Managing Paradox
Blending East and West Philosophies to Unlock Its Advantages and Opportunities

By: Jean Brittain Leslie, Peter Ping Li, and Sophia Zhao
Contents

Overview 1
The Basics of Paradox 2
Acquiring a Paradoxical Mindset 3
   The Polarity Map 5
Expanding Our Mindset with an Eastern Lens 8
   The Duality Map 14
Conclusion 18
Resources 20
About the Authors 21
Overview

Organizations and the people working in them find themselves in environments that are increasingly volatile, uncertain, complex, and ambiguous (VUCA). Under these conditions, tensions that are ongoing, and seemingly overwhelming can be difficult to understand, much less easy to address. These tensions show up in all facets of organizational life including leadership (control vs. empowerment), teamwork (task vs. relationships), strategy (competition vs. collaboration), structure (centralize vs. decentralize), and in the individual him or herself (work vs. home). These conflicting demands, when pursued jointly, are often referred to as paradoxes. Reframing these tensions beyond either/or problems in need of a single solution enables us to produce an outcome that is superior to tackling one demand at a time.

Helping individuals understand the impact of paradoxes on their effectiveness is a competency the Center for Creative Leadership (CCL®) has been developing through our research and training. In this paper, we introduce and discuss what we believe are the two best ways to bring an awareness of paradoxes and a means to manage them into your organization.

“Why bother?” you ask. Paradoxes have been acknowledged as far back as 5,000 years ago (e.g., masculine and feminine in Hinduism and yin and yang in Taoism). Yet, organizational leaders, scholars, and practitioners have not had a good way to bring this concept into practice—until now. Knowing how to manage paradox is a game changer. The research is clear: Organizations, leaders, teams, and individuals that manage paradox are better performers than those who do not.
The Basics of Paradox

We are using paradox as a general term to describe the tensions individuals face due to the coexistence of conflicting demands. Paradox has also been described as tensions, dilemmas, conundrums, polarity, competing values, and contradictions. No matter what you call them, they have these principles in common:

- It is often difficult to see the presence of paradoxes in organizational life and in a VUCA world.
- They are not problems that can be solved, as they are unsolvable.
- They are of cyclical or recurring nature.
- They can polarize individuals into groups.
- They are potentially positive when managed.
- Managing paradox involves developing a mindset beyond either/or logic (A is either B or not B).

We are using **paradox** as a general term to describe the tensions individuals face due to the coexistence of conflicting demands. **Polarity** is the preferred term used in long-time practitioner Barry Johnson’s work. **Duality** refers to the yin-yang perspective on paradox—a pair of opposite elements that are partially conflicting and partially complementary (相生相克 in Chinese).
Acquiring a Paradoxical Mindset

To work with paradox you need to be able to see both perspectives clearly. Consider Jim’s case:

Working for a large multinational company headquartered in the United States, Jim is the country head of China. He oversees the China office and his main responsibility is to grow business there. Jim worked at the headquarters for many years before being sent to China as an expatriate. He has a good understanding of the company’s culture and practice. Jim maintains a good relationship with his colleagues in the headquarters. Since moving to China five years ago, Jim has been actively adapting to the local culture. He can now speak basic Mandarin and has built a team that he can trust.

Recently, the marketing department in the headquarters initiated a global campaign that requires collaboration across all the countries. As the country head, Jim was involved in the project. During one meeting, the global marketing head and China marketing head had big conflict. Some action items crafted by the global marketing department, from the perspective of the China marketing head, will not work in China. After the meeting, both sides sought support from Jim. From the headquarters’ perspective, it is important to maintain consistency across countries; however, from the local office’s perspective, following the corporate practice blindly will have no impact or even a negative impact on sales.

The challenge that Jim faces is a typical centralization versus localization paradox that many global leaders face. Both centralization and localization have their advantages and disadvantages. When we wear a pair of either/or glasses, we may only see one side of the story:

- Proponents of centralization may argue that centralization leads to lower costs and standardized processes, and best practices can be leveraged across the entire organization. However, localization can create silos, redundant systems, and divisions that are committed to one country’s needs instead of the whole organization.
- Proponents of localization may see the picture totally differently. They may argue that localization encourages entrepreneurial initiative, local offices’ ability to respond to customers’ unique needs, and a freedom to innovate practices for local markets. However, centralization may result in bureaucracy, red tape, and micromanagement from people out of touch with the realities in the field.
Which one should Jim focus on? The answer is, both. With a paradoxical mindset, we can see both positive and negative consequences of the two (in this case, centralization and localization).

