THE PARADOXICAL NATURE OF ORGANIZATIONAL CHANGE COMPANY:
A THEORETICAL FOUNDATION AND KEY CONCEPTS

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Organizational Change Management (OCM) is a crucial and really important process for companies that seek to adapt and succeed in a modern and dynamic world. However, despite the importance of Organizational Change Management and the numerous models and frameworks available, a significant proportion of change initiatives fail to achieve their desirable results. This problem instantly emphasizes the need for fresh ideas and innovative ways to address the complexities of organizational change in the modern world. First of all, this article explores the paradoxical theory of change as an alternative for better understanding and more efficient management of change that will be useful for various organizations. It reviews the theoretical foundations of this approach, rooted in Gestalt therapy and other relevant literature. Apart from that, the publication defines key concepts such as polarities and tensions, explaining how these seemingly contradictory forces are natural and necessary elements of dynamic systems. By embracing these tensions, organizations can foster adaptability, drive innovation, and enhance resilience. Secondly, the article also considers the concepts of the Real and Ideal Self in the context of organizational change, displaying how these two states’ tensions can be a source of resistance or motivation. Understanding and managing these tensions is unarguably crucial for utilizing them as sources of energy and creativity, ultimately leading to more organizational transformations that would be more successful. What is more, this article provides practical insights on how to apply the paradoxical theory to some of the real-life situations. This shows the importance of balancing stability and change, autonomy and control, and exploration and exploitation in business corporations. Taking everything into consideration, by adopting these paradoxical components, organizations can create a holistic and more effective approach to change management, achieving lasting success and sustainability in the modern ever-evolving environment, which is vital for modern and successful business.

Keywords: paradoxical theory of change, organizational change management, polarities, organizational culture, leadership, Gestalt therapy, real self, ideal self.
Problem statement. Organizational Change Management (OCM) is crucial for companies seeking success in a constantly changing world. However, despite the popularity of OCM and many frameworks available, a significant portion of change initiatives fail to achieve the desired results. This problem highlights the need for new perspectives and innovative approaches to address the organizational change complexity.

Traditional OCM models, such as Kotter’s 8-Step Process [5, p. 45], McKinsey’s 7-S framework [10, p. 89], and the 7-Stage Nudge Model [14, p. 34], are widely used to guide changes. These models often define change as a linear process, proceeding from a current state to a desired future through a series of planned steps. While they are useful in providing structure and guidance, these linear models often overlook the systemic and non-linear nature of organizational reality.

The change initiatives rarely go as expected, step by step. Instead, they often face resistance, unexpected impediments, and conflicting priorities. Employees resist change due to fear of uncertainty, lack of control, or identity mismatch. Leaders may struggle to balance the need for stability and innovation or to align stakeholders’ interests. Even well-planned initiatives could be ruined by such complexities and contradictions [2].

Analysis of Recent Research and Publications. The issues of theory and methodology of organization change and related specific applied aspects were the subject of scientific research by the following economists: Smith W., Lewis M., Schad E., Christensen C., Palmer I., Dunford R., Buchanan D., Kotter J., Goleman D., Boyatzis R., McKee A., Beisser A., Bridges W., Louis V. Gerstner [1–15] and others. The paradoxical theory of change, based on Perls’ Gestalt therapy [1, pp. 77–80], proposes an alternative framework for understanding OCM challenges and addressing them. According to the theory, the changes are not only replacing old ways with new ones. It signifies accepting internal tensions and contradictions in organizations, identifying these opposite forces as core drivers for growth and transformation.

Although the paradoxical theory is used mainly in psychology therapy, its relevance in a business context is growing. Smith and Lewis [13] highlight paradox as a powerful meta-theoretical aspect in organizational research, proposing an approach for understanding and managing internal organizational tensions and contradictions. Lewis and Smith [6] explore this subject further, emphasizing the importance of accepting paradoxical tensions to achieve organizational ambidexterity – the ability to balance exploration and exploitation. Additionally, in “The Innovator’s Dilemma” C. Christensen [15, pp. 18-22] emphasizes the importance of disruptive innovation and the challenges faced by established firms when embracing new technologies and business models, further highlighting the need for a paradoxical approach to change. Despite the existing scientific developments, at the present stage, there are several problems in the application of strategies.
for managing, which are described and analyzed in this article.

