



Paradoxical Leadership as Sensegiving: Stimulating Change-Readiness and Change-Oriented Performance

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Paradoxical Leadership as Sensegiving: Stimulating Change-Readiness and Change-Oriented Performance

Abstract

Purpose

Paradoxical leadership (PL) is an emerging perspective to understand how leaders help followers deal with paradoxical demands. Recently, the positive relationship between PL and follower performance was established. We build on and extend this research by (1) interpreting PL as sensegiving and (2) developing theory about mediation in the relationship between PL and adaptive and proactive performance.

Method

We develop a new measure for PL as sensegiving. We provide a test of our mediation model with data from two different sources and two measurement times in a German company.

Findings

Multilevel mediation analysis ($N = 154$) supports our model.

Originality

We present sensegiving about paradox as a core element of PL, which informs the choice of change-readiness as mediator. We develop and validate a scale to measure PL in future research.

Keywords: paradoxical leadership, sensegiving, change-readiness, adaptive performance, proactive performance

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3 Paradoxes – “contradictory yet interrelated elements that exist simultaneously and
4 persist over time” (Smith and Lewis, 2011, p. 382) – are a natural part of organizational
5 reality (Smith and Lewis, 2011; Zhang *et al.*, 2015). For example, organizations need their
6 employees to follow established norms and routines to accomplish organizational goals. At
7 the same time, they require their members to “break away from the mold” to flexibly adapt to
8 changes and initiate changes to innovate and stay ahead of the competition. Research has
9 documented that there is a positive as well as a negative side to such paradoxical demands.
10 On the negative side, paradoxical demands are associated with uncertainty and defensive
11 reactions (Miron-Spektor *et al.*, 2018; Schad *et al.*, 2016; Vince and Broussine, 1996). On the
12 positive side, paradoxical demands may drive adaptive, change-focused responses and people
13 may thrive with paradox (Miron-Spektor *et al.*, 2011; Miron-Spektor *et al.*, 2018). Given that
14 paradoxical demands pervade organizations and that paradoxical demands can have both
15 positive and negative effects, shaping employees’ understanding and sense of meaningfulness
16 of the paradoxes inherent to their work is a key leadership challenge.

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The concept of paradoxical leadership (PL) has been proposed to address exactly this
issue (Smith *et al.*, 2012; Zhang *et al.*, 2015). With a focus on how leaders deal with
paradoxes, Zhang *et al.* (2015, p. 539) defined paradoxical leadership (PL) as “leader
behaviors that are seemingly competing yet interrelated, to simultaneously and over time
meet competing workplace demands.” These authors provide the first empirical findings for
the effectiveness of PL with regard to follower performance. Some authors are beginning to
use the Zhang *et al.* (2015) approach to further investigate the benefits but also potential
downsides of paradoxical leadership for creative processes (e.g., Shao *et al.*, 2019). What is
currently missing in this emerging line of research is mediator theory and evidence. Part of
the issue here may be that current (empirical) research on PL has emphasized the leader side
in terms of how leaders deal with paradoxes more than the psychological effects that PL has
on followers (e.g., Lüscher and Lewis, 2008; Smith, 2014; Zhang *et al.*, 2015). Thus, the

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3 question of *how* PL influences followers is still open, and addressing this question is an
4
5 important next step in the development of PL theory.
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8 To fill this void, we build on insights in the paradox literature that highlights the
9
10 importance of sensemaking about paradoxes (Lüscher and Lewis, 2008; Schad *et al.*, 2016;
11
12 Smith and Lewis, 2011) and contend that sensegiving is at the core of PL (see also Sparr,
13
14 2018). Thus, we propose that PL should be understood as sensegiving – that is, leadership to
15
16 shape followers' sensemaking process about paradoxical demands (e.g., Foldy *et al.*, 2008;
17
18 Gioia and Chittipeddi, 1991). This perspective supports the development of theory about the
19
20 mediating role of follower change-readiness – defined as “a positive and proactive response
21
22 to change over time as a function of contextualized affective and cognitive evaluations”
23
24 (Stevens, 2013, p. 346) – in the relationship between PL and change-oriented performance
25
26 outcomes, namely adaptive and proactive performance.
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31 Paradoxical demands are associated with a need for continuous shifts and changes in
32
33 decisions and behaviors to establish and maintain a dynamic balance between paradoxical
34
35 demands (Smith and Lewis, 2011). We reason that because PL helps followers to understand
36
37 and accept paradoxical demands as an inevitable part of organizational reality, PL enhances
38
39 followers' readiness for changes. Follower change readiness is an important predictor of
40
41 change-oriented performance, specifically adaptive and proactive performance (Neves, 2009;
42
43 Rafferty *et al.*, 2012). Thus, we suggest that change-readiness specifically mediates the
44
45 relationship between PL and these aspects of performance.
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50 We contribute to the literature on paradox and leadership in developing theory about
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52 the sensegiving role of PL and the processes mediating the influence of PL. Research on
53
54 paradoxes in organizations has only recently inspired the study of PL, and this theory about
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56 mediating processes is important in further developing the PL perspective. A focus on
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58 mediation is not just important in understanding the process involved in the effects of
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60 leadership; a focus on mediation also provides an important starting point to identify

