

Chapter 5


Transforming Business: Coping with Paradoxes in Purpose-Driven Innovation

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The future of our world is up for debate. We are confronted with climate change, geopolitical tensions, polarization in society, demographic issues, disruptive technologies, poverty, and health issues. Many social issues affect people directly, and they want to do something about it. They envision a future, bring allies together, and get to work. Small initiatives lead to innovative and values-driven alliances with a positive impact on our society. The mission of a values-driven alliance is to make positive changes in our society. Because of the societal mission and the scope of values-driven alliances, collaboration is complex and full of paradoxes. This chapter presents eight paradoxes that provide insights into how to deal with irreconcilably opposed views and resulting actions in the life cycle of values-driven alliances.

The chapter provides insights into the dynamics of innovative values-driven alliances and how leaders and professionals deal with paradoxes in the alliances' life cycle and in their communication and decision-making processes. The values, motives, and competencies of brilliant leaders are explored and discussed. The Global Alliance for Banking on Values is used as a case study to inspire scholars and practitioners to deal with the paradoxes that arise in creating purpose-driven alliances and managing innovative alliances with the aim of supporting societal transformation. In addition to understanding the dynamics of alliances and the essential qualities of values-driven leaders, this chapter provides inspiration for people who want to contribute to a better world, by working together with others. Leaders, professionals, and change masters are invited to reflect on their own capabilities in creating and managing values-based alliances and on the values, motives, and competencies of their own leadership in the collaborative transformation to create a better and more sustainable world.

Playing with Paradoxes in the Life Cycle of Alliances

There are many models for the life course of alliances (De Man, 2013). Based on my own experiences, I distinguish four phases in the alliance life cycle: forming, building, developing, and evolving alliances. The phases are not successive stages but form a dynamic and continuous pattern full of paradoxes .

Forming alliances lays the foundation for the alliance. In this phase, the initiators find each other in a common ambition. It is the phase of getting to know each other and exploring possibilities to strengthen each other. Building trust is essential in this phase (De Man et al., 2010). In the building phase, the search for a common identity is central (Kourti, 2021). New members join, and the common ambition is further elaborated (De Rond & Bouchikhi, 2004). In the building phase, the focus is on bringing together the ambitions of the members and achieving a common goal (Das & Kumar, 2007). The original initiators are committed to the open and active involvement of all members so that unnecessary tensions and possible conflicts are prevented (Das & Teng, 1998). In the developing phase, the alliance faces the task of continuing to innovate and adapt as the context changes (Koza & Lewin, 1998). Innovation may require reforming the network and admitting new partners. This can put existing relationships and identities under pressure (Das & Teng, 2000). When evolving alliances, recognizing and handling stagnation is a challenge, and perhaps the alliance has to transform its mission, strategies, and goals, and reconsider criteria for partnership.

Dealing with Paradoxes

A paradox consists of two seemingly irreconcilable opposing views and related actions, which exist simultaneously and are each meaningful and defensible (Smith & Lewis, 2011). Contradictions take the form of a paradox when both poles of the contradiction manifest themselves at the same time, are mutually tense, but meanwhile do not exist separately (Van Twist & Vermaak, 2022). Paradoxes are so embedded in the daily actions and interactions of organizational life that they become difficult to spot or are too intertwined in systems of contradictions (Fairhurst, 2019).

This raises the question of how we should deal with tensions and paradoxes in the life cycle of organizations and alliances. A failure to address emerging paradoxes could reinforce paralyzing inertia in the development of organizations (Mastio et al., 2021). Paradoxes reflect the strategic choices we face as we begin to work together in alliances. Paradoxes can create discomfort because both sides of a paradox are necessary for healthy interplay. The tension of paradoxes keeps organizations and teams alive, prevents a one-sided focus, encourages action, and invites you to step out of your comfort zone. It stimulates the joint search for alternatives and new unconventional possibilities (Miron-Spektor et al., 2011). The challenge for leaders and members in the alliance is to position themselves in the field of tension that the paradox evokes without choosing one of the extremes (Hoebeke, 2004).