<table>
<thead>
<tr>
<th>Positive aspect of left side of the paradox</th>
<th>Positive aspect of right side of the paradox</th>
</tr>
</thead>
<tbody>
<tr>
<td>• decreased cost</td>
<td>• entrepreneurial initiative</td>
</tr>
<tr>
<td>• standardized processes</td>
<td>• responds to customers’ unique needs</td>
</tr>
<tr>
<td>• best practices leveraged</td>
<td>• freedom</td>
</tr>
</tbody>
</table>

**Centralization**

- bureaucracy
- red tape
- micromanagement

**Localization**

- silos
- redundant systems
- commitment to our own needs

<table>
<thead>
<tr>
<th>Negative aspect of left side of the paradox</th>
<th>Negative aspect of right side of the paradox</th>
</tr>
</thead>
</table>
The Polarity Map®

We are starting to build a polarity map to describe and understand paradox. Barry Johnson, author of *Polarity Management: Identifying and Managing Unsolvable Problems*, and founder of Polarity Partnerships LLC., introduced the map in 1975 as a means for exploring tensions, reinforcing cycles, and the potential for leveraging paradox. The user-friendly framework is distinguishable for its symbolic representation of the why, what, and how to take advantage of paradox.

Let’s use the example of the mission and margin paradox to illustrate the map. This is a paradox faced by many organizations (but in particular it’s a challenge for CCL, a nonprofit leadership development enterprise). On one hand, organizations need to have a structure that can bring in revenue to sustain themselves; on the other hand, organizations that are humanitarian-driven are also expected to serve a societal mission.
At both left and right ends of the central horizontal axis, there are two neutral circles in which to label the paradox. In this case, the “left pole” is mission and the “right pole” is margin. There are four quadrants with each pole having an upside and a downside. Upsides are about the positive results obtained when there is focus on that pole, and downsides are about the negative outcomes present when there is an over-focus on one pole without paying attention to or neglecting the other one. In this case, the positive result of focusing on margin can be financial security, revenue target achievement, and cost-effective processes. The positive result of focusing on mission might be a culture of employees who support “what we do,” find the work fulfilling, and want to make a difference. The negative result of focusing on margin to the neglect of mission is that organizations may face financial constraints that limit their reach, mixed messages that result in confusion about the mission, and frustrated employees who are asked to do more with less. The negative result of over-focusing on mission to the neglect of margin is that organizations can be financially irresponsible, not meet revenue targets, and have budget overruns.

One tenet of paradox is its circular nature. When there is a tension between two equally attractive possibilities, competing commitments or realities, energy flows between and around them. In the map, the cyclical nature forms a pattern that looks like an infinity loop. The normal flow of the infinity loop (and energy) is from the downside of one pole to the upside of the other. In other words, overemphasis on one pole to the neglect of the other predictably leads to its “downside” and eventually the “upside,” then the “downside” of the other pole. In fact, the more attachment individuals have to one side, the more difficult it becomes to see the potential downside attached to it. If not managed well, the cycle is experienced as an oscillation or swing from one position to the other. The placement of the infinity loop on the map is an indication of how well the paradox is being managed. When there is a positive synergy between the two poles, the entire system can elevate towards the greater purpose. This is called a virtuous cycle and is depicted as the green arrow spiraling upward towards the greater purpose statement. It is possible for the energy to become over-focused on one pole or to get trapped in the tension between the two poles. This is called a vicious cycle and is depicted on the map as the red arrow spiraling downward towards the deeper fear.
The box on top holds the greater purpose of the map. This contains the answer to the question, “What is the desired outcome of managing this paradox (can be an unconscious wish)?” The answer goes beyond getting the upside of each pole. With the margin and mission paradox, one answer is engaged stewards in the organization. The box on the bottom is the deeper fear. This is usually the opposite of the greater purpose and represents the worst case situation if the paradox is not managed. With the margin and mission paradox, the extreme consequence would be the failure of the organization.

Managing paradox involves moving from focusing on one pole as the problem and the other as the solution (either/or thinking), to valuing both poles (both/and thinking). Good paradox management gets the best of both poles while avoiding the limits of either. To effectively manage paradox over time, the positive results from the upsides of each pole should be maximized while minimizing the downside of each pole. **Action steps** assist in maximizing the upside of each pole, whereas **early warnings** assist in minimizing the downside of each pole.