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3 moderating influences based on this knowledge of mediating processes (cf. van Knippenberg
4
5 *et al.*, 2004). Hence, the current theory is also important in setting the stage for the
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7 development of theory about moderation in PL effects. Overall, we contribute to the PL
8
9 literature in developing a theoretical understanding of PL, supported by empirical evidence
10
11 based on a measure tailored to capture the sensegiving aspect of PL.
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14 **Theoretical Background and Hypotheses**

15 **Paradoxical Leadership**

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17 Research has gained important insights into how managers deal with paradoxical
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19 demands (Lüscher and Lewis, 2008; Smith, 2014; Smith and Lewis, 2011) and which skills
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21 they need to do so (Smith *et al.*, 2012; Smith and Lewis, 2012). Building on this, research on
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23 PL as an effective leadership approach in complex and dynamic work environments has
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25 begun to emerge (Smith *et al.*, 2012; Zhang *et al.*, 2015). The concept of PL captures leader
26
27 behaviors that are seemingly competing yet interrelated, which over time help to meet
28
29 competing demands that leaders face within their role (Waldman and Bowen, 2016; Zhang *et al.*,
30
31 2015). However, not only leaders but also their followers face paradoxical demands.
32
33 Oftentimes the leader confronts followers with such demands (Smith, 2014; Sparr, 2018).
34
35 Depending on followers' perception and interpretation of paradoxical demands, they will
36
37 either experience uncertainty and react defensively (Schad *et al.*, 2016; Vince and Broussine,
38
39 1996) or accept and embrace the paradoxical demands (Miron-Spektor *et al.*, 2011; Miron-
40
41 Spektor *et al.*, 2018). Thus, the key focus for research in PL should arguably be to examine
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43 how leaders influence how followers deal with paradoxical demands.
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52 When it comes to complex and ambiguous issues as paradoxical demands, we propose
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54 that the core role of leadership is sensegiving – “the process of attempting to influence the
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56 sensemaking and meaning construction of others toward a preferred redefinition of
57
58 organizational reality” (Gioia and Chittipeddi, 1991, p. 442). Obviously, leaders' own ability
59
60 to accept and embrace paradoxes is a necessary precondition for their sensegiving to

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3 followers (Smith, 2014; Sparr, 2018). Zhang *et al.* (2015) argue that PL stimulates follower
4 performance via leader role modeling, which is an important means to give sense to
5
6 followers. In our analysis of PL, we likewise emphasize leaders' sensegiving role in
7
8 interactions with followers – the aspect of leadership that followers most directly experience
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10 and that is most proximal to outcomes associated with follower attitudes and behavior. We
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12 propose that this sensegiving perspective is particularly helpful to understand how PL can
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14 reduce negative reactions associated with paradoxical demands and stimulate positive
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16 reactions.
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21 **Paradoxical Leadership as Sensegiving and Follower Change-Readiness**