Van Twist and Vermaak (2022) describe four action perspectives to deal with paradoxes. The first is to endure the tension created by the paradox and endure relational discomfort by putting the essence that binds the players first and acknowledging the tension between the poles as something that comes with it if you want to make a difference together. A second possibility is to unravel the paradox by investigating, reversing, deepening, and stating that the poles do not fight each other but actually need each other. A third action perspective is the art of balancing. Now it is a matter of making the dynamics of the paradox manageable by seeking balance and making combinations of views and related actions. A fourth perspective is to transcend the paradox in

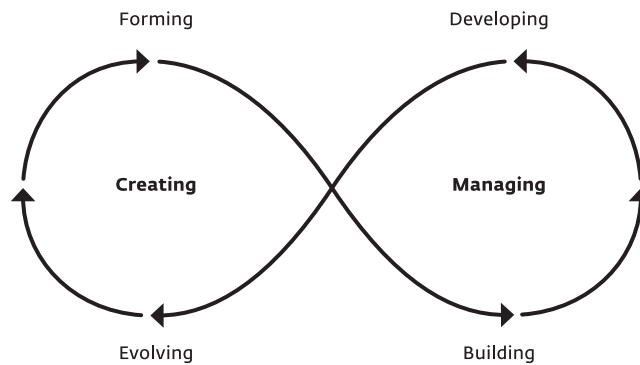


Figure 5.1 Life Cycle of Values-Driven Alliances

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which players explore new possibilities together and learn to experiment. In alliances, recognizing and dealing with paradoxes can help members find new opportunities in the face of problems, tensions, and strategic choices.

Forming Alliances

In 2008, a financial crisis broke out in the United States with a major impact on our world. As a result, the banking system was scrutinized, and the global financial system was called into question. In this context, leaders of three values-based banks initiated conversations that resulted in the creation of the Global Alliance for Banking on Values (GABV) a year later. After the financial crisis, the banking sector was quite weak, but the bankers understood that there were banks that had always behaved differently and had not contributed to the acute loss of reputation of the sector. It was time to make it clear to the world that a different way of banking was needed and possible. The three bankers, Sir Fazle Abed of BRAC Bank in Bangladesh, Mary Houghton of ShoreBank in Chicago, and Peter Blom of Triodos Bank in the Netherlands, had known and respected each other for some time. They recognized that all three shared the same aspirations and principles.

These principles would later define what values-based banking is all about. The initial goal of the founders of the GABV was to contribute to social, economic, and environmental renewal in the global banking system. To this end, they formulated five action points to which they wanted to commit themselves:

- *Take leadership*: Bringing together value-based banks to work for a better and just world.
- *Joining forces*: Promoting the value-based banking model as an alternative to the traditional banking models that led to the financial crisis.
- *Showing solidarity*: Bringing together leaders who develop ideas and exchange experiences about sustainable financial models, working methods, and organizational forms.
- *Intensify cooperation*: Focusing on far-reaching economic and social cooperation by values-driven banks.
- *Provide practical solutions*: Bringing together bank executives, management, and young talent to improve value-based banking practices.

With these ideas in mind, ten like-minded banks were invited to a first meeting to discuss the establishment of the GABV in March 2009 in the Netherlands. In the first founding meeting, there was no automatic consensus on the alliance's mission and goals. Some banks had a strong focus on sustainability, others were more focused on changing social values and culture, and still others focused on poverty reduction and social inclusion. Some banks had been working on their banking model for decades, while others were just getting started. All were committed to economic and social development and recognized the importance and potential of money as a tool and driver of social renewal. During the meeting, the invited members transcended their mutual differences and formulated a common mission: to develop, define more clearly, and grow values-driven banking to create an alternative to traditional financial systems.

Dealing with Paradoxes in Forming Alliances

In this section, we describe two paradoxes in the formation phase of the GABV, both of which are essentially about trust.

Trust in People and Trust in Systems

There is a difference between trust in people and trust in systems (Boonstra & Smith, 2010). Reliance on systems concerns the design and functioning of alliances, the management model, the measurement of performance, and the control systems used. Trust between people is about trusting the other person as a person. A definition of trust is when we say that we trust someone or that someone can be trusted, we implicitly mean that there is a good chance that an action of the other person will be beneficial to us or at least not harmful (Kaats & Opheij, 2023). Based on mutual trust, we consider whether to participate in an alliance. In values-driven alliances, the initial phase mainly revolves around mutual trust (Camps et al., 2004). At the same time, clear agreements are needed on investments, cost allocation, and revenues to prevent conflicts of interest from arising and alliances falling apart due to insufficient reciprocity. Systems help to create a framework in which trust is anchored.

