

Navigating Change in Paradoxical Systems: Preserving Virtue Amid Reform

Introduction

In many high-performing organizations, the seeds of success are intertwined with the roots of dysfunction. This paradox presents a reformer with a dilemma: how to change what is flawed without damaging what is admirable. For instance, Japanese work culture exemplifies this tension. A cultural commitment to harmony (known as *wa*) fosters strong unity and discipline, yet the very same norm can stifle individual voices, innovation, and engagement ¹. The system's virtue and vice are co-produced, inseparable byproducts of a shared foundation. Such situations are not unique to Japan; any **high-functioning yet rigid** system may harbor similar entanglements of strength and weakness. This essay develops a conceptual framework for acting as a change agent under these conditions. Drawing on systems theory, paradox theory, philosophical ethics, and organizational design, we explore how to ethically intervene in a system one *partly admires*. We examine the emotional, epistemic, and strategic implications of enacting reform when what is worth saving cannot be cleanly separated from what must be reformed.

Virtue and Dysfunction: Two Sides of the Same Coin

Paradoxically, an institution's flaws often emerge from the very qualities that make it exceptional. In organizational theory, Dorothy Leonard-Barton famously observed that a firm's **core capabilities** — the skills, values, and processes that drive its success — usually have a “dysfunctional flip side” ². In other words, the strengths enabling peak performance can harden into **core rigidities** that inhibit adaptation. Managers face the challenge of leveraging a capability *without* being hampered by its attendant weakness ². For example, a company's rigorous attention to detail (a virtue) may come with bureaucracy and inflexibility (a vice); an educational institution's commitment to academic freedom might breed lack of organizational discipline. These opposites are not just coexisting – they are often **interdependent**. The virtue and the dysfunction arise from the same structures or cultural norms.

Philosophers likewise note that *what elevates a system can also undermine it*. Alasdair MacIntyre, for instance, distinguishes between “practices” (which generate internal goods like excellence or community) and the “institutions” required to sustain those practices ³ ⁴. No valuable practice can survive without an institutional framework of resources, rules, and authority – yet those very institutions inevitably introduce competition for power, status, and efficiency that can corrupt the practice's original virtues ⁵. In short, *institutions both enable and threaten the goods they produce*. The admirable stability and collective loyalty in a traditional organization might be inseparable from hierarchical rigidity; the entrepreneurial freedom in an innovative startup might carry chaos and burnout. Understanding this **co-production** of virtue and vice is the first step for any change agent: one must acknowledge that the “bad” may be structurally bound to the “good” in a complex knot.

Systems Theory: Interdependence and Unintended Consequences

A **systems theory** lens reveals why untying this knot is so difficult. High-functioning social systems are complex networks of feedback loops, where each element's behavior affects others in nonlinear ways. Attempts to prune away the "dysfunctional" parts often produce unintended consequences because the system will adapt or resist in order to preserve its overall equilibrium. Indeed, the same structures that yield positive outcomes can also produce negative side effects. Systems thinker Donella Meadows cautioned that complex, self-organizing systems are inherently unpredictable and not subject to top-down control ⁶. Intervening in such a system with a simplistic fix – treating a symptom in isolation – may backfire if it disturbs the hidden interactions that also sustain what works.

Crucially, a system's *behavior* emerges from its structure and rules. When virtue and dysfunction are entangled, it implies that the system's current structure is tuned in such a way that one cannot remove the downsides without altering the upsides. The change agent must therefore approach with **humility and curiosity**, not hubris. Rather than assuming one can cleanly excise the "bad" elements, a reformer should **"listen to the wisdom of the system"** ⁷ – understanding how and why the system's design produces both sets of outcomes. Often, this means mapping out feedback loops and identifying leverage points (small changes that can lead to different behavior). For example, if long working hours are driving both high product quality *and* employee burnout, the system perspective asks what deeper structure (perhaps reward systems or cultural norms) causes this coupling. Intervening at that deeper level (say, redefining quality metrics or team structures) might **uncouple** the positive outcome from its costly method. Throughout, the reformer must *expect surprises and learn from them*, treating change as an iterative process of tuning the system rather than a one-shot overhaul ⁸. In Meadows' words, *"We can't impose our will upon a complex system. But we can listen to what the system tells us, and discover how its properties and our values can work together to bring forth something much better"* ⁸. This systems mindset guards against the naive belief that one can retain all the good while simply chopping out the bad; instead, it favors **holistic redesign** with careful attention to interdependencies.

