Polarity Management™
One Tool for Managing Complexity and Ambiguity

Effective Leaders Manage Complexity and Ambiguity

Through a combination of experience, intuition, and hard-earned wisdom, effective leaders have developed the ability to look within complex issues, identify opposites in tension and capitalize on that tension. These interdependent opposites are sometimes called dilemmas or paradoxes. I call them polarities. We all have a degree of ability in managing polarities because they are such a central part of our daily lives. We have an implicit understanding that there are many opposites in tension in our lives. Yet most leaders do not have an explicit model and set of principles to both enhance their skills with these issues and to collaborate with others to intentionally manage them better.

A Multipurpose "Swiss Army Knife" for the Leader's Toolbox

The Polarity Management™ map and set of principles provide a user-friendly resource for effectively addressing organizational complexity and the dilemmas within that complexity. Like a Swiss Army Knife - they have multiple application in a variety of situations. For example, they have been used as a core competency in leadership development; in change efforts as a way to convert resistance to change into a resource for change; to build cross-cultural competence, both domestic and international; in mergers and acquisitions as a way to capitalize on the best of two or more cultures; as a key to integrated healthcare; in identifying corporate values, which are best seen as pairs in tension; in strategic planning; and, in South Africa to assist in the ending of Apartheid. The situations above have a number of things in common:

1. They involve complex issues at many levels of system.
2. There are key, underlying polarities (dilemmas, paradoxes) within the difficulties.
3. The "problem solving" mindset, alone, is not up to the challenge these issues present.
4. Identifying and intentionally managing one or more key polarities has made a big difference.

So How is This Tool Used? -Two Application Stories

Story One -The Expansive Leader

While interviewing executive team members to identify current organizational issues, I was told by one executive, "Barry, if you really want to make a contribution here, I suggest you just leave as soon as possible and don't look back." I inquired as to whether there was an option "B." He smiled and said, "It's nothing personal, Barry, it's what you represent. You are the most recent in a long line of people who have been invited in here by Don (the CEO) because he wanted to try out the latest fad that caught his interest. We keep starting one thing after another and never finish any of them. We are overwhelmed and frustrated with unfinished projects all over the place. So you are a part of the problem.

"If you are serious about helping us out, I can think of one thing that would really help. If you could get Don to be more focused and provide some clear direction. We need to choose a few projects and make sure they are completed. Then people wouldn't be so overwhelmed and would have a sense of completion and accomplishment. Can you help us get Don to do that?"
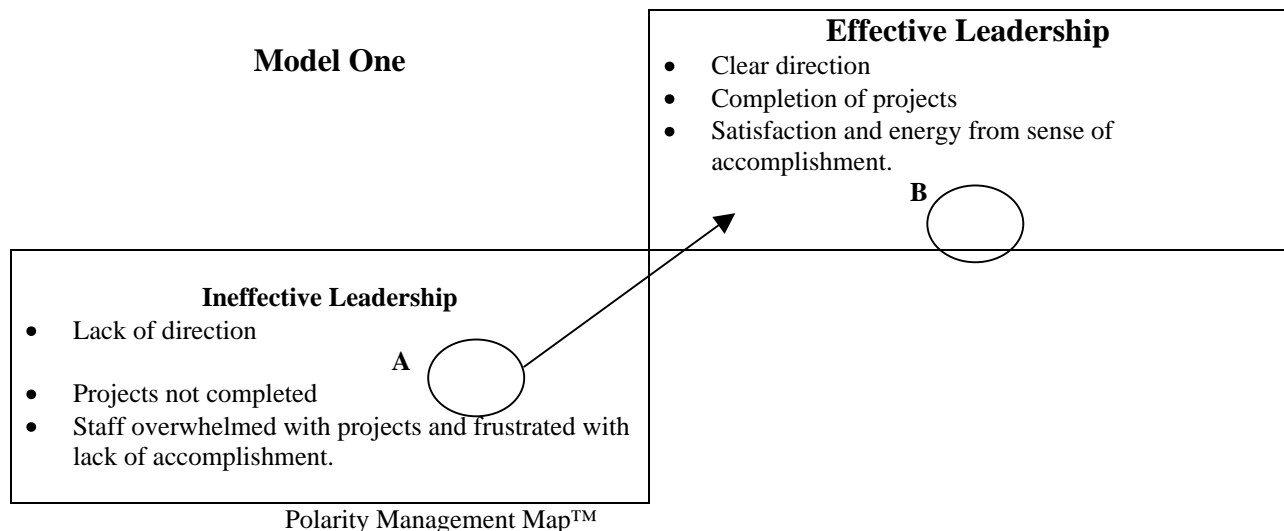
Since I was asked by Don to come in and help apply Polarity Management to a few key issues, I used this issue to explain Polarity Management to the 3 executive team members who had raised it. I went to a flip chart and summarized what they had been saying about Don by drawing the simple Model One below.

