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# **The generative potential of Luhmann's theorizing: Decision paradox and deparadoxization**

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## **Abstract**

This chapter introduces two core notions from Niklas Luhmann's social systems theory to paradox studies. Specifically, it offers the notions of decision paradox and deparadoxization as potential generative theoretical devices for paradox scholars. Drawing on these devices, the paper shifts focus to the everyday and mundane nature of decision paradox and the important role of deparadoxization (i.e. generating latency) in working through paradox. This contribution comes at a critical juncture for paradox scholarship, which has begun to converge around core theories, by opening up additional and possibly alternative theoretical pathways for understanding paradox. These ideas respond to recent calls in the literature to widen our theoretical repertoire and moves scholarship more closely in line with the rich, pluralistic traditions of paradox studies.

## **Introduction**

Over the past two decades, paradox theory has developed into a distinctive approach in organization and management studies. Recent reviews (Schad et al. 2016; Putnam et al. 2016) and special issues (Smith et al, 2017; Jules & Good 2014) have contributed to further consolidation of this approach, establishing paradox theory as a “meta-theoretical perspective” (Schad et al. 2016: 10). As various scholars have highlighted, paradox “provides a language for scholars to discuss tensions, contradictions, and competing demands.” (Schad et al. 2019: 109). Paradox is widely defined as “contradictory yet interrelated elements that exist simultaneously and persist over time” (Smith & Lewis, 2011: 382), thus highlighting contradiction and interdependence as central characteristics. Putnam et al. (2016: 76) have added a further aspect to this definition, when they emphasize that “interdependent and mutually exclusive opposites reflect back on and impose on each other.”

While the expansion of paradox research has been celebrated widely, there have recently been concerns about negative consequences of paradox theory becoming “prematurely institutionalized” (Farjoun, 2017: 101). Cunha and Putnam (2019: 96) have argued that “paradox theory could become trapped by its own successes”. The consolidation of paradox research and the creation of a consensus around its key concepts, may result in narrowness of its theorizing and in the unquestioned acceptance of theoretical claims. In particular, they warn against “premature convergence on theoretical concepts, overconfidence in dominant explanations, and institutionalizing labels that protect dominant logics” (Cunha & Putnam 2019: 95). In reaction to these warnings, paradox scholars (Schad et al. 2019) have called on their colleagues to confront the established paradox perspective with other strands of theorizing in order to open black boxes in paradox research and to challenge taken-for granted assumptions – This is also a central focus of the special issue this paper is part of (see Bednarek, Cunha, Schad, and Smith, this volume).

Responding to this call to open up paradox theorizing, in this chapter we introduce the perspective of the German organization sociologist, Niklas Luhmann (Bakken & Hernes 2003; Cooren & Seidl, in press; Seidl & Mormann 2015), who treats organizations as fundamentally paradoxical (Luhmann 2006; 2018). Like other paradox researchers, he perceives paradox as a useful theoretical lens on organizations that “might reveal perspectives and issues which would otherwise go unnoticed or which would not be seen in context” (Luhmann 2006: 91). While Luhmann’s writings on organizational paradox are very well known in the German-speaking

world and have also been used by some international organization scholars (e.g. Aakerstrom Andersen 2003; Czarniawska 2005; Rasche 2007; Rasche & Seidl forthcoming), they have received surprisingly little recognition within the paradox community (for a rare exception, see Tuckermann, 2019). Indeed, in the two recent extensive reviews of the paradox literature (Schad et al. 2016; Putnam et al. 2016), there is not a single reference to Luhmann's work.

Luhmann has revealed many important aspects of organizational paradoxes. In this paper we will focus on two central insights from his social systems theory that contrast with extant findings in paradox studies: decision paradox and deparadoxization. First, while the established paradox literature tends to locate paradoxes at the organizational level, Luhmann orients toward the mundane, arguing that structural paradoxes are just epiphenomena of paradoxes at the performing (or operational) level; in particular, he posits that every single *decision* is a paradox. Second, while the established paradox literature highlights the advantages of engaging with paradoxes, Luhmann points out that such an approach leads to paralysis blocking organizational action; he argues for the converse, suggesting that paradoxes need to be concealed through *deparadoxization* in order to allow for effective action. After introducing these notions in some detail below, we use them to develop insight into the way we understand paradox, particularly mundane persistence and latency of paradox. We conclude with some reflections on the potential of Luhmann for the study of organizational paradoxes.