At the GABV, friendship and mutual respect between the three founders played an important role. They shared a vision of how the conscious use of money could contribute to improving society. It was relatively easy for them to gather like-minded colleagues to work together to change the financial sector. Mutual trust was essential for the thirteen bankers who founded the GABV. Due to the limited number of members and mutual trust, the statutes and governance model were simple, and the financial arrangements transparent, with the costs of the new alliance being borne by the members, taking into account their size and financial capabilities. The three initiating banks were also prepared to make up for any shortfalls in the first few years.

Rely on Feeling and on Reliable Analyses

A paradox in the formation of values-driven alliances is how much time is invested in trusting each other in the early stages and the time spent in careful analysis of the reputation and reliability of the partners (Das & Teng, 1998). An accurate analysis helps to reduce risks and value everyone's contribution. It contributes to the prevention of opportunistic behavior by one of the partners. Continuing to analyze for too long raises the question of whether the person performing the analysis trusts the other and can be trusted. The emotional appeal is supplanted by rational analysis.

Particularly at the beginning of alliance formation, it is essential to spend time on personal trust and to give space to feelings, motives, and individual involvement (Hoffmann & Schlosser, 2001). Building solely on trust can later lead to disillusionment if it turns out that the partners have little to offer each other. That is why it is also relevant to make everyone's contributions visible.

In the formation of the GABV, working from feeling was more important than an accurate analysis of the position of the members. In the early years, new members were invited by the initiators and admitted based on personal relationships and reputation. Regardless of the importance of trust, the GABV was aware of the need to be analytical as well. You can't claim to be a values-driven alliance if you can't demonstrate your positive impact on society and explain why you're different from other players in the banking industry. This is why the GABV started working early in its life cycle on the GABV Scorecard: an analytical tool that translated the principles of values-based banking into hard indicators. In subsequent years, the scorecard was used to monitor the performance of existing members and show the differences between the banks and the rest of the industry. At the GABV, trust and attention to detailed analysis have gone hand in hand almost from the start.

Building Alliances

Drawing on the strength of their collaboration, in 2013 the directors of member banks discussed what it takes to make the global financial system more people-centric and stable, and what stakeholders, including banks, regulators, governments, and customers, can do to make this happen. The GABV thus clarified its intentions to change the financial world. In 2014, the GABV mission statement was rewritten as

The GABV will represent and advance the values-based banking movement by raising public awareness of values-based banking and building a strong GABV profile based on a growing number of members with a broader global reach, an increase in the number of customers, and a greater social impact.

However, the GABV was not yet ready to accomplish this mission. At the end of 2014, the GABV had only 24 members, and most of the banks came from Europe and North America. The global network had not grown for four years, and its members almost exclusively represented the Western world. Expansion and global broadening were necessary. The governance of the GABV also required improvement. The board was still in the hands of the three initiators. The coordination of activities was carried out by a few part-time professionals who were seconded to the GABV from a few member banks and reported to the chairman of the GABV. The ambition of the alliance was clearly higher than what could be achieved with the existing members and their capabilities, resources, and structures.

In the course of 2014, the members of the GABV decided to strengthen the alliance by appointing an executive director who reports to the board. The biggest challenge for the new director was to professionalize the organization and realize the global expansion. By 2019, the GABV had grown substantially to 62 members and 16 supporting partners, and the alliance was much more balanced with 45% of members from outside the Western world. The board of the GABV was restructured, with changes to the statutes and the addition of regional departments. Member services grew rapidly, mainly through further development of the Values-Based Banking Scorecard and the creation of communities of practice for staffing, marketing, and communications.

Dealing with Paradoxes in Building Alliances

In the building stage, two paradoxes are explored that concern the balancing between content and process and the recognition and handling of conflicts.

Balancing between Content and Process

The paradox between content and process is especially visible during the building phase because the number of members increases while the initial intentions of the initiators remain relevant to the vitality of the network. New members and stakeholders admitted to the alliance must understand and believe in the ambitious dreams of the initiators. The growth of the alliance puts pressure on the content side to develop more precise goals, align activities, ensure quality, and measure results. At the process level, it is about creating and adjusting the shared mission and bringing beliefs together (Kaats & Opheij, 2023).