The map is best suited for addressing both/and paradoxes, which contain two points of competing interests or poles that are interdependent pairs working together as a unit (like margin and mission). Both/and polarities are different from polarities that are often understood on a single continuum for example, good and evil. In the example of good and evil, it is generally more acceptable to move towards good than evil. Both/and polarities are not opposites that define each other and only can be understood when presented in contrast like light and dark, young and old, hot and cold. Instead, both/and polarities are cyclical in nature. Activity and rest, for example, are both needed to stay healthy. To be more active, get enough rest. Without enough activity, it’s harder to get a good night’s rest. Do a good job on both to be healthy.

The polarity map as a whole raises awareness of the connection between competing interests with predictable cycles that align energy in a dynamic and diagonal flow. Simply, the graphic tool shows the upsides and downsides of interdependent pairs, warning signs of over-focusing on one of the two poles, and finally, potential action steps to leverage the paradox and reach desired goals.
Expanding Our Mindset with an Eastern Lens

In 2012, CCL opened its doors in China. Seeing the world through the eyes of our Chinese colleagues has resulted in innovations in the way we can use paradox in our work. The Eastern philosophy of yin-yang balancing is an alternative to understanding paradox. Most people have seen the yin-yang symbol but are not familiar with its meaning. As you look at the symbol, you see two opposite elements that contain a “seed” of the other. Yin is represented by a predominantly dark shape with a dot or seed of white. Yang is represented by a predominantly white shape with a dot or seed of dark.

Yin and yang in the Chinese classical philosophy originates from two of the oldest books in China, *I Ching* (or *Book of Changes*) and, *Tao De Ching*. The philosophy is based on the premise that all things or agents in the world consist of two opposite elements that are partially conflicting and partially complementary.

The yin-yang symbol stands as a reminder that paradoxes are interrelated and interdependent. This Chinese figure illustrates a unity-in-opposites, yin-yang balance in equilibrium. Some people may not be aware of the many alternations of the yin-yang symbol. While neither is absent, the proportions of yin and yang may vary widely under necessary conditions. They interact with each other and work together dynamically. The ancient philosophy reminds us that paradoxical forces are not only opposed, but also cooperate with each other.
The ancient Chinese philosophy of yin-yang balancing contains three fundamental tenets. The holistic tenet denotes the interdependent and interpenetrating nature of opposite elements. Directly rooted in the holistic tenet is the mechanism of asymmetrical balancing (one of the opposite elements should be more dominant). The dynamic tenet denotes their interactive and interchangeable nature—opposite elements will mutually transform into each other under specific conditions such as the dominant element becomes too strong or the subordinate element becomes too weak (the mechanism of transitional balancing). The duality tenet denotes the conflicting, but also complementary, links between opposite elements (the mechanism of curvilinear balancing). The interactive effect of opposite elements will follow a curvilinear instead of linear pattern.
To illustrate yin-yang balancing, let’s examine paradox in the US political system. There are two big camps, conservatives and liberals. Let’s use yin, the black domain, to represent conservatives and yang, the white domain, to represent liberals. In other words, the two core camps, of republicans and democrats, define the macro-level structure of the US political system as we currently know it.

Not all are extremists in either camp. There are moderate conservatives and moderate liberals in both camps. They are represented here by the two gray dots as the mixes of the black and white seeds with their adjacent areas. The two core camps can be neither fully separated nor fully integrated due to the coexistence of moderate conservatives and moderate liberals. In this example, the ultimate structure of the US political system is the configuration of four groups across a political spectrum: the extreme conservatives, the moderate conservatives, the moderate liberals, and the extreme liberals.
Moderate conservatives and moderate liberals may join the other camp under some conditions. Every election in US political history has been determined by the two moderate groups in their choices of joining the opposite camps. When the moderate liberals decide to join the moderate conservatives, the conservative camp as a whole will win the election, and vice versa. The contextual condition for joining the opposite camp is primarily the perception by the moderate groups concerning the imbalance of power between the liberal and conservative camps. In this example, it is worth noting that, even though the extremist groups do not appear decisive in determining the result of elections, they remain critical due to three key reasons. First, the extremist groups define the existence of the moderate groups. Without the extremists, there will never be the moderates. Second, the extremist groups also anchor the balance of power as the polarized ends of the entire political spectrum. Finally, the key to the balance of power between the liberal and conservative camps lies in the threshold (proper ratio of the four groups for balancing and tension—neither too large nor too small).

The application of yin-yang balancing to the case of the US political system, especially the critical coalition between the extremist groups and the moderate groups, illustrates its two key features: the notion of seed and threshold. In sum, the two extremist groups, related to the macro-level structure (as illustrated by the contrast between the black and white domains), emphasize the conflict and trade-off between the opposite camps. The two moderate groups (micro-level structure, as illustrated by the two gray areas) emphasize the complementarity and synergy between the opposite camps. The coalitions between the extremist and moderate groups inside a domain (meso-level structure, as illustrated by the gray area and the non-gray area within the black or white domain on page 11) emphasize both conflict (trade-off) and complementarity (synergy).
Minimum end of a balanced threshold with a healthy tension.