### **The paradox at the heart of the organization: the paradoxical nature of decisions**

Niklas Luhmann (1927–1998) was one of the most influential sociologists in the German-speaking world in the second half of the 20<sup>th</sup> century. He worked at the newly founded University of Bielefeld, which became a center for research based on Luhmann's approach. His oeuvre spans more than 70 books and 500 articles (Schmidt, 2000), many of which have been translated into multiple languages. Having been inspired by the works of Talcott Parsons, whom he visited early in his career, Luhmann developed a very unique systems theory of the social world, which has been adopted, next to sociology, in a large number of other disciplines from philosophy, to political science, media studies, theology, pedagogics, literature, and law. He is particularly appreciated for his highly innovative way of combining a wide range of often conflicting theoretical traditions including phenomenology, systems theory, cybernetics, the biological theory of autopoiesis, and the mathematical theory of George Spencer Brown (see Luhmann, 2013b). This theoretical breadth and prowess allowed him to develop a distinctive perspective on organizations that offers novel understanding of well-known phenomena.

While much of his work has focussed on developing a theory of modern society (Luhmann 2012; 2013a), Luhmann was an organization theorist first and foremost (Seidl & Mormann, 2015). His approach to organization, which treats organizations as self-reproducing systems of communication has been widely debated in the German-speaking world and many of his works have become canonical. Internationally, however, Luhmann's oeuvre is little known, with his main book on organizations having only just been translated (Luhmann, 2018). This lack of interest in his work has often been explained by the complexity of his theorizing and a misreading of his approach as a variant of outdated Parsonian systems theory (Becker & Seidl, 2007). It is only very recently, that Luhmann's work has started to have a more profound impact on the international research community – not least as one of three central pillars of the so called communication-as-constitutive-of-communication (CCO) perspective (Cooren and Seidl, 2020; Schoeneborn et al., 2014; Schoeneborn, 2011)

Luhmann characterizes his theoretical approach as founded on the notion of paradox (Luhmann, 2018). Like all systems, he argues, organizations come into being by producing a difference between themselves and their environment; without such a difference, the organization would be indistinguishable from the environment. Thus, the difference between organization and environment is constitutive for the system. This leads to the paradox that the organization is the unity of the difference between organization and environment (Luhmann 2018: 23). Much of Luhmann's organization theory can be understood as the unfolding of this fundamental paradox (Seidl & Becker 2006).

While many of Luhmann's insights about organizational paradoxes arise from his systems-theoretical perspective, e.g. systemic closure as precondition for systemic openness (Luhmann 2018), we use this paper to focus on two specific aspects of his theory that we consider to have broader application. The first aspect, which we discuss in this section, concerns the paradoxical nature of decisions. Luhmann argues that there is a paradox at the very heart of the organization: All organizational decisions, whether high-level strategic decisions or mundane operational decisions, are paradoxical. In order to appreciate this argument, we need to explain Luhmann's particular way of conceptualizing decisions as forms of communication.

Highlighting the social aspect of organizational decision making, Luhmann collapses the conventional distinction between taking a decision and communicating that decision to others

though some form of talk or text. As he argues, “decisions gain social reality only as communication” (Luhmann 2018: 187); thus, unless a decision is communicated, it is not part of organizational reality. Hence, organizational decisions materialize as decision communications. He writes: “Whatever decisions ‘are,’ within organizational systems, they can come about only as communication. For us, a decision is accordingly a communicative event and not something that happens in the mind of an individual” (Luhmann 2018: 185). Therefore, decisions are understood as the communication of one particular option selected from many possible alternatives. Compared to other types of communications, decisions are “compact communications” (Luhmann, 2018: 247) that do not simply inform others about a particular selection, e.g. “I am staying home”, but also about the fact that there are alternatives that *could* have been selected, e.g. “I am going out”. In this way, informing someone about the selection, also informs them about the fact that an alternative selection could have been made.

Combining these two elements, i.e. the selection and the alternative, thus leads to a paradox. As Luhmann writes:

“The decision has to inform about itself, but also about the alternative, thus about the paradox that the alternative is an alternative (for otherwise the decision would not be a decision) and at the same time not an alternative (for otherwise the decision would not be a decision)” (Luhmann, 2018: 111).

In this sense, decisions are contradictory communications. On the one hand, the more a decision informs about the existence of *real* alternatives to the selected option, the less the selected option will appear to be decided and hence, the decision will not constitute a decision; on the other hand, the more a decision justifies the selection of the selected option by highlighting its superiority over the other alternatives, the less the other alternatives will appear to be real alternatives and, hence, the less the selection will appear to be a choice but rather a decision. In relation to the latter point, Luhmann also refers to Von Foerster’s famous aphorism about the paradox of decision making: “Only *those* questions that are in principle undecidable, *we* can decide’ (Von Foerster, 1992: 14, emphasis in the original).