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What the 3 executives were asking is that I help them get Don to move from area A, which was seen as the problem, to area B, which was their solution. Don would then become a more effective leader.

When you look at Model One, it is quite obvious that an organization with the problems in A could clearly benefit from moving to the solutions found in situation B. This is a very understandable change strategy which is based on a problem solving mindset using "gap analysis." First you describe the present state in negative terms and declare it the problem = A. Then you describe an improved future state in positive terms and call it the solution = B. Finally, you decide on a strategy to bridge the gap between A and B which is symbolized by the arrow.

Model One

Effective Leadership
- Clear direction
- Completion of projects
- Satisfaction and energy from sense of accomplishment.

B

Ineffective Leadership
- Lack of direction
- Projects not completed
- Staff overwhelmed with projects and frustrated with lack of accomplishment.

A

Polarity Management Map™

When I put the model on the flip chart, they agreed that it summarized their statement of the issue. I told them this situation was a good example of a polarity to manage and not a problem to solve. I then indicated that if it were treated like a problem to solve, with B as the solution, efforts to get Don to area B would meet with significant resistance and that, even if they could get Don to agree to go to area B, he wouldn't go there.

They looked surprised and said, "Who have you been talking to?" I said, "No one but you 3, so far." They said, "You have described exactly what happened. Two years ago, we had a meeting with Don and told him about our frustrations with lack of direction and too many uncompleted projects and the need for direction and completion and he agreed to move to B, like you've written it on the chart. But in the last two years we haven't moved an inch in that direction. How did you know that was going to happen?"

I told them that, from a polarity perspective it was quite predictable. The problem with the model they were using was not that it lacked accuracy. It was accurate. If you have a lack of direction, you need direction. If projects aren't completed, you need to complete them. The limit of the model was that it was incomplete. It was based on the assumption that this was a problem to solve when it is a polarity (dilemma, paradox) to manage. What was needed was to see the
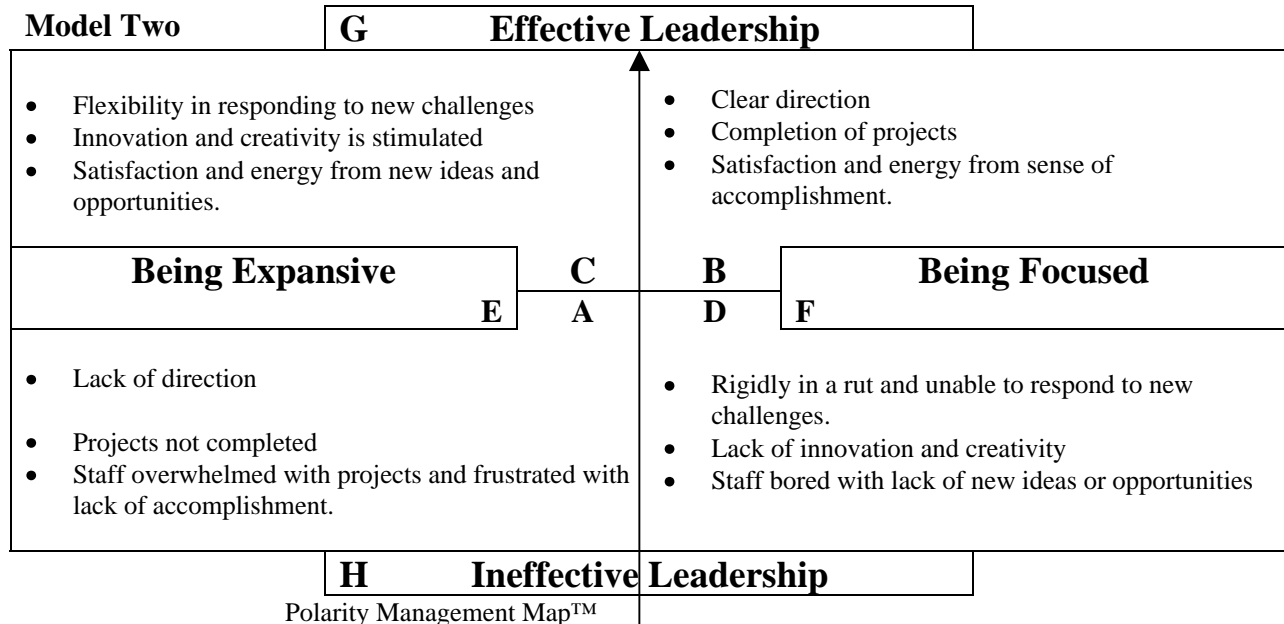
whole picture. Model Two, below, is a polarity map. This was the mental model I was using as I was hearing them describe their problem and their solution.