**Formulation of the Article's Objectives.** This article aims to explore the paradoxical theory of change in the OCM context. It overviews key paradoxes that arise during change initiatives, analyzes their impact, and provides recommendations to effectively manage these tensions for succeeding in organizational transformations.

**Theoretical Framework.** The paradoxical theory of changes, grounded in Perls' Gestalt therapy [1], manifests that real change happens when we accept and embrace the real self, who we are in the present, rather than trying to become someone different. This means acknowledging and integrating internal contradictions and tension within ourselves or, in the business context, within organizations, their structures, and processes. This theory challenges traditional linear change management models, which often prioritize achieving a predefined ideal state through removing or overcoming obstacles. In contrast, the paradoxical approach recognizes these opposing forces as natural and necessary elements of a dynamic system.

**Key Concepts: Polarities and Tensions.** Central to the paradoxical theory are pairs of seemingly contradicting, but interconnected elements, which are called polarities. These polarities represent dynamic and often conflicting demands, which organizations must balance to achieve sustainable success. Understanding and managing these tensions is crucial when utilizing them as sources of energy and creativity. Let's define key of them as follows:

1. **Stability**, which means that organizations need consistency along with predictability to ensure smooth operations, maintain routine processes, and create a sense of security for employees. Change: at the same time, organizations must adapt and innovate to stay competitive, respond to market shifts, and seize new opportunities. Change is essential for growth, addressing new challenges, and continuous improvement [6, p. 16]. Managing the Tension: Instead of considering stability and change as mutually exclusive, organizations need to adopt practices that combine both aspects. For instance, balance can be created by keeping core processes and experimenting with new ideas in dedicated innovation teams. By adopting a culture of excellence, where employees are empowered to generate gradual changes to current processes, organizations can synergize stability and innovation [7, p. 44].

2. **Autonomy**, which means that authorizing employees to make decisions, behave proactively, and think out of the box while cultivating creativity, work satisfaction, and a sense of ownership. Autonomy encourages diverse perspectives and agile responses to challenges. Control: At the same time, is needed for coordination, oversight, and unification to ensure alignment with strategic goals, regulatory compliance, and effective resource utilization. Control mechanism helps maintain consistency and mitigate risks [9, p. 65]. Managing the Tension: Effective management seeks the balance of autonomy and control by setting clear guidelines and frameworks, within which employees can work. For instance, adopting flexible policies, that set boundaries, but enable individual freedom, can empower employees while ensuring organizational coherence. Leaders can delegate decision-making authority within defined limits, ensuring autonomy is implemented accordingly to broader goals [4, p. 236].

3. **Exploration.** The next concept is exploration, which means experimenting with new ideas, making R&D investments, and seeking new opportunities to enter uncharted areas. Organizations must research to succeed in long-term development and innovation and stay competitive. Exploitation: Utilizing existing resources and capabilities, aims to optimize current operations, improve processes, and maximize effectiveness. Exploitation ensures short-term productivity, stability, and profitability [13, p. 384]. Managing the Tension: Organizations can manage tensions between exploration and exploitation, strategically distributing resources in both directions. For instance, creating dedicated teams or units for research initiatives, while others focus on improving and utilizing established products and services, can balance both aspects. Establishing metrics to measure exploration and exploitation activities helps ensure the benefits from immediate gains while investing in future opportunities [6, p. 258].

**Embrace the Tensions.** These polarities create internal tensions within organizations, and the paradoxical theory of change proposes to utilize them as sources of energy and creativity, instead of eliminating them. By accepting these tensions, organizations can:

- **Improve Accordingly.** Organizations, that effectively manage such tensions, better adapt to external changes. They can maintain operational efficiency, staying agile enough to change when necessary [13, p. 387].
- **Drive Innovation.** Balancing exploration and exploitation, organizations cultivate a culture of innovation. That is how new ideas are constantly tested and integrated into operations. Therefore, such balance prevents stagnation and keeps the organization dynamic [6, p. 232].