For example, when a CEO communicates that s/he has decided on a new business strategy, s/he has to communicate (at least implicitly) that there are other potential strategies that s/he could have chosen instead. If there are no alternatives to the chosen strategy, then there is nothing to

decide on. Yet, to the extent that these other options are presented as “real” alternatives, i.e., as valid options, the more others will wonder why the CEO has not chosen any of the other strategies. Thus, it creates a sense that the decision is ‘still open’ and not yet really decided. Hence, the CEO is faced with the paradox of having to convince others that the alternative strategies are valid alternatives and at the same time to convince them not to actually consider these options as alternatives.

The same decision paradox can also be described from a temporal perspective. Decisions communicate a difference in time: On the one hand, a past when all alternatives were still open and a future where only one option exists. The decision itself is the communication of the transition from the past open contingency to a future with a fixed contingency. As Luhmann writes:

“Before the decision it is an open alternative; in other words, it is an open contingency. Several decisions are possible, or so it is said. After the decision the contingency becomes fixed; and we only see that the taken decision could have been different. The contingency (defined as neither necessary nor impossible) is now fixed to a decision. Here, too, we can say: a decision is different things, ‘the same is different’. Depending upon the approach, whether we are looking at the alternative or the temporal difference, the same paradox of decision appears in different forms. But it is the same paradox; the paradox of the unity of different things.” (Luhmann 2006: 89)

Thus, in its temporal expression, a decision informs about the transition from a situation in which the alternatives could still be selected (otherwise there wouldn’t have been anything to decide on), to another situation in which the alternatives can no longer be chosen (otherwise the decision would not have been taken yet). In itself, the decision is nothing but this difference between open contingency and fixed contingency. Hence, the more a decision communicates the open contingency of the past, the less the fixed contingency will be accepted and the more the fixed contingency is presented as inevitable, the less the original openness will be appreciated.

This paradox of decision making creates problems in the communication process. In linguistic terms (Ruesch and Bateson 1951), decisions contain a performative contradiction. The “report” and “command” aspects of the decision undermine each other (Luhmann 2018: 186). The



information about the contingency of the selected alternative undermines the command to accept the selected alternative as fixed. In the form of this performative self-contradiction, decisions provide “a constant invitation to ‘deconstruct’” (Luhmann 2018: 186). In other words, decisions undermine themselves by communicating their own critique. As Knudsen writes,

“A decision cannot help but communicate its own self-critique, i.e. communicate that it could also have been made differently [...]. In the communication of a decision lies a self-destructive mechanism, a tendency towards deconstruction. The present cannot help referring to the absent – to use a deconstructive expression. The peculiar thing about decisions is, on the one hand, that they cannot help but express their own contingency, which precisely makes for a problem of connection: why connect to a decision which could have been made differently – and which cannot help but communicate this possibility?” (Knudsen 2006: 110)

This paradoxical nature of decisions renders them particularly precarious forms of communication, while also granting them particular power. Compared to other forms of communication, decisions have the capability to reduce uncertainty. When decisions are made and accepted, the original uncertainties involved in taking the decision are absorbed; ensuing decisions can take the decided alternative as given, a fixed point of reference, and do not have to concern themselves with the uncertainties of the consequences of various different alternatives. ‘Because once something has been decided, it need not normally be decided again’ (Luhmann, 2006: 95). For example, once a decision about an investment in a new radiology department in a hospital has been taken, ensuing decisions, e.g. decisions about recruiting radiologists to run the department, as well as the purchasing of various related medical devices, are taken as given. Thus, subsequent decisions can take as given that there will be a radiological department and do not have to bother with the questions involved in the original decision to set up the department, such as whether there will be any demand for radiological services. As Luhmann explained: “Uncertainty absorption takes place, we can therefore say, when decisions are [...] taken as the basis for subsequent decisions. In the style of Max Weber’s definition of power, we can also add: no matter what this acceptance is grounded in.” (Luhmann 2006: 96). By fixing the decided alternative, the earlier uncertainties are turned into certainties – the decided alternative is certain.