Paradox Theory: Embracing Tensions Instead of Eliminating One Side

Where systems theory highlights structural interdependence, **paradox theory** focuses on the *conceptual tensions* that underlie co-produced outcomes. In organizational life, many goals and values come in pairs of apparent opposites: stability and change, control and flexibility, short-term performance and long-term learning, collective harmony and individual autonomy. Traditional thinking seeks to resolve such tensions by choosing one *pole* over the other or by finding a compromise point. Paradox theory offers a different approach: **embrace the "both/and"**. Rather than viewing the virtuous and dysfunctional elements as a dilemma to resolve ("keep X or eliminate X"), it sees them as a paradox to navigate – a set of contradictory yet interrelated elements that persist over time ⁹ ¹⁰. Research in this field shows that *long-term sustainability often requires continuously attending to multiple divergent demands*, even if they seem conflicting ⁹. In fact, attempts to eradicate one side of a tension often undermine vital aspects of organizational health. For example, relentlessly pursuing efficiency can kill creativity, just as seeking absolute consensus can paralyze decisive action.

Managing paradox means maintaining a dynamic balance or **creative integration** of opposites. Leaders and change agents with a paradox mindset do not ask "Which do we choose?" but "How can we honor both

needs over time?”¹¹. Jim Collins encapsulates this as the “Genius of the AND” – the ability to “**preserve the core and stimulate progress**” simultaneously¹²¹¹. In practical terms, this might entail preserving the foundational values and strengths of a system (the “core”) *while* boldly changing practices or structures that no longer serve (the “progress”) ¹². It is a **dialectical** process: sometimes emphasizing one pole, sometimes the other, and often inventing new approaches that capture the benefits of both. For instance, a company might uphold its legacy of high quality *and* introduce agile experimentation by creating a dual structure: a core business that refines quality and a parallel innovation hub free to be flexible. The key insight from paradox theory is that tensions like these are **not problems to solve once and for all** – they are ongoing polarities to manage. Effective change agents therefore shift from an “either/or” mindset to a “both/and” approach, looking for integrative solutions that *transcend* the simple trade-off. They accept that *a degree of tension will always remain*, because the system’s admirable features and its frustrating ones are bound together. Progress lies in **navigating** that tension intelligently, not in eliminating it.

Ethical and Identity Implications for the Reform Agent

Beyond technical or structural complexity, a reformer in such a paradox-laden context faces deep **ethical and identity challenges**. To intervene in a system one *partially admires* is to live in a state of moral ambivalence. On one hand, the change agent likely feels loyalty, respect, or even love for the institution’s positive aspects; on the other hand, conscience and reason compel efforts to change the harmful aspects. This can create an internal **ethical tension**: one must critique and disrupt the very context that has shaped one’s own values and success. As one scholar notes, institutional change agents “critique the institution and plan change while their actions and intentions are conditioned by the very institution they wish to change”¹³. The reformer is never a detached surgeon; they are always, to some extent, *embedded* in the system’s logic and *implicated* in its outcomes. This “paradox of embedded agency” carries a moral humility: it reminds the would-be changer that they too are part of the problem (and part of what is worth preserving). Ethically, this calls for **reflective equilibrium** – balancing the duty to improve the system with a respect for the system’s existing good and for the people who uphold it.