It is also about maintaining collaborative relationships, dealing with tensions and conflicts, and choosing and embedding new partners (Baron & Besanko, 1999). Building alliances is a balancing act between focusing on the process of collaboration and focusing on content with tangible results (Kale & Singh, 2007). Content and process refer to and need each other, but the orientation of the two is fundamentally different. The challenge is to bridge these differences.

At the GABV, communities of practice helped create informal interactions between experts from member banks working on a substantive theme. However, it was almost impossible to create new communities of practice without the explicit support of the board chairmen. In 2015, a risk management community of practice was initiated by a small enthusiastic group of experts. Despite their enthusiasm and the expertise of the participants, that community of practice had to stop its content activities two years later due to a lack of support from the board members to look at risk management from different perspectives. This cooled the involvement of the group members and forced them to give up. Process and content must go hand in hand to be able to take initiatives that fall outside existing frameworks. Other communities of practice have been successful in staffing, marketing, and communications. Huge steps have been taken in developing the scorecard to determine the social impact and financial robustness of values-driven banking and to compare it with traditional banks.

Valuing Conflict and Avoiding Conflict

Organizations involved in building a broader alliance often have to deal with a diversity of parties that pursue their own interests in addition to the common interest. A shared mission can unite these interests, but it is sometimes difficult to formulate concrete goals. A constructive dialogue can contribute to a solid mission and vision that binds the members of the alliance (De Bruijn & Ten Heuvelhof, 2007). When developing and rethinking a mission, disagreements and relational conflicts can arise. The challenge is to take these conflicts seriously and make use of them (Kaats & Opheij, 2023). Power conflicts in which one party can dominate the other parties are destructive to a sustainable partnership and must be avoided. Conflicts about investments, property rights, and the distribution of proceeds can also better be prevented by making clear agreements in advance.

At the GABV, two conflicts were on the table during the building phase. One of these was the request for a board change by several members. From the beginning, the board was in the hands of the three founders. There were no clear agreements for the replacement of board members, and the decision-making process was unclear to many members. The board of the GABV itself argued for a reform of the management model while retaining the principles of simplicity, transparency,

and acceptance. By questioning itself, the tensions quickly disappeared, and space was created for a new governance model in which more members had input. A more existential tension appeared around the need for growth. There weren't enough members to make a global impact, and most of the members were based in the Western world. This jeopardized the alliance's credibility as a global player and rendered its mission to change the financial sector infeasible.

Despite the awareness of the need for growth, some members were less than happy with the alliance's growth rate. They raised questions about the values of some of the new members and the eligibility criteria used to bring them on board. This subcutaneous tension persisted for a few years but gradually dissipated as existing members and newcomers came into contact and got to know each other better. Personal contacts and interactions instilled trust. Better use of the scorecard to analyze candidate banks also helped to address criticism of the admission of new members. In a way, a new common framework on eligibility criteria was formed between the existing and the new members, and the tension could be overcome.

Developing Alliances

With stable governance, a better global presence, more diversity in member banks, several well-designed services, and visible social impact, it was time to evaluate the ambition of the GABV and review the strategic vision. The new mission and vision for the GABV was a continuation of the previous mission but now with more coherence and more focus on changing the global financial system:

Our shared mission is to change the banking system so that it is more transparent, economic, social, and environmental sustainability, and consists of a broad range of banking institutions serving the real economy. Our vision is to expand and strengthen the practice of values-based banking. The GABV wants to lead a financial system that promotes social justice, responds to the climate crisis, and delivers real and lasting prosperity and well-being for all.

The new mission and vision set the tone for action in the new phase. In 2019, the GABV announced its "Climate Change Commitment" initiative, whereby members voluntarily commit to measuring and reporting the carbon footprint of their lending and investment portfolios in line with the Paris and Cairo Climate Statements. This initiative is part of the GABV's wider commitment to lead positive change in the financial sector. The participating institutions intend to influence the banking industry by demonstrating that banks can assess and report on their greenhouse gas emissions. Most GABV banks are also signatories to the Partnership for Carbon Accounting Financials (PCAF). This is an emerging platform to create methodologies to assess and disclose carbon emissions in the financial sector. Partly due to the efforts of the GABV, more than 270 financial institutions have signed the declaration, including some of the largest financial institutions in the world. They have committed to review, disclose, and account for the carbon emissions of their loans, investments, and insurance financing.