By absorbing uncertainty and thereby complexity, this paradoxical process of decision making provides organizations with a particular capability of handling high levels of complexity and enabling them to fulfil highly complex tasks (Luhmann, 2018; Seidl & Becker, 2006). With each decision, organizations reduce uncertainty and permit ensuing decisions, which are thus able to address and concentrate on other uncertainties. In the example above, the decision to open a new radiology department, means that ensuing decisions about hiring radiologists or buying relevant technological devices do not have to be concerned about uncertainties regarding the demand for radiological services anymore. Instead they can concentrate on the specific uncertainties concerning, for instance, qualifications of potential new hires or the timing of equipment purchases. This can also be illustrated using a more mundane example. For instance, if you decide to assign a particular task to a particular person ensuing decisions about resources to be made available to the person do not have to be concerned about uncertainties regarding the person's suitability for the task. Instead the ensuing decision can focus on the uncertainties to do with budgeting. It is this absorption of uncertainty at each decision point, resulting from the paradoxical form of decisions, that makes it possible to break down highly complex tasks into a series of successive decisions with a manageable level of complexity (Seidl & Becker, 2006).

### **The need to hide paradoxes: displacing and concealing paradoxes**

According to Luhmann, the paradoxical nature of decisions does not prevent organizations from taking decisions per se, nor does it mean that decisions are necessarily deconstructed in ensuing communications. In fact, Luhmann highlights that paradoxes are problems of observation rather than problems of action. We do not experience difficulty taking decisions that combine contradictory elements and we do not experience difficulty accepting decisions as a basis for further decisions – as long as the paradoxical nature of the decision is not revealed. Drawing on Spencer Brown's (1969) theory of observation, Luhmann (1990; 1999) points out that, in observing phenomena, we draw a distinction between what we focus on (figure) and what we background (ground).

In the case of paradoxes, however, the two sides of the distinction used in the observation are interdependent. Thus, it is not possible to focus on only one side. The result is an oscillation between the two sides, blocking the observation and thus paralyzing the actor (Luhmann, 1990; Czarniawska, 2005). The decision is both fixed and not fixed; the alternatives are both open and closed. Thus, according to Luhmann, it becomes impossible to take the decision as basis

for further action if the decision paradox is revealed. Luhmann (2018: 64) also speaks about paradoxes undermining the “connectivity” between decision – ensuing decisions cannot connect to the focal decision if a paradox is revealed. Or as Knudsen points out, “why would we connect to a decision that could have been made differently – and which also communicates this option?” (Knudsen 2006: 119). In this sense, paradoxes are like the mythological Gorgons (Luhmann 1990), “staring at them results in immobility, and therefore in an inability to act. Thus, one should avoid observation if action is intended” (Czarniawska 2005: 127).

Whenever we observe the paradoxicality of the decision, we experience an “urge to dissolve” (Czarniawska 2005: 129); we automatically search for ways in which the paradox can be ‘solved’, so that we will be able to focus on one side of the observational distinction while placing the other in the background. However, there is of course no solution to the decision paradox – which is by definition characterized by *persistent* contradictions (Schad et al. 2016). Accordingly, the only way of dealing with the decision paradox, as with any paradox, Luhmann claims, is by concealing it. He writes:

“We therefore have to ask how the paradox of decision-making can be communicated. Clearly not as paradox, for this would mean communicating the abandonment of connectivity. Nor as arbitrariness, for this would mean arbitrary acceptance or rejection. The paradox therefore has to be wrapped up and sealed in communication. But how does one then prevent the seal from breaking and the wrappings being gleefully removed to let everyone to see there is nothing inside but pure arbitrariness?” (Luhmann 2018: 185)

Luhmann coined the term “deparadoxization” (Luhmann 2018: 503) to refer to attempts at making a paradox latent by moving it “to a place where it is less troublesome” (Luhmann 2006: 92) or “displacing the paradox” (Knudsen 2006: 107). That is, paradoxes are dealt with by displacing and thereby concealing them. As Aakerstrøm Andersen (2003: 249, footnote added) explains, “Deparadoxification<sup>1</sup> happens through the development of paradoxes, which means that the internal distinction of the paradox is supplemented with, replaced by, and overlaid by sets of new distinctions thus covering up the fundamental form.” Thus, rather than solving the

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<sup>1</sup> Please note that there is some disagreement amongst scholars whether Luhmann’s originally German term “Entparadoxierung” should be translated as ‘deparadoxization’ or ‘deparadoxification’ (Czarniawska, 2005). Throughout this manuscript, we use ‘deparadoxization’, which is the term used in official translations of Luhmann’s writing. We only diverge from this convention when citing others, who use the term ‘deparadoxification’. In that case, we defer to the word choice of these texts and also use ‘deparadoxification’.

paradox, deparadoxization means that the decision paradox is transformed into a new paradox in a different area and thereby moved out of sight. This relocation or cascading of paradox is a key area of emerging interest for paradox theorists (Lê & Bednarek, 2017).

