paradoxical Leadership	**11**
Sensemaking/ Sensegiving	**3**
Theory	**2**
Paradox/hybrid	**23**
Critical View	**1**
Exploration/exploitation, ambidexterity	**1**
Paradox	**5**
commercial-social-cultural	1
Governance	1
Mission measurement	1
Sensemaking/ Sensegiving	**2**
Strategies	**4**
Tensions /Strategies	**9**
Theory	**1**
Leadership/hybrid	**14**
Characteristic	**5**
Entrepreneurship	1
Humility	1
Values	1
Empathy	1
Social entrepreneurial leadership	1
Context	**1**
Third Sector	1
Leadership Styles	**6**
Ethical leadership	2

Category – Sub-Category	Count
Passionate Leadership	1
Servant Leadership	2
Various	1
Strategies	**2**
Paradox/hybrid/Leadership	**3**
Strategies	**2**
Tensions /Strategies	**1**
Grand Total	**89**