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24 Paradoxes are double-edged swords that potentially spark innovation and high
25 performance but also promote uncertainty and defensive reactions (Miron-Spektor *et al.*,
26
27 2018; Schad *et al.*, 2016; Smith and Lewis, 2011). Dealing with paradoxes requires the
28
29 willingness and ability to establish and maintain a dynamic balance between paradoxical
30
31 demands (Smith and Lewis, 2011). PL thus needs to convey why and how followers should
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33 embrace shifts and changes in decisions and behaviors as part of their daily work. Leaders
34
35 need to help followers to accept paradoxes as a challenge and not as a threat. To be fully
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37 responsive to paradoxical demands in their work, followers need to adapt to these shifts and
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39 changes initiated by their leaders and co-workers and at the same time proactively initiate
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41 shifts and changes in their own work. We therefore propose that leaders' sensegiving about
42
43 paradox stimulates their followers' readiness to accept and embrace constant change. More
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45 concretely, we suggest that PL stimulates followers' change-readiness – that is, their
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47 willingness to respond positively to and constructively engender change (Stevens, 2013).
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54 Our proposition is informed by research on change-readiness: Change-readiness is
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56 facilitated by followers' sense of meaning in change (Kraft *et al.*, 2016; Maitlis, 2005; Maitlis
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58 *et al.*, 2013; van den Heuvel *et al.*, 2013). Leadership is an important influence on follower
59
60 change-readiness (e.g., Kraft *et al.*, 2016; Oreg *et al.*, 2011). Leader sensegiving about the

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3 need for and the appropriateness and benefits of change is a major predictor of follower
4 change-readiness (e.g., Armenakis *et al.*, 1993; Eby *et al.*, 2000; Rafferty and Simons, 2005).

7 Thus, leader sensegiving about the dynamic nature of paradoxes and the need to shape one's
8 behavior in continuously dealing with paradoxes (Smith and Lewis, 2011) should stimulate
9 follower change-readiness as they see the meaning behind these practices.

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15 *Hypothesis 1.* PL is positively related to change-readiness.

16 17 **Linkages among PL, Change-Readiness, and Follower Performance**

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19 With this notion of change-readiness as mediating mechanism in place, we focus on
20 employee change-oriented performance as an outcome, namely adaptive and proactive
21 performance (Griffin *et al.*, 2007). Paradoxical demands require a dynamic balance between
22 the different demands (Smith and Lewis, 2011) that accompanies the constant shifts and
23 changes in decisions and behaviors. Employees need to engage in adaptive and proactive
24 behaviors that go beyond the job description and recognize the necessity to respond to
25 changes constructively (adaptive performance) or to initiate change in a self-starting and
26 future-directed fashion (proactive performance; Griffin *et al.*, 2007). The study by Zhang *et*
27 *al.* (2015) supported positive relationships between PL and these kinds of performance.

28
29 Above, we argued that PL helps followers to experience the paradoxical demands they
30 encounter as meaningful, and we propose that a key consequence in translating this
31 understanding into action is change-readiness. We propose that PL is important here because
32 it helps people understand not only the presence and legitimacy of paradoxical demands, but
33 also that these demands require adaptive and proactive performance – change-oriented
34 behavior. Such an understanding builds change-readiness because the demand for change-
35 oriented behavior is better understood and appreciated.

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56 Change-readiness has both an affective and a cognitive component (Stevens, 2013).
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58 The cognitive component involves a positive evaluation of the costs and benefits of change
59 and changing (Vakola, 2014), which generally should motivate individuals to adapt to the
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changes they encounter. In this sense, understanding paradoxical behavior, which includes the continuous shaping of one's actions and decision-making (Smith and Lewis, 2011), as an opportunity to balance tensions of competing demands, will help followers to both adapt to and proactively create a dynamic balance between those demands. Support for this assumption comes from theory on predictors of proactive behavior that highlights the role of individuals' experiencing a reason to engage in such behaviors (Morrison and Phelps, 1999; Parker *et al.*, 1997). This theory argues that proactive cognitive-motivational states, such as felt responsibility to bring about constructive change, are the reason for employees to engage in proactive behavior (Parker *et al.*, 2006). Additionally, the positive affective component is likely to stimulate proactive performance because it stimulates more flexible cognitive processes (Bindl *et al.*, 2012; Parker and Wu, 2014), as suggested by the broaden-and-build theory. Key assumptions of the broaden-and-build theory are (1) that positive emotions *broaden* employees' repertoire of cognitions and actions, which facilitates novel and creative action, and (2) that these actions *build* individual resources, which in turn help employees to cope and strive (Fredrickson, 2001). Overall, we suggest that PL stimulates follower change-readiness because it helps them to see the appropriateness and value of constant change in the effort to balance competing demands and because it gives them confidence about achieving this balance. This positive attitude to change gives followers a motivation to both adapt to change and create change through their own adaptive and proactive performance (Neves, 2009; Oreg *et al.*, 2011). Hence, readiness for change is a key mechanism that explains how PL motivates change-oriented performance.