There are many different means of deparadoxizing the decision paradox. The most basic form of deparadoxization is the *attribution of the decision to a decision maker* who is taken to have had his or her motives for choosing one alternative over the others (Luhmann 2018). Yet, this attribution just “shifts the original paradox of the decision from the decision itself to the [...] decision maker and thus out of the realm of decisions, because the motives of the decision maker are not part of the decision” (Seidl & Mormann 2015: 140). Thus, the paradox is removed from the decision itself and does not come into view unless others – or the decision-makers themselves – start questioning the motives behind the decision, which would just reveal a paradox of motives (Luhmann 2018). Such questioning only happens in exceptional cases. As Luhmann writes: “[I]n the decision practice of organizations, you would get some rather surprised looks if you were to constantly question the decision makers about their motives. The motives are carried along unmentioned” (Luhmann 2006: 101). For example, when a CEO communicates that he or she has decided to hire a particular person, it is implied that he or she has their reasons for choosing one person over another – but these motives might not be described in detail in order not to challenge or open up the decision again.

In some cases, decisions are also *attributed to decision collectives* or to “deciding interactions” (Seidl 2006: 164). This means that the interaction is treated as making decisions. For example, medical committees and boards announcing *their* decisions on particular issues. This also shifts the decision paradox away from the decision itself onto the structures of interaction between the decision makers involved. For example, the decision to hire a new university professor is typically attributed to a hiring committee. Thus, the attention of the decision communication is shifted away from the paradoxicality of the decision itself to the operation of the hiring committee. Hence, in order to question the decision, one would have to question the myriad of interactions of the hiring committee, which tend to be opaque for externals and often even for participants themselves. As form of deparadoxization, the attribution to decision collectives often works even better than the attribution to individual decision makers, as the complexity of the deciding interaction tends to block any attempt to follow up on the displaced paradox.

“The attribution of decisions to interactions can serve as a means of deparadoxification to the extent that the interactional processes – for the organization – are incomprehensible. This means that the concrete processes leading to the decision making remain obscure [...]: the interaction has decided the undecidable but from outside one cannot say how. Usually one cannot even ask the interaction, in contrast to individual decision makers, as it cannot be addressed as a unity – the participants can, of course, be asked but every participant might tell a different story.” (Seidl 2006: 164-165)

The opacity of the interactional decision making might also be purposefully increased by actively withholding information about the interaction. In the announcement of interactional decisions, one often just learns about the outcome of the decision process but not about the discussions around the alternatives and not even about the position of the participants. Even in cases in which decisions are attributed to a single decision maker, the likelihood of someone following up on the displaced decision paradox are reduced by adding complexity to the decision-making process. As Luhmann writes:

“Important decisions have to be drawn up as written texts and ‘co-signed.’ The result is a tendency for clauses and conditions, concessions and compensations to proliferate, making decisions so complex that, at least for insiders, the decision-maker can no longer be pinpointed. The paradox is concealed under complexity.” (Luhmann 2018: 182)

In some sense, these attributions of decisions to decision makers or deciding interactions add an element of mystery to the decision (Luhmann 2006).

Another form of deparadoxization, is the *reference to so-called decision premises*, such as decision programs or decision-making rights, which themselves were decided at some earlier time. In this case, the decision is presented as based on what has been decided before. Seidl and Becker (2006: 29) explain,

“decisions are usually substantiated by reference to previous decisions, which are themselves not questioned any more. For example, the decision to acquire a particular new company might be substantiated with earlier decisions to increase the production capacity, to buy only from a particular manufacturer, to make all investments before the end of the year and so on. In this way, the original undecidability of the decision is

covered by shifting attention away from the decision to the decision premises, which at this moment are themselves not being questioned.”

The reference to decision-making rights particularly reduces the risk of deconstructing decisions as any attempt to question the decision could be shut down by highlighting that the decision maker had the right to take a decision. Hence, the critique of the decision would be redirected to the decision-making right. However again, the original decision paradox is not removed but has just been shifted to the decision premise – it persists not least as the paradox of the decision about the decision-making right. The likelihood of people following up on the decision premises is further reduced by multiplying the decision premises on which a focal decision is based – something that has been referred to as “game of authority” (Fauré, Cooren and Matte, 2019). As Cooren and Seidl point out,

“By games of authority, we mean interactions where the authors/sources/origins/premises of decisions are multiplied, which tend to obscure the paradoxicality of the decisions that are being made, rendering them less deconstructible. Deparadoxifying the decision-making process in this way thus could be described as consisting of multiplying the elements of a situation that are presented as *dictating* that a particular course of action be followed.” (Cooren & Seidl in press)