The two poles, describing the underlying tension they were dealing with could be called "Being Expansive" (E) and "Being Focused" (F). Don liked being expansive and they wanted him to be more focused. The reason Don would not go to the upside of Being Focused (B) is because he strongly valued the upside of Being Expansive (C). He like being flexible, innovative and exploring new ideas and opportunities. And, the stronger his value for the upside of Being Expansive (C) the stronger will be his fear of the downside of Being Focused (D). He will do anything to avoid getting in a rut with lack of innovation and creativity leading to boredom for himself and the staff.

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Notice that "Effective Leadership" (G) moved from being in area B, as in Model One, to being on top of the model with an arrow pointing to it which separates the two halves of the polarity map. The goal of effective leadership is not to get Don to area B as the solution. The goal is to get the upside of Being Expansive **AND** the upside of Being Focused which, in combination move toward Effective Leadership. Also, "Ineffective Leadership," (H) moved from being in area A, as in Model One, to being at the bottom of the polarity map. This indicates that there are two ways, within this example, to become an ineffective leader – either over-concentrate on Being Expansive or on Being Focused. Either one will get you in trouble.

Model Two

G	Effective Leadership

- Flexibility in responding to new challenges
- Innovation and creativity is stimulated
- Satisfaction and energy from new ideas and opportunities.

- Clear direction
- Completion of projects
- Satisfaction and energy from sense of accomplishment.

Being Expansive	C	B	Being Focused
E	A	D	F

- Lack of direction

- Projects not completed
- Staff overwhelmed with projects and frustrated with lack of accomplishment.

- Rigidly in a rut and unable to respond to new challenges.
- Lack of innovation and creativity
- Staff bored with lack of new ideas or opportunities

H	Ineffective Leadership

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Once the executives saw the larger picture and began to understand the dynamics of how polarities work, it changed the whole conversation and approach to addressing their concerns with Don. Paradoxically, if you want more focus, you have to embrace the benefits of being expansive and be clear that you are not rejecting expansiveness. Looking at the map together the shared challenge is to get the upside of both over time. That is what it means to manage a polarity well.

Story Two - The Multinational with a "Silo Problem"

The part/whole polarity is very common. I have worked with it often as have all leaders, though they may not have called it a polarity. An example is a multinational company that was very plant centered and proud of it. In this context each plant represents a "part" in the part/whole polarity. Corporate, with its efforts to integrate and coordinate all the parts, represents the "whole." Because of their strong value in the organization for the uniqueness of each plant and the country and culture in which it was located, they promoted plant based freedom, initiative and creativity.

Predictably, they found themselves in the downside of the part focus among their plants which were all over the world. The red flag indicators that they were in the downside of the part pole were that they were carrying too much

inventory ($12 million) and it was taking them 18 months to purge their shelves of old products when new ones came on line.

Everyone at this company had a basic understanding of Polarity Management. They brought one person from each of their plants all over the world to a 1 day meeting. At that meeting, they filled out a polarity map on one page and put the action steps in the margin. One day and one page and took it back to their individual plants.

It is important to point out that they did not waste their time or increase resistance to needed changes by implying this was a problem to solve and the solution was to stop acting like silos and start acting like an integrated team. Instead, they saw it as a polarity to manage which had gotten out of balance and they needed to figure out how to get it back in balance and how to sustain the balance over time in order to minimize either downside.

As a result of this effort, inventory went from $12 million to less than $1 million **and holding 6 years later.** Also, the purge rate went from 18 months to a few weeks **and holding 6 years later.** This is an example of how few people and how short a time it can take to get sustainable results when everyone has a basic understanding of Polarity Management.