Hypothesis 2. The positive relationship between paradoxical leadership and (a) adaptive and (b) proactive performance is mediated by follower change-readiness.

Method

Sample and Procedure

To test our model, we used data from two consecutive annual employee opinion

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3 surveys (EOS) in a medium-sized, family-owned, internationally operating supplier company
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5 for the electronic industry. The surveys were conducted in the company's headquarters,
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7 located in southern Germany. This company has been growing fast over the past couple of
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9 years both in terms of number of employees and subsidiaries in different countries around the
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11 world, while pursuing a globalization and innovation strategy. The anonymous surveys were
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13 conducted online and were accompanied by extensive communication.
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17 At the first measurement time, we invited 244 employees to fill out our survey and
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19 achieved a return rate of 90.98% ($n = 222$). At the second measurement time, one year later,
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21 we invited 257 employees to participate and achieved a return rate of 85.21 % ($n = 219$). We
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23 used a code procedure to match the data for the two surveys. Each employee was assigned an
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25 individual code that was linked with structural information (organizational unit and position).
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27 We took measures to protect the employees' anonymity. Four to six weeks after the second
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29 survey, supervisors provided performance ratings for their employees as described below in
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31 the measures section.
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35 Due to missing data in one of the surveys, leader changes between the years, and six
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37 cases where the matching procedure was flawed on the side of the company, our final sample
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39 comprised $N = 154$ individuals (59.92% of the eligible followers at time 2). In this final
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41 sample, 75.3% of our participants were male, which reflects the gender structure of the
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43 company, and 17.5% had leadership responsibilities. Overall, 19 different units within two
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45 divisions were represented in our sample. However, three units had fewer than three
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47 responses to the survey and thus were collapsed into one unit for the analysis. The number of
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49 employees within the original units ranged from 1 to 43, with a mean of 9.44 ($SD = 8.32$).
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52 53 Measures

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55 **Paradoxical leadership (time 1).** We developed our own measure of PL, which
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57 reflects the notion of sensegiving as the core of PL, in a three-step procedure. First, we
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59 generated items based on the systematic framework of paradoxes by Smith and Lewis (2011).
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3 We discussed all items in our author team to ensure that the developed items correctly reflect
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5 key tensions of the categories we assigned them to. We developed the items in both English
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7 and German. To ensure that the meaning of the items was the same in both languages, all
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9 items were discussed with a leadership expert who was raised bilingually. Second, we
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11 conducted qualitative expert interviews to pretest the comprehensibility and practical
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13 relevance of our newly developed items in a sample of 14 participants with experience in
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15 leadership and/or leadership development from different industries. Based on these
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17 interviews and our discussions, we rephrased the items whenever necessary. Third, the
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19 preliminary set of 19 items was pretested in three different samples (overall $n = 743$) with a
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21 Likert-type answer format ranging from 1 (disagree) to 5 (agree). Confirmatory factor
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23 analysis (CFA) provided support for the four-factor structure with a higher order factor PL.
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25 Cronbach's alpha for the full scale exceeded .90 in all three samples. We compared our scale
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27 with the Zhang et al. (2015) measure in an online panel sample ($n = 455$) and found a highly
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29 positive and significant correlation ($r = .72$).
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36 Due to limited space granted to us in the company's EOS survey (overall, the final
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38 surveys had approximately 120 items in both surveys), we chose nine items (see Appendix)
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40 that exhibited the highest factor loadings on the higher-order factor in our pretests. These
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42 items represented the full framework of organizational paradoxes by Smith and Lewis (2011).
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44 We then tested this short PL scale in our online panel sample from the pre-test, where it
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46 showed high levels of reliability (Cronbach's alpha = .91), a nearly perfect correlation with
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48 the 19-item scale ($r = .98$), as well as a similar correlation ($r = .70$) with the Zhang *et al.*
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50 (2015) measure as the full PL scale ($r = .72$). From this analysis, we concluded that there is
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52 no loss of information or validity in the use of the short PL scale compared to the 19-item
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54 scale. Since we had no specific hypotheses for the subdimensions of PL, we calculated a
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56 single index for PL. This index based on the short scale of PL ($\alpha = .95$) yielded a 1-factor
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58 solution with good fit to the data ($\text{Chi}^2 = 51.90$, $df = 27$, $p < .01$; NFI = .96; CFI = .98, TLI =
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.97, RMSEA = .08).