Building on Luhmann’s general argument about the need to deparadoxize decision paradoxes, Aakerstrøm Andersen (2003) has called for a program to empirically examine the different ways in which organizations deparadoxize decisions. Similarly, Knudsen argues “which types of displacement can be found in an organization in the end is a question that can only be answered with respect to a single empirical case.” (Knudsen 2006: 112). Following his own call for empirical studies on deparadoxization, Knudsen examined the ways in which a Danish health authority dealt with the paradoxes involved in the decisions about establishing autonomous health organizations and identified a range of different forms of deparadoxization. This included “deparadoxization by reasons” (Knudsen 2006: 120); that is, by providing a reason for the decision, the decision paradox is “displaced to this reason”; “deparadoxization by hearings” (Knudsen 2006: 121); that is, potential decisions pass through multiple hearings so that the decision paradox is shifted to the ways in which the hearings have been conducted; “deparadoxization by changing decision-proposals” (Knudsen 2006: 121), that is, the decision paradox “is displaced by obscuring what the decision is actually about. A decision is made, but

what it means exactly is left for the future to decide. In this way, contingency is displaced to the future.” We thus see that deparadoxization is a means of obscuring the paradox of decision, such that it may remain unobserved, enabling decisions, despite the paradoxical processes that underpin them, to serve as reference points in an unfolding flow of activity that is itself paradoxical.

### **Implications of Luhmann’s perspective for paradox theory**

Our previous section has outlined two unique and interrelated elements of Luhmann’s social systems theory: the decision paradox at the heart of the organization and the necessity to conceal/move paradoxes through deparadoxization. In this section, we discuss the implications of these two insights for paradox research and explain how they depart from established views on paradox research.

#### Decision paradox: Paradox as mundane, everyday persistence located in core operations

The notion of decision paradox extends paradox theory in two meaningful ways: it theorizes paradox as mundane *and* places the focus on the level of operations. First, by focusing on everyday decisions, from strategic decisions at the top of the organization to the operational decisions at the bottom, Luhmann posits paradox as ordinary rather than exceptional phenomenon in organizations, theorizing the most fundamental operations of an organization as paradoxical (Luhmann, 2006). In-so-doing, he offers a new way of conceptualizing paradox as mundane part of everyday life and, hence, paradox as something actors persistently work through in taken-for-granted ways. This mundanity and everyday persistence complements and extends recent practice-based approaches to paradox (Abdallah et al., 2011; Bednarek et al., 2017; Jarzabkowski et al., 2013; Jarzabkowski & Lê, 2017; Lê & Bednarek, 2017). In particular, through the mechanism of decision paradox, it skilfully takes up and provides an additional rationale for the notion of persistence. It is a straightforward argument; as decisions are central and persistent reference points in the unfolding flow of organizational experience (Tsoukas & Chia, 2002), the paradoxes naturally embedded within these decisions are also persistent, albeit unobserved and, thus, potentially, latent.

Second, Luhmann locates organizational paradoxes in the operations, i.e. the decisions, and not the structures, i.e. the structural requirements imposed on the decisions. That is, he shows that decisions are paradoxical by their very nature rather than just having to cope with structural contradictions imposed on them, e.g. the requirement for simultaneous exploration and

exploitation. Specifically, structural paradoxes, which traditional paradox research tends to foreground (Lewis, 2000; Schad et al, 2016; Smith & Lewis, 2011), are understood as epiphenomena of the more fundamental paradoxes at the level of decisions. “We have revealed the paradox that organizations have to reckon with and which they have to resolve not at the structural level but at the operational level. In this, our concept differs from theories that set out from structural contradictions. [...] The result is that all structural contradictions that confront behavior with a dilemma and stimulate the search for solutions have to be understood as deriving from more deep-seated paradoxes, which can thus be derived theoretically” (Luhmann 2018: 190-191). In this way, this perspective extends insights of the existing practice-based approaches to paradox, by showing that it is not just that structural conflicts manifest themselves and have to be dealt with in the everyday operations but also that the paradoxes arise from the very operations in which they also have to be dealt with. Hence, it mirrors the focus on paradoxes of performing in the practice-based paradox literature (Jarzabkowski et al., 2013; Jarzabkowski & Lê, 2017).

Yet, rather than belonging-performing paradoxes being mutually co-constituted, and in turn co-constituting organizing paradoxes (Jarzabkowski et al., 2013), Luhmann’s (2018) theorizing suggests a more direct relationship, whereby organizing paradoxes directly reflect the micro-dynamics of performing paradoxes at the macro-level. In other words, while the practice view (Giddens, 1984; Jarzabkowski et al., 2013) allows for the mutual constitution of structure (organizing paradox) and agency (belonging paradox), Luhmann (2018) highlights the operational activity as the source of all structural paradoxes, such as the requirement to both explore and exploit, as a result of those operational paradoxes. In others words, structural paradoxes can be traced back to paradoxes at the operational level of activity. We thus suggest that Luhmann provides a more radical approach to paradox theorizing, within which structure is instantiated through the mundane and everyday paradoxical process of decision, albeit that this instantiated structure is epiphenomenal to such flow of everyday decision making.