- **Enhance Resilience.** By merging autonomy and control, organizations can build resilient structures that empower employees and maintain necessary oversight, thus it is easier to navigate crises and recover faster [4, p. 244].

**Case Study Analysis.** Let’s analyse application of such methods to some of the popular case studies.

**Case Study 1: IBM's Transformation.**

In the early 1990s, IBM faced a severe financial crisis due to its inability to adapt to emerging technologies and changes. The company was losing market share to smaller, more agile competitors [3, p. 120].

- **Paradoxical Tension:** Stability vs. Change.
  - **Stability:** IBM had a strong legacy and a deeply ingrained corporate culture that emphasized stability and reliability.
  - **Change:** The company needed to innovate and adapt quickly to the emerging trends in the technology sector, such as personal computing and software services, the Change emerged.

- **Resolution:** IBM embraced the paradox by maintaining its core values of reliability and customer service while aggressively pursuing new business opportunities. The company restructured its operations and focused on services and software rather than hardware. Leadership, under CEO Lou Gerstner, emphasized the need for change while reassuring employees about the company's enduring values. This dual focus helped IBM stabilize its core business while successfully exploring new markets.

  In summary, IBM's transformation allowed it to regain its position as a leading technology company, illustrating how balancing stability and change can lead to successful organizational transformation.

**Case Study 2: Google's 20% Time Policy**

Google is renowned for its innovative culture and ability to stay ahead of the curve in the highly competitive tech industry. One of the key policies that cultivate innovation is the 20% time policy. The employees are encouraged to spend 20% of their time on projects outside their main responsibilities [8], [11].

- **Paradoxical Tension:** Autonomy vs. Control
  - **Autonomy:** Google employees are free to explore their ideas, fostering a sense of ownership and creativity.
  - **Control:** The company must ensure its core business operations remain efficient and aligned with strategic goals.

- **Resolution:** Google balances this tension by setting clear guidelines and expectations for the 20% time projects, ensuring that they align with the company's overall strategy. Managers monitor the progress of these projects and provide support to align with Google's long-term objectives. This approach allows Google to harness the innovative potential of its employees while maintaining organizational coherence and control.

  In conclusion, many successful products, such as Gmail and Google News, have emerged from the 20% time policy, demonstrating how balancing autonomy and control can lead to significant innovation.

**Case Study 3: Toyota's Production System**

Toyota's production system, known for its efficiency and continuous improvement (Kaizen), has been a model for manufacturing excellence worldwide. At the same time, the company empowers employees to experiment with new ideas and innovate processes [7, p. 34].

- **The Paradoxical Tension:** Exploration vs. Exploitation
  - **Exploration:** Toyota encourages employees to experiment and suggest improvements, fostering a culture of continuous innovation.
  - **Exploitation:** The company prioritizes standardization in processes and practices to maintain high levels of efficiency and quality.

- **Resolution:** Toyota integrates exploration and exploitation by creating a structured environment where employees can suggest improvements and test new ideas within the framework of established processes. The company uses a systematic approach to evaluate and implement successful innovations, ensuring that they enhance efficiency without disrupting existing operations. This balance allows Toyota to continuously improve its production system while maintaining high standards of quality and efficiency.

  In addition, Toyota's ability to innovate within a structured framework has enabled it to remain a leader in the automotive industry, showcasing how managing the exploration-exploitation tension can drive sustained success.

**Discussion.** The paradoxical theory of change proposes a new perspective on managing the OCM complexity. Acknowledgment
and embrace of inherent tensions and contradictions, instead of fighting them, helps leaders and change agents establish a more dynamic and resilient approach to transformation.

1. Implications for Change Leadership. The concepts of the ‘Real Self’ and ‘Ideal Self’, explained in ‘Primal Leadership’, resonate with the paradoxical approach. Change leaders must understand the gap between the current state (Real Self) and the desired future state (Ideal Self). This awareness allows them to address anxieties and resistance that often arise during change. Authentic leadership, characterized by self-awareness, empathy, and emotional intelligence, fits perfectly into this approach. Modeling readiness to embrace the complexity and paradoxes, leaders can build secured space for open dialogue and engage employees to address their own gaps and tensions between the Real and Ideal Selves.