Change-readiness (time 2). We used four items of the Vakola (2014) measure for individual readiness for organizational change. A sample item is, “When changes occur in my company, I believe that I am ready to cope with them.” The scale exhibited an acceptable internal consistency ($\alpha = .79$).

Performance (time 2, supervisor rating). Approximately three weeks after the survey period, the department and group leaders rated their employees’ performance on a 7-point Likert scale (“do not agree at all” to “completely agree”). We chose one item for each performance dimension that assessed the core aspect of this dimension (the content) and a second item that assessed the way in which followers achieved this performance aspect (the process). For the selection of items, we used the Griffin *et al.* (2007) framework as a guideline. The two questions for in-role performance were “...always fulfills his/her goals,” and “...works effectively” ($\alpha = .89$). The two items for adaptive performance were “...adapts well to changes in work tasks,” and “... masters changes in work procedures well” ($\alpha = .84$). And the two items for proactive performance were “...develops new, creative ideas,” and “...frequently proposes good ideas for improvement” ($\alpha = .89$). We performed a confirmatory factor analysis (CFA) for the three performance variables. The three-factor model ($\text{Chi}^2 = 6.97$, $df = 6$, $p > 0.05$; NFI = .99; CFI = 1.00; TLI = 1.00; RMSEA = .03) yielded an excellent fit to the data and a significantly better fit ($\Delta\text{Chi}^2 = 148.20$; $\Delta df = 3$; $p < .001$) than the one factor model ($\text{Chi}^2 = 155.17$; $df = 9$; $p < .001$; NFI = .73; CFI = .74; TLI = .57; RMSEA = .33).

Vision communication as control variable. We deemed it valuable to show that PL has an effect over and above other leader sensegiving behaviors. We chose leaders’ *vision communication* as an important, but distinct leader sensegiving behavior (Stam *et al.*, 2014). For example, leaders communicating a compelling vision foster their followers’ performance because they align their followers with the organization’s mission and instill a sense of

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3 meaning in their followers (Gioia and Chittipeddi, 1991). However, PL is clearly distinct
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5 from this kind of leader sensegiving. PL aims to explain to followers why paradoxical
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7 tensions are inevitable challenges in organizations that cannot be solved with simple either/or
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9 decisions but entail opportunities for outstanding performance when addressed with a
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11 both/and mindset (Smith and Lewis, 2011). PL is a specific kind of sensegiving that not only
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13 helps followers to understand the organizations' goals and objectives (as in vision
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15 communication) but also helps them to understand paradoxical tensions that might arise from
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17 these different goals. Therefore, we expect that our model and assumptions of how PL affects
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19 performance go beyond the effects of vision communication. We used three variables to
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21 measure vision communication: "My leader frequently communicates an image of what
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23 [name company] should look like in the future;" "My team leader frequently talks about how
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25 we can make [name company] a better company in the future;" and "My leader shares ideas
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27 how to realize his/her vision for [name company]." The Likert-type answer format ranged
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29 from 1 (disagree) to 5 (agree). The three items showed good internal consistency ($\alpha = .90$).
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35 Results

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37 Bivariate correlations among all study variables are shown in Table 1. Paradoxical
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39 leadership was positively related to change-readiness ($r = 0.35, p < .01$), adaptive
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41 performance ($r = 0.17, p < .05$) and proactive performance ($r = 0.17, p < .05$). Furthermore,
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43 change-readiness was positively correlated with both adaptive ($r = 0.26, p < .01$) and
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45 proactive performance ($r = 0.29, p < .01$).
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49 Individuals in our sample are nested in $k = 16$ groups. Initial test showed significant
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51 variance between the groups for PL ($F(16, 135) = 3.03, p < 0.001$), adaptive performance
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53 ($F(16, 135) = 2.80, p < 0.01$), proactive performance ($F(16, 135) = 3.29, p < 0.001$), but not
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55 for change readiness ($F(16, 135) = 0.96, p > .05$). Therefore, multilevel mediation modeling
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57 was indicated to test our hypotheses. We used the MLmed macro for SPSS (Rockwood &
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59 Hayes, 2017).
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Hypothesis 1, which proposes a positive relationship between PL and change-readiness, was supported (Table 2; $coeff = 0.24$, $SD = 0.08$, $t = 3.06$, $p < 0.01$). *Hypothesis 2* posits that change-readiness mediates the positive relationship between PL and adaptive and proactive performance, respectively. The models are displayed in Table 3, showing a significant indirect effect for PL via change-readiness on both adaptive ($coeff = 0.09$, $SD = 0.04$, $Z = 2.05$, $p < .05$) and proactive performance ($coeff = 0.11$, $SD = 0.05$, $Z = 2.12$, $p < 0.05$).