One useful concept here is the idea of the “**tempered radical**.” Debra Meyerson describes tempered radicals as individuals who are “*simultaneously insiders and outsiders*” in their organizations¹⁴. They deeply identify with and are committed to their organization’s mission, *while also* being committed to an external cause or alternative vision that challenges the status quo¹⁴. This dual identity allows them to maintain a **critical consciousness** without becoming cynical or disloyal. In ethical terms, the tempered radical (or any reformer in an admired system) must cultivate virtues of *integrity, courage, and compassion*. Integrity ensures they do not become complicit in wrongdoing by silent consent; courage steels them to voice concerns or initiate change despite personal risk; compassion and loyalty ensure that they approach the system and its members with respect rather than contempt. The reformer’s stance is akin to “**loyal opposition**” – opposing certain practices out of a deeper loyalty to the organization’s core values or purpose. This can ease the moral burden: the aim is not to destroy or reject the system, but to *save it from its own excesses* or blind spots.

Yet ethical intervention often involves **moral complexity**. The reformer may have to engage in principled compromise – for example, phasing a reform slowly to maintain stability, even if that means tolerating some harm a bit longer. They may experience “*dirty hands*” moments where any action (or inaction) has ethical downsides. To navigate this, an ethical framework like *phronesis* (practical wisdom) is invaluable: it emphasizes discerning the right course in particular circumstances, balancing competing values. The reformer must ask: *What is the least harm and greatest good we can do, given that we cannot have the good*

without some bad? Maintaining personal ethical integrity might also involve transparency with stakeholders and acknowledging the trade-offs honestly, rather than promising a painless cure. In short, acting as a change agent under this paradoxical constraint requires an **identity** as a *humble steward* of the institution's best self, rather than a heroic savior. The reformer's ethical compass should be guided by a sincere appreciation of what is worth preserving, ensuring that reforms honor that even as they challenge the status quo.

Emotional Complexity of Changing What One Cherishes

Any leader or activist who tries to “change from within” encounters significant **emotional turmoil**. When dysfunction and virtue are intertwined, efforts to reform can feel like a personal affront to colleagues or an attack on a beloved tradition – and the reformer themselves often feels conflicted. Psychologically, it is stressful to “*rock the boat*” without “*falling out of it*” ¹⁵. Change agents may fear that pushing too hard will make them pariahs, while doing nothing will make them silently complicit ¹⁵. This double bind can generate anxiety, guilt, and frustration. There is the **emotional strain of ambivalence**: one part of the reformer is proud of the system's heritage, another part is outraged by its failings. Such mixed feelings can be emotionally exhausting, sometimes leading to burnout or disillusionment if not managed.

Moreover, championing change in a cherished system can invite social and emotional backlash. Colleagues wedded to the status quo may respond defensively – perceiving the critique as betrayal – which can isolate the change agent. Being an internal critic often means *walking a fine line*: too much zeal and one is dismissed as a disruptive malcontent; too much tact and one risks diluting the message. **Emotional intelligence** is therefore key. Successful insiders who effect change often practice empathy and patience. They validate others' fears and attachments (since those attachments stem from valuing the same virtues the reformer wants to preserve) before urging new approaches. They also manage their own emotions by finding support networks – perhaps confidants *outside* the immediate system who can provide perspective and moral support. This helps in coping with the loneliness that sometimes accompanies being a “tempered radical.” Crucially, the reformer must sustain hope and **resilience**. Progress in paradoxical situations is often slow and non-linear; there will be setbacks that feel like personal failures. Cultivating emotional resilience – the ability to persist in the face of partial victories and partial defeats – is vital. Celebrating small wins can counteract despair, and reminding oneself of the *higher purpose* (the vision of the system's better self) can rekindle motivation. In summary, the emotional landscape of this work is complex: it requires embracing ambivalence, practicing self-care, and exercising the “soft” skills of listening and persuading with respect.