2. Strategies for Managing Paradoxical Tensions. Foremost, practical implications of paradoxical theory for OCM include:
   a. Embrace Both/And Thinking: This means that instead of considering opposing forces as mutually exclusive, leaders must seek ways to integrate and balance them. For instance, a company can prioritize both innovation and stability, establishing dedicated teams for each, while maintaining open communication channels.
   b. Cultivate a Learning Culture: Foster experimentation and consider failures as opportunities to learn and develop. This allows organizations to adapt faster and more effectively.
   c. Communicate Openly and Transparently: Addressing tensions directly and honestly, creating a sense of shared understanding and accountability among employees and encouraging open communication channels that provide diverse perspectives and feedback.
   d. Develop Adaptive Leadership Styles: Leaders must be agile and adaptive in their techniques, recognizing that different situations may require different responses and be able to experiment with new strategies and adjust their approach based on feedback and results.

3. Role of Culture and Values. The culture and core values play a significant role in how an organization addresses paradoxical tensions. Culture, which values openness, collaboration, and learning from failures, better embraces the paradoxical approach to change. Leaders can foster such culture by following these practices:
   b. Create Safe Spaces for Discussion – encourage open communication and promote psychological safety within teams.
   c. Celebrate Both Success and Failures – recognize that both results provide learning opportunities.

In conclusion, by integrating the paradoxical theory into OCM practices, organizations can establish a more holistic and sustainable approach to change. This approach empowers leaders and employees to deal with complexities, embrace tensions, and, ultimately, achieve better transformative outcomes.

Conclusion. Summarizing all of the above, this article has explored the nature of organizational change and the influence of the paradoxical theory on change management practice. By recognizing inherent tensions and contradictions within organizations, leaders and change agents can adopt a more keen and effective approach to navigate the complexities of change.

The paradoxical theory of change offers a valuable framework for understanding the dynamics of resistance, the importance of balancing competing demands, and the role of new solutions in creating sustainable change. By integrating this theory with recognized OCM models, we can improve their effectiveness and applicability in a fast-changing landscape.

The integration of the paradox theory in OCM practice has the potential to innovate how we approach change initiatives. It fosters a more adaptive, resilient, and successful approach to change.

Key Contributions. The article provides several valuable contributions to the field of OCM:

1. Paradox as a Catalyst – the paradoxical theory of change redefines contradictions as catalysts for innovation, adaptability, and resilience rather than obstacles to overcome. This shift in perspective can empower organizations to harness the energy of tensions to drive positive change.
2. Enhanced OCM Models – integrating paradox theory into established OCM models offers a more comprehensive approach. By addressing the specific tensions arising at each stage of the change process, organizations can develop more adaptive strategies and improve implementation success.
3. **Authentic Leadership** – the Real-Ideal-Self model and principles from Primal Leadership emphasize the importance of authenticity, emotional intelligence, and open communication in managing change. Leaders who acknowledge and address the tensions between current and desired states can foster trust and engagement among employees.

4. **Cultural Significance** – organizational culture plays a pivotal role in how paradoxical tensions are perceived and managed. Cultivating a culture that values openness, collaboration, and learning from failures can create a supportive environment for embracing paradoxical thinking.

**Future Directions for Research.** While this article explores the theoretical foundation of the paradoxical theory in OCM practice, there is a potential for future research, for instance, in Practical Studies, as it makes it possible to conduct practical research to test the efficiency of paradox-based ideas in various organizational change contexts.

Also, in Cultural Aspects, because this kind of research gives an ability to investigate how cultural factors influence the manifestation and management of paradoxical tensions in various organizations. Next, Leadership Development, for example, is to develop training programs and tools to help leaders embrace paradoxical thinking and address the complexity of change. Another example is the integration with OCM Models, which enables us to explore how the paradoxical theory of change can be integrated with established OCM models. This integration can enhance the applicability and effectiveness of these models in managing complex change initiatives. And finally, Strategic Studies, so it is possible to examine the long-term influence of the paradoxical approach to change on organizational effectiveness and sustainability.

In addition, by addressing these research questions, we can improve our understanding of the paradoxical theory in OCM and contribute to more effective change strategies.

**REFERENCES:**