Discussion

Paradoxes in complex and dynamic organizations entail challenges as well as opportunities for organizational members (Miron-Spektor *et al.*, 2018; Smith and Lewis, 2011). Employees oftentimes react defensively to paradoxical tensions (Schad *et al.*, 2016). However, paradoxes also provide opportunities for outstanding, innovative performance (Miron-Spektor *et al.*, 2018). Recently, paradoxical leadership (PL) has been suggested as an effective leadership approach to support followers in dealing with paradoxes (Smith and Lewis, 2011, 2012; Zhang *et al.*, 2015). While there is evidence from prior research that PL is positively related to the full performance spectrum, including innovative behavior (Zhang *et al.*, 2015), our study, in which we conceptualize PL as leader sensegiving about paradoxes, extends this earlier work by identifying change-readiness as a mechanism in the relationship between PL and change-oriented performance. Thus, by applying a sensegiving perspective to PL, we add to our understanding of *how* PL contributes to employee performance.

The results of our study confirm the positive relationships between PL and adaptive as well as proactive performance via change-readiness, thus underscoring the importance of leaders' sensegiving about paradoxes for followers' change-oriented attitudes and performance.

Theoretical Contributions

With our research, we make two important contributions to the emerging literature on

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3 PL. The first contribution is a conceptual one, which puts leader sensegiving at the core of the
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5 PL concept. Thus, we integrate PL more strongly into the paradox literature, which has
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7 highlighted the importance of sensemaking for effectively dealing with paradox (Lüscher and
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9 Lewis, 2008; Smith and Lewis, 2011). While much of this pioneering work has focused on
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11 manager sensemaking about strategic paradoxes, the importance of leaders' sensegiving
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13 about paradoxical work demands for followers has been raised in the discussion of managing
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15 paradox in organizations (Lüscher and Lewis, 2008; Sparr, 2018). The sensegiving
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17 perspective focuses on the follower, which is important given that not only managers, but all
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19 individuals in organizations can either react defensively to or engage constructively with
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21 paradoxical demands (Miron-Spektor *et al.*, 2018; Schad *et al.*, 2016).
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26 Our study is the first to investigate a mediating mechanism in the PL-outcomes
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28 relationship. Our mediation model offers differentiated insights into change-readiness as an
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30 important mechanism of *how* PL affects change-oriented performance and thus broadens our
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32 understanding of the effects of PL. PL stimulates follower change-oriented performance that
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34 is necessary to establish and maintain the dynamic balance between paradoxical demands.
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36 We argued that PL helps followers to engage in a positive cost-benefit analysis of continuous
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38 change with attendant decision-making (Smith and Lewis, 2011). Our results lend support to
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40 this proposition, as we found an indirect relationship between PL and adaptive as well as
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42 proactive performance via change-readiness. With respect to future research, we note that
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44 readiness for change can also be influenced by other factors. For example, a study by Nordin
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46 (2012) showed that the influence of leader behavior on readiness for change was moderated
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48 by follower organizational commitment. Accordingly, building on the current analysis, future
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50 research may investigate moderators of the relationship between PL and change-readiness,
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52 including follower ability (e.g., cognitive complexity; Smith *et al.*, 2012), traits (e.g., paradox
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54 mindset; Miron-Spektor *et al.*, 2018), and attitudes (e.g., organizational commitment, see
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56 Nordin, 2012), but also followers' experiences with change-oriented behavior in their
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3 organization (cf. research on change cynicism, e.g. Stanley *et al.*, 2005).
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5 **Limitations and Future Research**