#### Deparadoxization: Concealing and paradox latency as active work

The Luhmannian notion of deparadoxization holds much promise for paradox theory, particularly for emerging understandings of latency. Latency refers to paradoxical contradictions that persist but remain “dormant, unperceived, or ignored” (Smith & Lewis, 2011: 388). While central to Smith & Lewis’s (2011) dynamic equilibrium model of paradox, most paradox scholars have overlooked latency in favor of salience (for a critique, see Lê & Bednarek,



2017). Saliency refers to paradoxical contradictions that persist but “are consciously observed, articulated, and experienced by organizational actors (Smith & Lewis, 2011; Lewis, 2000)” (Jarzabkowski, Bednarek & Lê, 2017: 178). Through the notion of deparadoxization, with its emphasis on concealing the paradox in decision making, in order to avoid the paralysis of multiple observable alternatives, a Luhmannian approach firmly reorients our focus toward latency. In particular, it also directs our attention to how this latency is achieved in practice. As Luhmann (1990: 135) writes: “the [dis]placement of paradoxes can be undertaken more or less skilfully, can have a more or less unblocking effect, can be more or less fruitful.”

Such a reorientation represents a critical shift in the standard paradox literature. Indeed, while most of the paradox literature studies moments of saliency as *critical points* of tension (Jarzabkowski et al., 2013; Lewis, 2000; Smith & Lewis, 2011) or complementarity (Abdallah et al., 2011; Bednarek et al., 2017), implicitly pointing to some heightened state of awareness or experience that generates responses (Knight & Paroutis, 2017), adopting a Luhmannian perspective (2018) suggests the opposite focus. Rather, it involves orienting toward the unseen or hidden, as it is these latent moments that people effortfully create through deparadoxization in order to work through (and with) paradox. Responses to paradox are thus constructed through its unobserved ‘absence’. Nevertheless, despite the focus on paradoxical latency, Luhmann (2018), unlike mainstream paradox theory, points to generative effects such as paradox concealment – enabling paradox to remain latent – as critical in avoiding paralysis and enabling actors to treat decisions as reference points in an ongoing flow of experience. Thus, rather than requiring saliency in order to generate responses to paradox, Luhmann (2018) suggests such responses are possible only and occur only in the absence of salient paradox: “invisibilizing is integral to coping with contradictory tensions” (Tuckermann, 2019: 1869). Such concepts enable a fruitful extension of paradox theorising to considering not only saliency but also latency as a key means of working actively with paradox.

Indeed, Luhmann’s theorizing runs counter to much existing paradox theory, which, with a few exceptions (Abdallah et al, 2011; Bednarek & Lê, 2017; Jarzabkowski & Lê, 2017), builds on a dichotomy of active and defensive responses that preferences active, direct confrontation of paradox over more passive responses that gloss over or ignore paradox (cf. Lewis, 2000; Smith & Lewis, 2011). Deparadoxization or ‘concealing and displacing’ the paradox, would be classed as a defensive response within this dichotomy and, hence, less generative. Yet, Luhmann (2018) suggests that we can only respond in periods of latency; hence people in

organizations necessarily must construct paradox as latent as a precursor to (effectively) responding to that paradox by concealing it. Such concealment is enabling, as Luhmann emphasizes that we can *act* paradoxically but must not construct this action as paradoxical, “Luhmann criticized the postmodernists, declaring that their call for a celebration of the paradox is like encouraging us to look straight in the face of one of the Gorgons – which, as we know, would turn us into stone. Reflectivity paralyzes. Paradoxes paralyze an observer, continues Luhmann, but not an actor” (Czarniawska 2005: 129). We therefore argue that Luhmann’s notion that actors must make paradox latent to work with it provides a theoretically critical extension of our understanding about how to harness the ‘generative power’ of paradox (Lewis, 2000).

Additionally, the notion of deparadoxization – through the two related aspects of displacing and concealing – gives us new tools to study paradox empirically. By suggesting that organizational actors displace the paradox, i.e. move it away, and conceal the paradox, i.e. hide it from sight, when they engage in deparadoxization, we are pointed to two distinct but related aspects of dealing with paradoxes that we may seek to identify in empirical studies. Studies could, for instance, be designed to specifically look for ways in which people displace the paradox *and* hide the paradox in order to respond to it. Such conceptual and methodological tools answer calls to better understand the relationship between salience and latency, and calls to illuminate latency (Jarzabkowski, Bednarek & Lê, 2017; Lê & Bednarek, 2017). They also respond to encouragement for empirical programs to investigate different ways of deparadoxization (Aakerstrøm Andersen, 2003; Knudsen, 2006).