If an issue, like this is seen as a problem to solve, it will become a power struggle between the advocates of each pole and the organization will lose twice in the process: 1) It loses first by expending tremendous energy fighting and undermining each other, often harming relationships, in an effort to "win" in the political power struggle between the two groups. 2) It loses again when one side "wins" because the organization is set up to experience, over time, the downside results of the "winner's" preferred pole. If you have a polarity to manage, it is either win/win or lose because neither pole is sustainable without the other, over time.

The map on the next page shows some of the generic upsides and downsides of the part/whole polarity used by the company. It also has the action steps outline we now use in the margins to help manage a polarity effectively over time.

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How to Gain/Maintain Positive Results	Effective, High Performing System		How to Gain/Maintain Positive Results
1. 2. 3. 4. **When, Who?** **By date or frequency.** 1. 2. 3. 4.	Parts want to **maximize their functioning as a part**. They want the **freedom** to celebrate their **uniqueness** and take **initiative** and express their **creativity** as a part.	Those supporting the whole want to **maximize the functioning of the whole.** They want **accountability** to the whole, **equality** of the parts and to celebrate the **connectedness** of the parts by promoting **integration** and **synergy** among the parts in the name of the whole.	1. 2. 3. 4. **When, Who?** **By date or frequency.** 1. 2. 3. 4.
	Individual Plants Parts	Global Organization Whole	
Red Flag Indicators $12 million inventory 18 month purge rate **Who will know?** **What will they do?**	Over-focus on the parts undermines the functioning of the whole; freedom leads to **excess competition, isolation, inequality and resentment** and a **loss of synergy** among the parts. This is often called the **silo effect**.	Over-focus on the whole undermines the functioning of the parts: **loss of freedom, creativity, and initiative by the parts along with excess conformity and bureaucracy.**. This is often called **group think**.	**Red Flag Indicators** **Who will know?** **What will they do?**
	Ineffective, Low Performing System		

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The generic Part and Whole polarity, as with all other polarities is very scalable. The parts could be individuals on a team and the whole would be the team. The parts could be diverse ethnic and racial groups within the larger community as the whole. Regardless of the size of system or the complexity of the issues, it is helpful to be able to distinguish, within the complexity, which are the key polarities to manage and how can we be intentional about managing them better.

There are a number of things we can know going in, if they are polarities:
1. They are not going away.
2. They will not be "solved" in any final sense. The best we can do, which is a terrific opportunity, is to capitalize on the inherent tensions between the poles in a way that elevates and sustains the whole system.
3. If they are treated as a problem to solve, with the solution being the upside of one pole, either "solution" will generate its own resistance.
4. Both sides will see themselves as attempting to save the company from the other – and they will be half right.
5. No matter which side "wins" in the power struggle between equally valid opposing views, the organization will loose twice.
6. If both sides can see it as a polarity to manage and intentionally create a map and action steps to manage it well, this organization, over time, will outperform those organizations that treat this as a problem to solve – every time. It's not even a fair contest.

Competitive Advantage

There is significant competitive advantage for organizations that can both solve problems and manage polarities. The research is very clear on this. Organizations that tap the power of polarities (dilemmas, paradox) out perform those that don't. I will share three examples below.

- In <u>Managing on the Edge</u>, Richard Tanner Pascale studied the 43 companies identified in, <u>In Search of Excellence</u> five years after the original research. He discovered that 14 companies retained their "Excellent" rating and the 29 that did not. The key factor that distinguished the 14 from the 29 was that they managed 7 polarities better. He calls it "managing contention."

- In <u>Built to Last</u>, Collins and Porras call it, "The Genius of the 'AND'." This was a central distinction between the 18 "Silver" companies that outperformed the stock market for the period from 1926 to 1990 by a factor of 2, and the 18 "Gold" companies that outperformed the stock market during that same period by a factor of 15! The Gold companies tapped the power of polarities = "The Genius of the 'AND'."

- In <u>Charting the Corporate Mind</u>, Charles Hampden-Turner calls it, "re-solution of dilemmas." His research repeatedly shows that organizations effectively managing key organizational dilemmas results in better bottom line performance than those not managing the same dilemmas well.

This Phenomena is Everywhere

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The phenomena of interdependent opposites (dilemma, paradox, polarity) has been written about in philosophy and religion for over 4,000 years. It is a central reality in all of life and all human systems. It has only been in the last 20 years that it has been explicitly identified by business and industry as an important dimension to pay attention to because tapping the power of this dimension of life gives a competitive advantage.