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8 There are several strengths of our field study, including the lagged design, the
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10 collection of data from two independent sources, and the robustness of our results even when
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12 controlling for another important sensegiving behavior of the leader (i.e., vision
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14 communication). However, we also acknowledge limitations.
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17 Like in any other empirical field study, we need to address the generalizability of
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19 findings, the issue of causality, and the rigor of our measures. We had the opportunity to
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21 collect data in a company that operates in a truly dynamic, ever-changing environment and
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23 reports major changes due to continuous growth, restructuring of internal processes and a
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25 culture change from a family-owned company to an international enterprise. However, this
26
27 company might be unique in many ways, and particularities of our sample might be
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29 responsible for some of our findings. Future research is required to examine different and
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31 diverse employees, companies, industries, and cultures to ascertain the generalizability of PL
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33 effects on the mediators and outcomes specified in our model, as well as to test moderating
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35 variables, as suggested in the theoretical implications section.
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40 Further, although we had two measurement points to separate predictors and
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42 outcomes, we cannot draw causal conclusions from our study. Experimental research (e.g., a
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44 PL training study) is required to confirm the causal assumption that PL influences the
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46 outcomes. In addition to that, longitudinal studies are required to investigate the role of time
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48 in establishing and managing paradoxical demands with the help of PL.
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51 There are two caveats concerning the measures we used. First, due to the limitations
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53 of the survey in terms of space, we were forced to use reduced and partly adapted measures
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55 for our mediator and outcome variables. Despite good reliability indices, we need more
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57 research with full, validated scales to replicate our findings. Second, we obtained supervisor
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59 ratings for employee performance. However, these ratings could be biased. Therefore,
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3 objective performance measures would be desirable in future research.
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5 **Practical Implications**

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7 The paradox lens is important for leaders who deal with uncertainty and complexity
8 (Zhang *et al.*, 2015). This notion is readily adopted in practice. For example, the consultancy
9 PwC (2020) recognizes six paradoxes to address “the crisis of leadership.” However, so far,
10 the focus has been on leaders’ own sensemaking of paradox and the translation into
11 paradoxical leader behaviors. Practitioners can glean from our study that leader sensegiving
12 about paradox is also an important aspect of PL, thus shifting the focus to the follower and
13 his or her need to understand the *why* in PL. For example, a leader could explain how
14 focusing on the details in a project can contribute to the “big picture,” and how reminding
15 oneself of the “big picture” can help when we find ourselves stuck in the details.
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28 Paradox theory (Smith & Lewis, 2011) suggests that this is an ongoing process of
29 adapting and changing one’s focus and acting to sustain a dynamic equilibrium between these
30 opposing demands. Our findings suggest that being shown by their leader *why* both opposites
31 in a paradox are important stimulates follower readiness to change, which in turn facilitates
32 the follower’s adaptive and proactive responses. This might further encourage leaders to
33 engage in sensegiving about paradox as exemplified above – and organizations to help their
34 leaders learn to do this effectively.
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44 More concretely, we suggest that leadership development programs should address
45 both the skills for leaders to make sense of / integrate paradoxes in their leadership, and the
46 skills required for sensegiving about paradoxes. In these trainings, leaders can be encouraged
47 to recall their experiences both as leaders and as followers with the typical paradoxes we
48 focused on in our newly developed PL scale (see Appendix) and to develop strategies to give
49 sense to followers through explanations and role-modelling.
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58 **Conclusion**

59 PL is sensegiving where it is important. Sensegiving builds an understanding of
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3 paradoxical demands – why they are there, why they are inevitable, and why being able to
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5 balance them is key to high-quality performance. This understanding builds the motivation to
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7 meet the paradoxical demands, which is most evident in change-readiness, the willingness to
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9 be adaptive and proactive to meet these demands. Our results support our model that explains
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11 the positive relationships between PL and change-oriented performance through change-
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13 readiness. We hope that future research will build on these findings to develop more
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15 comprehensive models that include moderators and additional outcomes in the effort to more
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17 fully understand the role of PL in complex, dynamic organizations.
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Table 1
Correlations

| | M | Std | 1 | 2 | 3 | 4 | |
|--------------------------|------|------|---------|---------|---------|---------|-----|
| 1 Vision Communication | 4.05 | 0.86 | .92 | | | | |
| 2 Paradoxical Leadership | 3.87 | 0.86 | 0.64*** | .95 | | | |
| 3 Change-Readiness | 4.12 | 0.63 | 0.25** | 0.35*** | .79 | | |
| 4 Adaptive Performance | 5.24 | 0.97 | 0.05 | 0.18* | 0.26** | .86 | |
| 5 Proactive Performance | 4.70 | 1.23 | 0.05 | 0.17* | 0.29*** | 0.55*** | .87 |