### Bringing Together Luhmann’s Deparadoxization Approach and the Dynamic Equilibrium Model

Setting Luhmannian theorizing about paradoxes against the dynamic equilibrium model (Smith & Lewis, 2011) dominant in paradox theory illuminates the potential and the boundaries of both. Dynamic equilibrium is a key framework in paradox theorizing that entails purposeful responses that generate constant movement between persistently contradictory poles (Smith & Lewis, 2011; see also Lewis, 2000; Smith & Lewis, 2014; Schad et al., 2016). The key difference between deparadoxization and dynamic equilibrium focuses on two interrelated points. First, they differ in relation to their approach to what facilitates action. While in the Luhmannian perspective, preference is given to either/or choices, both/and choices dominate the dynamic equilibrium perspective. Hence, Luhmann gives us an understanding that either/or

decisions have to be made in order for action to be possible. This is in contrast to the dynamic equilibrium model, which emphasizes the generative potential of seeking both/and options that may lead to more encompassing, holistic solutions. Second, the perspectives assign differing value to the breadth of the repertoire of action. While Luhmann's notion of deparadoxization encourages us to close down options for action, the dynamic equilibrium's notion of accepting paradox encourages us to reveal more options for action. Luhmann points us toward the need to narrow and close down the responses available and acceptable in order to generate a clear pathway to action, thereby simultaneously reducing the perceived avenues for action and enabling the specific action proposed. By contrast, the dynamic equilibrium encourages us to expand and open up various responses, generating as many potential pathways to action as possible, therein magnifying the avenues for action available and allowing us to find better solutions.

Luhmann provides an alternative that may fruitfully replace both-and approaches within particular contexts where we do not have the capacity or luxury of expanding into multiple options, but rather, need swift solutions and immediate action. We thus suggest that, rather than being mutually exclusive theoretical perspectives, Luhmann's theorizing around deparadoxization can enhance current theorizing of paradox in organizations by providing an incisive theoretical tool for those situations in which we cannot afford paralysis. In particular, we encourage scholars to explore the situations in which a deparadoxization approach holds versus those in which we see dynamic equilibrium being more effective. We suspect, that the narrowing of options and closure of action paths that comes with displacement and concealment (Luhmann, 2018), may be more generative in urgent, crisis situations, where organizations draw back to central functioning (e.g. periods focused on organizational survival, including those following crisis and recession or market reconfiguration), while the broadening of options and extension of action paths that are characteristic of a dynamic equilibrium perspective (Smith & Lewis, 2011) may be more generative in periods of stability, or where there is sufficient time for actors in organizations to seek actively to develop new pathways (e.g. periods focused on organizational development, including those following times of success). We also expect that a deparadoxization approach may be generative in mundane situations where things simply must be accomplished, whereas a dynamic equilibrium approach may be more generative in complex situations where creative solutions are required, as "paradoxes serve the function of stimulating creativity" (Luhmann, 1990: 135). Indeed, even within such periods – crisis versus stability, mundane versus complex – we expect that there will be particular projects or moments

that lend themselves more to deparadoxization and others that lend themselves more to active acceptance. We encourage the exploration of such dynamics in a variety of organizational and interorganizational settings.

## **Conclusion**

This paper responds to the call for theoretical pluralism in paradox studies by introducing two notions from Luhmannian social systems theory. Showing how decision paradox and deparadoxization can illuminate our understanding of paradox generally, and our understanding of latency specifically, has the potential to invite new, divergent contributions and reshape the paradox field. Now, more so than ever, theoretical pluralism is important in helping us understand paradoxes in organizations and the consequential dynamics they generate. There are increasing reports out of various geographies – including Italy, Spain and the United States – of critical shortages in medical equipment as a result of the Covid-19 pandemic. Such shortages result in medical professionals facing critical decision paradoxes. For instance, despite their Hippocratic oath, they may be forced to decide who receives access to life-saving medical equipment and, by virtue of that decision, also who does not receive access to such equipment. It is only through deparadoxization –displacing and concealing this paradox – that medical professionals are able to avoid paralysis and return to the frontline on a daily basis to continue taking action. We believe Luhmannian theorizing could help us better understand situations such as these and call on our peers to explore Niklas Luhmann’s approach to organizations in greater depth.

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