Dealing with Paradoxes in Developing Alliances

The evolution phase is about consolidating the alliance and, at the same time, developing the alliance further. This involves two paradoxes about stability and agility, and open and closed networks.

Stability and Agility

All alliances face changes in the global environment and uncertainties about the future. To deal with these changes, resilience and agility are essential (Van der Steen, 2017). With resilience, the alliance retains its core and finds strength from a shared ambition and a stable identity. In agility, the alliance has high adaptability that is based on mutual trust, intensive communication, and a challenging mission (Cullen et al., 2000). The more smoothly and quickly an alliance can adapt to change, the more value it will create in the long run for its partners and wider society. At the same time, stability is necessary to achieve financial and social results (Boonstra & Eguiguren, 2023). Developing alliances is a balancing act between the pursuit of stability and agility. The shared ambition and underlying values and principles contribute to a stable identity, which makes the alliance resilient. At the same time, a challenging mission invites flexibility in broadening activities and taking new initiatives (Bamford et al., 2003).

At the tipping point between the building and evolution phase, the GABV developed a new vision with more focus on changing the financial system in the world. The strategy focuses on expanding the alliance and its activities, strengthening its visibility and impact, and taking the lead in initiatives that contribute to a better and more sustainable world. Due to the larger size of more than seventy members, the decision-making processes must be followed more strictly and transparency in decision-making must be increased. However, the nature of the alliance has not changed, and its activities are still based on a shared mission with freedom of action by each member to contribute to this mission within the guiding principles of values-driven banking.

Open Network and Closed Network

An open network stimulates access to new knowledge and information that can be important for innovation. An open network also offers opportunities to allow new perspectives when cooperation has stalled and to break through tensions in established relationships. A closed network with strong relationships stimulates trust, and this trust is necessary to share information and invest in the relationship. This paradox is about the constant balancing between the security of a closed network and the creativity of an open network (Ferreira et al., 2020).

Strong relationships between members promote trust and reciprocity and enable the transfer of complex and tacit knowledge (Strašek et al., 2020). Perhaps, open alliances are more suitable for generating ideas, and closed alliances are more suitable for realizing those ideas. This raises the question of how open alliances for idea generation can be combined with more closed alliances for idea realization.

The GABV is an open network by nature as its open character is embedded in the ambitious mission to change the global banking system. After a fast-growing expansion, the growth rate during the development phase is much lower. Slow growth makes it easier for existing members to strengthen their interactions with other members and become more embedded in the organization's values. This allows them to derive more tangible and intangible value from their alliance membership. In the evolution phase, there is room for a limited number of new members per year. The admission criteria and the robustness of the recruitment and entry of new members have already been strengthened during the building phase, preventing tensions and misunderstandings. The GABV combines the strength of the existing GABV network with the initiation of open platforms to measure and disclose carbon emissions, thereby increasing its impact.

Evolving Alliances

Essentially, the GABV has always been a group of banks and banking cooperatives that are at the forefront and share a mission to change the financial system. Members want to actively use finance to achieve sustainable development for people, communities, and the environment. Despite the GABV's changes in its life stages and its more radical approach to achieving its mission, the essence of the alliance has remained unchanged. However, there are developments that invite transformation.

Changes in the financial sector, including the emergence of cryptocurrencies, new forms of banking, and the unparalleled growth of regulation, are causing most banks to rethink how they offer their banking services and to shift a growing share of business activities to less-regulatory areas. In response, the GABV can develop and offer a global platform on which value-based banks and other financial service providers offer their services, together with other providers of, for example, renewable energy, home insulation, sustainable agricultural products, and local social enterprises that bank with GABV banks and meet the criteria of the GABV. Several government initiatives target the financial sector to accelerate the transition to sustainable finance. As a result of these changes, the marketing efforts of many mainstream financial institutions are focused on promoting sustainability and the United Nations Sustainable Development Goals. This is often done in a way that resembles the “greenwashing” of existing activities, without the institutions interpreting their policies and operations differently. In this context, the GABV can more than ever live up to its leading role in values-driven banking.