Epistemic Humility and Learning Constraints

Acting under the constraint of intertwined good and bad also has **epistemic implications** – challenges related to knowledge, understanding, and learning. A fundamental issue is that insiders are prone to **cognitive blind spots**: the very fact of being embedded in the system's routines and assumptions can make it hard to envision truly alternative ways of doing things ¹⁶. As institutional theorists point out, the more one is socialized into a stable system, “*the greater [the] difficulty in imagining alternatives*” ¹⁶. In high-functioning-yet-rigid contexts, many practices are taken for granted as “just how things are,” so even a reformer might unconsciously accept certain dysfunctions as inevitable. This calls for **epistemic humility** – an acknowledgment of one's own limited perspective and the possibility of error. The change agent must remain a **learner** rather than position themselves as an all-knowing expert. Practically, this means seeking out diverse perspectives (including from those at the margins or even external observers who aren't as

beholden to the system's sacred cows). It may involve comparing notes with other organizations or cultures to expose assumptions that one's own system has never questioned.

Additionally, complex systems produce *ambiguity*: it is often non-obvious what exactly is causing the dysfunction or how to disentangle cause and effect. Any intervention thus becomes an **experiment** from which to learn. Embracing a scientific mindset – formulating hypotheses, trying small changes, gathering data on outcomes – helps in gradually mapping the system's causal relationships. Feedback is critical: the reformer must pay close attention to what works and what doesn't, and be willing to update their understanding. This is where **double-loop learning** (a concept from organizational learning theory) is useful: not only correcting errors within existing assumptions, but also questioning and revising the assumptions themselves in light of experience. As an example, imagine a reformer tries to reduce overwork in a company by instituting a policy limiting overtime, but productivity drops. A single-loop response would be to adjust the policy (tweak the overtime limit); a double-loop response would be to question the assumption that *policy alone* can change a deep-seated work ethic – perhaps the real leverage lies in changing how managers reward performance or how teams are staffed. Such reflective learning loops require humility to admit when one's initial theory of change was flawed.

Finally, **uncertainty** is an ever-present epistemic condition in paradoxical change efforts. Because virtue and vice are co-produced, any change might produce mixed results – some better, some worse – in unpredictable measure. A reformer must accept that they will never have perfect knowledge or foresee all consequences ⁶. Instead of seeking certainty, the focus should be on *building adaptability*: creating mechanisms to monitor the impact of changes and adjust course as needed. In other words, the strategy should be *robust to unknowns* – small pilots, reversible steps, phased implementation, and contingency plans reflect this principle. By approaching the task with epistemic humility, the change agent avoids the twin dangers of **overconfidence** (“I know exactly what to do, and it will work without downside”) and **paralysis** (“It's too complex to understand, so better not to change anything”). The humble learner strikes a balance: proceeding with informed caution, always ready to learn and adapt.

Strategic Principles for Paradoxical Change

Operating under these paradoxical constraints demands a nuanced strategic approach. Rather than a straightforward execution of a change project, it is more like navigating a delicate course between **Scylla and Charybdis** – steering clear of two extremes (destroying the good with the bad versus preserving the bad with the good). Several key strategic principles emerge for driving reform in a high-functioning-yet-rigid system:

- **Identify and Preserve the Core Values:** The change agent's first strategic task is to clarify *what must not be lost*. By explicitly identifying the core virtues, values, or competencies that make the system admirable, one creates a “north star” for change. Any reform proposals should be evaluated against this question: *Does it protect and honor the core?* Jim Collins advises organizations to “**hold true to your core values, and change your practices**” ¹². In practice, this might mean that while processes, structures, or roles can be reformed or even abolished, the fundamental purpose or ethos is non-negotiable. This clarity helps rally supporters who might otherwise fear that change will throw out the baby with the bathwater.
- **Reframe the Dysfunction, Don't Demonize It:** Strategically, it's important to avoid framing the problematic aspect as pure evil completely at odds with the good. Instead, frame it as the **overuse**

or misapplication of a virtue. For example, rather than saying “Our culture of harmony is bad because it silences people,” a reformer might say “Our commitment to harmony is a strength, but taken too far it inadvertently silences valuable voices ¹ . How might we keep the harmony *while* encouraging more open dialogue?” This reframing turns a binary fight (“virtue vs. vice”) into a problem-solving inquiry: *how to achieve the positive aim by different means*. By acknowledging the original good intention behind a dysfunctional practice, the change agent reduces defensiveness and invites collaboration in finding a better balance.