But it does much more than that. Life itself, both figuratively and literally emerges out of the synergy between opposites. We are created male and female and our uniqueness as men and women must be combined through sperm and egg to create new life. Even in cloning there is a cell differentiation between muscle cells and bone cells etc. We are made up of unique parts that serve the whole and sustain life.

Both atoms and our solar system are sustained by managing the tension between tight and loose. Electrons and planets circle the center with enough speed to keep from being pulled into the center and collapsing the system into itself (too tight). At the same time, they can't go too fast or they will escape the attraction of the core and end the systems existence in its historical state.

In religion there is always a tension between being loved as we are by the God we worship and being accountable for our actions to this same God. It is sometimes called Law and Grace.

In governance, democracies will out perform dictatorships over the long haul every time. Why? Because democracies, with at least two parties with a chance to win an election, are much better equipped, over time, to manage the polarities within the nation state and between the nation state and other nations. Balance of power is key to polarities and it is key to democracies.

In our brains, we have two hemispheres with interdependent functioning.

In our organizations we are constantly managing the inherent tension between:

<div align="center">

Centralization and Decentralization
Collaboration and Competition
Local Culture and Global Culture
Increasing Quality and Reducing Cost
Change and Stability
Personal Life and Work Priorities
Employee Interests and Company Interests
Mission and Margin

</div>

As leaders we need to use our head and our heart. We need to show all people basic respect as human beings regardless of performance and we need to show respect for good performance. We need to listen and talk. We need to manage and to lead. The list could be quite long.

It is not a question as to whether you have any polarities in your personal and organizational life. Polarities are everywhere and they have been everywhere since the beginning of time. What is an important question is. "How we can learn to see them more clearly and tap the wonderful potential within key polarities in our life for something constructive and life enhancing rather than have the inherent tension between the poles become destructive and life destroying?"

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More than One Model

There are a host of bright, compassionate people who have been doing some very creative thinking about this phenomena of interdependent opposites (dilemma, paradox, polarity). Our experiences have led to some different models. In each case the desire is to create more effective organizations in all dimensions of effectiveness: good places to own, good places to lead, good places to work, good places to supply, good places with whom to be a customer, and good places to have in the community.

And it goes beyond just effective organizations. It is about the quality of life with our loved ones, our spouses and families. It is about our relationships as nations and unique groups within nations.

What is important about this growing group of people attempting to help us tap this phenomena beyond the helpful models that are emerging is that we are calling attention to the phenomena of interdependent opposites and saying, "This is important. It has great potential for every aspect of your life. It is worth looking into."

Below are a few solid resources, beyond Polarity Management Associates, who are helping all of us get a handle on this phenomena.

Charles Hampden-Turner has many books on this phenomena. His most recent, with Fons Trompenaars looks at cross-cultural issues: <u>Building Cross-Cultural Competence, How to create wealth from conflicting values</u>.

Prasad Kaipa has created a pyramid, a tetrahedron composed of four equilateral triangles, which combines several polarities. I call it a multarity model. Find out more about this rich model through his web site: http://www.selfcorp.com

Peter Koestenbaum has created the leadership diamond which is a multarity of four. All combinations of the points of the diamond are polarities. His book is titled, <u>Leadership, The Inner Side of Greatness.</u>

Ken Wilber in <u>A Brief History of Everything</u> has synthesized the scientific and the spiritual which includes the combining of two polarities: 1) Interior and Exterior, and 2) Individual and Collective.

Summary

- The research is clear, those organizations that are better at tapping the potential of interdependent opposites (the Genius of the And) out-perform those that are not so good at it.

- Part of what makes good leaders good is that they have learned through some combination of intuition, experience, and wisdom to tap the potential of interdependent opposites.

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- Polarities are everywhere. You have been dealing with them all you life and will continue to deal with them all your life. The only question is, "How well?"

- Polarity Management™ is one user friendly model and set of principles to help you:
    1. Distinguish between problems you can solve with traditional problem solving skills and polarities (dilemmas, paradoxes) which require an alternative approach.
    2. Be intentional about managing these polarities effectively over time by understanding and applying a model and set of principles which apply to all polarities.

- There are other models. The models are only a means to an end which is to enhance life on the planet by tapping the wonderful potential of interdependent opposites (dilemmas, paradoxes, polarities).

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