Note. $N = 154$, * $p < .05$, ** $p < .01$, *** $p < .001$

Table 2

Mediation Step 1: PL, Change-Readiness

| Step 1. DV: Change-Readiness | | | | | | | |
|------------------------------|----------|-----------|-----------|----------|----------|-----------|-----------|
| | <i>b</i> | <i>SE</i> | <i>df</i> | <i>t</i> | <i>p</i> | <i>LL</i> | <i>UL</i> |
| Constant | 4.13 | 0.05 | 9.48 | 76.59 | 0.000 | 4.01 | 4.25 |
| PL | 0.24 | 0.08 | 138.95 | 3.06 | 0.003 | 0.09 | 0.40 |
| Vision Communication | 0.02 | 0.08 | 138.95 | 0.26 | 0.795 | -0.14 | 0.18 |

Note. Fixed within-effects, no between effects specified.

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Table 3

Mediation Step 2: PL, Change Readiness, Performance Outcomes

| | Step 2. DV: Adaptive Performance | | | | | | | Step 2. DV: Proactive Performance | | | | | | |
|--|----------------------------------|-----------|-----------|----------|----------|-----------|-----------|-----------------------------------|-----------|-----------|----------|----------|-----------|-----------|
| | <i>Coeff</i> | <i>SE</i> | <i>df</i> | <i>t</i> | <i>p</i> | <i>LL</i> | <i>UL</i> | <i>Coeff</i> | <i>SE</i> | <i>df</i> | <i>t</i> | <i>p</i> | <i>LL</i> | <i>UL</i> |
| Constant | 5.20 | 0.16 | 13.12 | 33.27 | 0.000 | 4.86 | 5.54 | 4.91 | 0.18 | 14.92 | 27.92 | 0.000 | 4.53 | 5.28 |
| PL | 0.21 | 0.12 | 133.56 | 1.78 | 0.076 | -0.02 | 0.44 | 0.02 | 0.14 | 135.60 | 0.12 | 0.903 | -0.25 | 0.29 |
| Change-Readiness | 0.36 | 0.12 | 133.56 | 2.90 | 0.004 | 0.11 | 0.60 | 0.44 | 0.14 | 135.60 | 3.09 | 0.002 | 0.16 | 0.73 |
| Vision Communication | -0.16 | 0.12 | 133.56 | -1.36 | 0.175 | -0.39 | 0.07 | -0.12 | 0.13 | 135.60 | -0.91 | 0.363 | -0.39 | 0.14 |
| Indirect Effect of Change-Readiness | 0.09 | 0.04 | | 2.05 | 0.041 | 0.02 | 0.18 | 0.11 | 0.05 | | 2.12 | 0.034 | 0.02 | 0.22 |

Note. Fixed within-effects, no between effects specified. Monte-Carlo estimates for the confidence intervals of the indirect effects.

Appendix

Paradoxical leadership scale

At work, we sometimes have to achieve things that contradict each other on the one hand but are also interrelated on the other hand, for example to be very efficient AND deliver high-quality. In the following, please indicate to what extent your direct leader shows you, why both opposites are important, for example by explaining in words or with his / her own behavior as a role-model.

My direct leader shows me why it is important to simultaneously...

| | |
|---|-----------------------------------|
| Focus on the details AND keep the “big picture” in mind. | Paradoxes of Performing |
| Be task-oriented AND people-oriented. | Paradoxes of Performing |
| Keep processes stable AND allow for flexibility. | Paradoxes of Organizing |
| Rely on what has worked in the past AND replace established procedures with new approaches. | Paradoxes of Learning |
| Acknowledge that we all are different AND carve out commonalities among team members. | Paradoxes of Belonging |
| Promote consensus AND allow for dissent. | Interface Learning - Belonging |
| Learn continuously AND constantly perform well. | Interface Learning - Performing |
| Be clear on the goals AND be flexible in the means. | Interface Performing – Organizing |
| Foster differences in perspectives AND emphasize team unity. | Interface Belonging – Organizing |