- **Employ Both/And Solutions:** In line with paradox thinking, seek **creative integrations** that allow pursuit of two opposing goals in tandem. This could involve structural or temporal separation of efforts (for instance, dedicating specific times or teams to explore new ideas while others focus on efficiency), or designing hybrid practices that satisfy multiple criteria. A classic example is the concept of an “ambidextrous organization” in design: one that structurally separates exploitation (efficiency, refinement) and exploration (innovation) but keeps an overarching vision tying them together. The idea is to **avoid zero-sum trade-offs** whenever possible and look for win-win innovations. “*Genius of the AND*” thinking ¹¹ encourages asking, “*What would it look like to have both?*” even if the answer isn’t immediately obvious. Sometimes this yields novel practices that transcend the old dilemma.
- **Start with Safe-Fail Experiments and Small Wins:** Because of the uncertainty and interdependence involved, a prudent strategy is to proceed in **increments** rather than giant leaps. Pioneering change agents often use **small wins** – modest, early changes that demonstrate the viability of a new approach without threatening the whole system ¹⁷ . These might be pilot programs, experimental teams, or limited policy tweaks. The advantage of small-scale experiments is twofold: they generate knowledge about what actually works (feeding the epistemic learning process), and they build credibility and momentum. Successes, even small ones, can be celebrated and used to garner broader buy-in, while failures are contained and can be learned from without catastrophic consequences. The “fire bullets, then cannonballs” metaphor applies here – test ideas on a small scale (bullets) and refine aim before making big bets (cannonballs) ¹⁸ . This iterative strategy aligns with Meadows’ advice to “*dance with the system*” by continuously responding to feedback ¹⁹ .
- **Align Change with Identity and Narrative:** People in high-performing organizations often have a **strong identity** tied to the system’s proud history and values. A strategic change agent taps into this by crafting a reform narrative that links the change to the *deeper identity* of the group. Instead of presenting change as a break with the past, it can be framed as a *fulfillment or renewal* of the institution’s mission. For example: “We have always valued excellence; to live up to that in a changing world, we now need to excel at creativity, not just efficiency.” This way, preserving-and-changing becomes part of a single story of living out the true values under new conditions. Such an approach mitigates the perception that reform is betrayal; it positions reform as *reinforcing the best in the system*. Storytelling and symbols can play a role here – connecting proposed new practices to legendary founding principles or heroes of the organization, thus emotionally legitimizing the change.
- **Build Coalitions and Encourage Dialogue:** Changing a tightly interlocked system is not a solo endeavor. Strategically, the reformer should act as a **convener and coalition-builder**. By bringing together others who also experience the tension (even if from different angles), the change agent creates a critical mass that lends legitimacy to the effort. Open dialogues, task forces, or cross-level

working groups on the issue can be used to surface the tacit conflicts and jointly brainstorm solutions. This participatory approach leverages the collective intelligence of the organization – often uncovering inventive ways to reduce dysfunction without sacrificing virtue. It also serves an important political function: a broad coalition can protect the change effort from being written off as one person's eccentric crusade. Instead, it becomes *the system talking to itself* about how to evolve. In such dialogues, it's useful to explicitly acknowledge the paradox ("We want to keep X, but X also causes Y; how can we resolve this tension?"). Naming the paradox can be liberating and focus people on *problem-solving rather than blame*.