Another strategic theme is how the GABV can collaborate with policymakers and regulators in promoting sustainable finance. Another factor is that the current regulatory burden is largely aimed at systemic banks to keep the global financial system in check. For the GABV, the question is how the alliance can take a leading role in a radical shift from current regulations to a broader system for promoting sustainable finance in which care for the environment and human dignity are central.

Dealing with Paradoxes in Evolving Alliances

Evolving alliances is about finding a balance between consolidation and co-creation and between social impact and economic significance.

Consolidation and Co-Creation

In values-driven alliances, the members work together on their mission in co-creation. They want to create a better future and contribute to a prosperous, just, and sustainable society. In creating an attractive future, the energy focuses on generating appealing ideas of what a desirable future could be and taking initiatives to realize these ideas (Duysters & De Man, 2003). The paradox means that the alliance continuously renews itself in a process of co-creation between the members. On the other hand, an alliance needs consolidation to provide quality to its members and achieve results to invest in the future (Gulatti, 1995). If the alliance's mission and vision doesn't match its current capabilities, disbelief ensues. If the ambition isn't challenging enough or just more of the same, disillusionment ensues. The essence is to find a balance between a challenging and at the same time realistic vision of the future that people want to work on with energy to bring that future a step closer (De Rond & Bouchikhi, 2004).

Given the developments in the banking sector, but also given the history and development of the GABV, it is likely that the paradox of consolidation and co-creation will be approached in a balanced way. One of the distinguishing features of the GABV since its foundation has been the way the alliance adheres to its essence and guiding principles and offers its members room to pioneer a human way of banking. Co-creation has always been a natural way of working together among the members, so in the transformation phase, there is a good chance that imagining a viable new future will take shape in co-creation involving all members.

Social and Economic Significance

In values-driven alliances, social significance is central to the mission that binds the members. Without social significance, there is a good chance that the alliance will fall apart. Ultimately, no partnership can survive without economic significance. Societal and economic significance go hand in hand (Sakara et al., 2012). Economic significance is relevant to be able to continue to invest in the alliance with a view to the social significance and future results. For the involvement of the partners in values-driven alliances, the economic significance is relevant and social significance is central. If the alliance performs adequately and achieves results, there is also economic significance for each member of the alliance.

The GABV is a good example of how social and economic significance go hand in hand. Since 2012, the GABV has published an annual survey comparing the performance of value-based banks and banking cooperatives with the largest banks in the world. In the annual surveys of economic growth, profit, financial stability, resilience, and contribution to the real economy, it is striking that the conclusions are the same over the years.

Despite serious disruptions to the financial markets and the real economy due to, for example, the financial crisis and the COVID-19 pandemic, value-based banks continue to outperform mainstream banks (Kocornik-Mina et al., 2021). This positive result is rooted in values-driven banking principles. The GABV has convincingly demonstrated that serving the real economy leads to better and more stable financial returns.

Brilliant Leadership in Innovative Alliances

The world of leaders is complex and confusing (Clegg et al., 2021; Crevani et al., 2021). To make sense of this complexity, we need to embrace multiple perspectives and capabilities to create and manage alliances for a sustainable world. Leadership in innovative and values-driven alliances is about strengthening the power of the community to shape its own future and independently realize sustainable changes based on a common ambition and shared values. Interesting about this definition is that anyone can be a leader by taking the initiative and asking others to join in. No formal position is required for this. This makes brilliant leadership a shared activity rather than a role or characteristic of an individual.

Sense Makers and Change Poets

Brilliant leaders in alliances are sense makers and change poets (Weick, 2011). Sensemaking is based on the interaction of people in their relationships between the alliance, the members of the alliance, and the people and dynamics in the environment of the alliance. People create meanings based on an external stream of events and dreams, and the values and beliefs they share (Sparr,

2018). These values and beliefs arise from events in the past and shape our view of events in the present day.

Values and beliefs are nurtured by history, stories, and earlier events and maintained by the expectations of people about how they should behave. Brilliant leaders are values-driven and search for ways to break through entrenched patterns. This requires knowledge of the basic assumptions that unite the people. Only if they know the values and beliefs, can they create space for new practices, and from these new practices, new pictures of reality and distributed leadership can emerge (Edwards, 2015).

Organizational stories add to the daily language and make way for new understandings to arise. In the daily routine, patterns of cooperation will change, and people begin to act collectively and make sense of what is going on. Through their actions, they add to the flow of events.

Global View

Brilliant leaders are global leaders in the sense that they have a global view, being open to what is going on in the world, and being aware of a host of events of all types (Gehrke, et al., 2024). This is not merely a matter of knowing what is going on globally and locally but of keeping an eye open for unique local events and actions, spotting differences, and capitalizing on them. This global view thus goes hand in hand with an awareness of the local situation (Beer et al., 2023). Being aware of your local situation requires an open mind and the willingness to enter difficult areas and engage in dialogue with others (Weick, 2011). The traits of the biomimetic leader correspond well with the needs of leaders in values-based alliances (Olaizola et al., 2021).

Collaborative Mindset

Brilliant leaders are social leaders and are constantly aware of relationships and collaboration. In current organizational practices, collaboration is increasingly important (Boonstra, 2023). It is not just about the collaboration between leaders and followers, or between various professionals within departments, but also about the collaboration between organizations, for example, in the context of alliances and networks. This requires leaders to be capable of strategic foresight and collaboration.

The new forms of collaboration are concerned with team spirit, being able to deal with differences, and trust; they are also more concerned with listening than with talking. Collaboration in purpose-driven alliances requires social awareness, that is, being able to enter social relationships and create shared leadership in building social networks (Conger & Pearce, 2003). Social awareness contributes to trust and the development of people, teams, and organizations.

Analytical View

Brilliant leaders have an analytical view on complex issues. This is necessary to unravel complexity, understand the dynamics behind it, and examine how these dynamics can be tackled; good analysis is usually half the battle. By sharing the results of your analysis, you create a sort of base from which a common understanding can be generated to serve as a starting point for tackling problems in a continuous learning process (Holmqvist, 2003).

This concerns hard data and soft events that are difficult to clarify. To reach a fully-fledged analysis, it is necessary to be familiar with customer processes, and therefore to have conversations at all levels within the company and with people from outside, such as customers, suppliers, funders, and supervising authorities. The essence is to be aware of any of your own assumptions that could lead to bias. An analytical view contributes to being able to handle ambiguity and uncertainty; a careful analysis is the foundation of the fourth perspective, that is, a view on change processes and inter-organizational learning.

Ethical Awareness

Brilliant leaders are ethical-aware. They recognize that the experience of change itself and the dissonance it creates, fuels new thinking, and instigate new discoveries and innovations that can revitalize the health of organizations, communities, and the world. Finding the balance among and between simultaneous and sometimes contradictory demands for economically, socially, and environmentally sustainable solutions is a compelling leadership opportunity ultimately grounded in a personal ethic that reaches beyond self-interest (Ferdig, 2007).

Transformational Power

Brilliant leaders are transformational leaders. A considered view on change processes does not entail the untargeted mobilization of the aspirations and motivations of all the people in the alliance; it is more concerned with the well-considered initiation of change (Miles et al., 2005). Conscious change means establishing the cause and the intention of the change, assessing its nature and impact, determining the desired direction as well as the most fitting change strategy and required actions, and finally, selecting the people required to make the change a success. The key concept is transformational awareness. Transformational awareness contributes to sensitivity to what moves people and to the commitment and self-assurance of the people involved.

Reflective Look

Brilliant leaders have a reflective look at what is happening, including clarification of your own role as a leader and professional (Ladkin, 2020). This requires taking a break and distancing yourself so that you can look back at your experiences and your own behavior. Thoughtful reflection means looking at ongoing experiences and patterns that appear. One appropriate question here may be how it is possible that, time and again, you end up in a certain type of uncomfortable situation. Or what were the driving forces behind the successes you achieved? This is a matter of self-awareness, and self-awareness is the art of understanding your own moods, emotions, and energy, understanding your own behavior and behavioral patterns, and taking account of the effects of your behavior on others. A reflective view enhances self-awareness and contributes to self-confidence and learning capacity.

Conclusion

In this final section, the focus is on the significance of values-driven alliances and the essence of brilliant leadership in innovative values-based alliances.