- **Institutionalize Reflective and Adaptive Mechanisms:** Finally, a long-term strategic principle is to embed the capacity for ongoing adjustment. Since paradoxes persist, the organization should develop mechanisms to continually balance and rebalance as needed. This could mean establishing metrics that track both sets of outcomes (e.g. measuring employee well-being alongside productivity, to ensure one isn't consistently sacrificed for the other). It could mean periodic forums or "retrospects" where teams discuss what trade-offs they are facing and whether the balance needs shifting. In essence, the goal is to make the organization more **self-aware and flexible**, so that it can handle its internal contradictions more intentionally. By institutionalizing learning and dialogue, the change agent leaves behind a system better equipped to manage paradoxes on its own. In the best case, the culture evolves to prize *both high performance and humane practices*, viewing them as complementary rather than in conflict.

These strategic principles are **conceptual guidelines** rather than step-by-step tactics. They illustrate how one can navigate reform in a way that *respects complexity and honors what is precious*. A reformer who follows these principles is less likely to trigger destructive resistance or to inadvertently wreck the very excellence they seek to preserve. Instead, they become agents of **evolutionary change** – guiding the system to reconfigure itself while keeping its identity intact.

Conclusion

To be a change agent in a context where dysfunction and virtue are inextricably linked is to embrace **paradox** at every level. It requires seeing the system whole: acknowledging that its *light and shadow* come from the same source. The reformer must dance on a razor's edge – committed to reform, yet equally committed to conservation. By applying a systems perspective, one learns to expect interconnections and unintended effects, approaching change with caution, patience, and a willingness to learn. By adopting a paradox mindset, one rejects false choices and searches for integrative solutions that allow the system to have it *both ways* where possible. Philosophical ethics and identity reflection remind the reformer to stay humble, empathetic, and true to the system's highest values, even as they challenge its practices. The emotional journey is non-trivial, demanding resilience and the capacity to hold ambivalent feelings. Strategically, success lies not in one grand fix, but in a series of thoughtful adjustments, collective sense-making, and continuous balancing acts.

Ultimately, acting under this constraint is a test of **wisdom**. It is about exercising judgment in trade-offs, timing in interventions, and tact in persuasion. Perhaps the highest compliment one could give such a change agent is that they approached the task *as a healer, not a conqueror*. They aim to heal the system's ailments while strengthening its vital organs. In a world full of complex, high-performing-yet-flawed institutions – from corporations and universities to governments and cultural traditions – this kind of change agency is both desperately needed and profoundly challenging. It offers no simple recipe, but it

does offer hope: the hope that through paradoxical thinking, ethical commitment, and systemic learning, we can **reform what is bad without losing what is good**. The process is arduous and often paradoxical in itself, but when done well, it enables an institution to evolve into a healthier form of what it already is – *transformed, yet true to itself*.

Sources: The analysis above integrates insights from multiple domains. Key references include Leonard-Barton's work on core capabilities and rigidities ², which illustrates the paradox of strengths turning into weaknesses; Meadows' systems thinking principles emphasizing humility and learning in complex change ²⁰ ⁸; paradox theory research arguing for both/and approaches to sustain multiple competing demands ⁹; Collins' notion of preserving core values while stimulating progress ¹²; MacIntyre's ethical perspective on institutions and practices ⁵; and Meyerson's concept of tempered radicals embodying insider-outsider change agents ¹⁴. The Japanese "wa" example of harmony's double-edged effect on engagement provides a real-world case of co-produced virtue and vice ¹. These sources collectively underpin the essay's conceptual framework for navigating reform in entangled systems while preserving their admirable core.

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³ ⁴ ⁵ Political Responsibility as a Virtue: Nussbaum, MacIntyre, and Ricoeur on the Fragility of Politics - PMC

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⁶ ⁷ ⁸ ¹⁹ ²⁰ Dancing With Systems - The Donella Meadows Project

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⁹ ¹⁰ (PDF) Toward A Theory of Paradox: A Dynamic Equilibrium Model of Organizing

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