Creating and Managing Values-Driven Alliances

Creating and managing values-driven alliances is an ongoing collaborative process between members. In adapting and changing during the life cycle of these alliances, there are always more members involved in the change process rather than a centralized power that can initiate and steer the needed changes. Members create and manage the alliance through dialogue between people from different backgrounds who work together and challenge each other in an ongoing process of change and development. They envision a sustainable future together, try to find their way in an unpredictable world, and make a collaborative effort to shape their future. In alliances, leadership is a responsibility of the many, not of the few (By, 2021).

This perspective on transformational change reveals that innovation is not the task of the individual but rather an adaptive quality of the many to collectively shape their environment. This means that members deal with unexpected events and moments of uncertainty while creating opportunities to develop and enjoy doing so. The ambition of the alliance is part of an ongoing dialogue about the meaning of the alliance and the member organizations within society. People in alliances make choices about how they interact with each other. This creates social groups that create and maintain cultural norms and values together. In their collaboration, they discover and experience the world around us and give meaning to what we see and find relevant.

Dealing with Paradoxes

Managing innovation is invariably managing paradoxes and a balancing act between continuity and transformation (Nasim & Sushil, 2011). Within the GABV, paradoxes were discussed and interpreted by members, and the tensions investigated. Often this started with recognizing unequal positions between members and including all perspectives. Then it was about articulating the shared mission and guiding principles of the alliance. In doing so, it was essential to reassess tensions and provide room for contradiction to feel the discomfort. Only then was there room to combine perspectives and steer on guiding principles and shared values. Transcending perspectives arose in an open dialogue with all members and through learning experimentation. Leaders' sensemaking about paradoxes to other members is based on their own sensemaking processes and stimulates others to engage in paradoxical sensemaking and their subsequent reactions to paradoxical tensions (Sparr, 2018).

Communicating

Communicating about innovation and collaboration in values-driven alliances is a continuous process in which people engage in dialogues with each other to explore and clarify problems and ambitions further. They are invited to make themselves heard and asked if they want to produce ideas and contribute to change. It is precisely in these interactions that meaning is generated, and a story is created about the dream and ambition that generates involvement. A profound development of the alliance only succeeds when the communication reaches the deeper layers of the identity of the alliance and the people involved can exchange meanings and share values.

Promoting informal communication between members, investing in the community so that members get to know each other in depth, evaluating the strength of purpose of members and making sure there is alignment with the purpose of the group, as well as a clear and transparent governance system, and the celebration of successes and milestones in collective results are some of the activities that build trust during all phases of the alliance life cycle. Offering and appreciating

small wins in trust building is helpful. Actions to begin identifying who to build trust with or starting with modest joint actions are ways to get started without having to deal with all aspects of trust building at the same time.

Brilliant Leadership

Leadership is about activities that people undertake together. It is about ambitions they share, goals they want to realize, and dreams they want to make come true. Leadership is, therefore, also about giving meaning to events, creating meaning, and celebrating success. It is about an interplay between leaders and followers. No leader acts autonomously. Good leaders know how to follow, and they are committed to turning followers into leaders. Collaborative activities and teamwork are aimed at achieving results. These can be concrete goals, or they can involve realizing an attractive vision of the future.

Brilliant leadership means realizing transformational changes. The change is not enforced but focuses on creating a desirable future without disqualifying the past. It is about maintaining identity and what is valuable while shaping innovation. In conclusion, brilliant leadership in alliances is a social process in which an individual member of a group gives meaning to events and, together with others, creates a vision of the future, maintains relationships, and organizes cooperation to jointly shape a desirable future.

Future of Values-Driven Alliances

Over the past twenty to thirty years, we have seen an astonishing acceleration of change in our society. These changes are not always for the better and sometimes even threaten people and life on our planet. In this context, values-driven alliances will increase in number and value. Together we have opportunities to start and develop values-driven alliances in which we can work together on current social and human challenges. Creating and developing sustainable alliances can be summed up with the question: what are we going to do together to shape a valuable future? Answering that question is about seeking connection, identity, and meaning to contribute to the future of a community and wider society. From this perspective, leadership is the collective pursuit of delivering on purpose (By, 2021).

The meaning of values-driven alliances is not only in improved innovative mindset, but also in a stronger image, or the development of new services and products that make a difference in the world around us. The main value of these alliances is their collective capacity to contribute to the challenges of our society by placing prosperity and human dignity above economic development.

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