Maximum end of a balanced threshold with a healthy tension.

Unhealthy tension as the imbalance continues beyond the range of a proper threshold.

Imbalanced extreme with the moderate groups being too small or too weak to be the required counterbalance against the two extreme groups. An unhealthy tension results.

Imbalanced extreme with the moderate groups being too big or too strong so that they begin to reverse the balance between the two extreme groups. An unhealthy tension results.
The Duality Map

Expanding on the Polarity Map, the Duality Map proposed here incorporates the yin-yang balancing philosophy with four unique additional features.

Feature One. The duality map highlights that within each of the two opposite elements on the left and right sides (e.g., the business activities for both social responsibility and financial viability) along the horizontal dimension, there are both extremist groups and moderate groups, thus a total of four groups with two groups on each of the opposite sides with two groups in each of the four boxes or cells

- Group one consists of the extremist group with an exclusive emphasis on social responsibility, but no concern for financial viability;
- Group two consists of the moderate group with a relatively greater emphasis on social responsibility than financial viability, but both being regarded as critical;
- Group three consists of the moderate group with a relatively greater emphasis on financial viability than social responsibility, but both being regarded as critical; and finally,
- Group Four consists of the extremist group with an exclusive emphasis on financial viability, but no concern for social responsibility.
Note: We use the first four symbols from page 13 to show the connection between the Duality Map and yin-yang system. The two cells on the top of the Duality Map are parallel to the two symbols that represent the proper balance of yin and yang, with a modest ratio of moderates over extremists. The two cells at the bottom of the Duality Map are parallel to the two symbols that represent the imbalance of yin and yang, with too many or too few moderates or too many or too few extremists.

As discussed earlier, in a yin-yang symbol, each moderate group is a gray area as represented by a mix of the seed and its adjacent area. Moderate groups are critical in the duality map because they explain how the opposite elements can coexist and interact with each other.
Feature Two. With a bi-directional arrow between the activities on the two opposite sides along the horizontal dimension (the business practices favoring social responsibility and the business practices favoring financial viability), the duality map emphasizes not only the harmony, but also the tension, between the two opposite sides. In the duality map, the harmony and tension always coexist in the same place and at the same time. Further, the effect of tension varies contingent upon how the opposite goals are pursued. A healthy tension can occur with a greater synergy between the business activities on the opposite sides if both opposite goals are pursued with moderately different emphases. The horizontal arrows reflect the dynamic shift between the two goals as the top priorities with healthy tensions.

Feature Three. The duality map also highlights the tension between the positive and negative outputs (top and bottom boxes). It is shown that the tension along the output is directly tied to the tension between the inputs (business activities favoring social responsibility and the business practices favoring financial viability). When the input tension is within the balanced threshold (i.e., at the moderate level), it is healthy and the positive output is achieved; when the input tension is beyond the balanced threshold (i.e., at the extremely low or extremely high levels), it is unhealthy and results in negative output. This dynamic process of balancing within or beyond the threshold, along the vertical dimension is reflected by the bi-directional arrows between the up and down sides as a shift between healthy and unhealthy tensions.

Feature Four. The duality map finally emphasizes the importance of healthy tension. A minimum level of tension deriving from fundamental distinctions is necessary for harmony because harmony cannot occur without complementary diversity. Hence, too much similarity between the opposite elements in the form of moderate groups will be negative for synergy due to the little room for complementarity. Moreover, a minimum level of tension is also necessary to avoid the tendency of any opposite element to become too dominant so as to squeeze out the other opposite element (e.g., extremist groups are required because they define the moderate groups and hold both extremist groups from becoming too dominant at the expense of their counterparts). This dynamic process of balancing within or beyond the threshold, along both horizontal and vertical dimensions, is reflected by the “butterfly” symbol with four diagonal arrows.
Compared to the application of the polarity map, the application of the duality map requires two additional steps. One is the identification of four groups: in this case, each representing extreme idealists in favor of social responsibility at the expense of financial viability; moderate idealists in favor of social responsibility but maintaining financial viability, moderate pragmatists in favor of financial viability; but maintaining social responsibility; and extreme pragmatists in favor of financial viability at the expense of social responsibility. It is especially important to identify the gray domains (the moderate groups) so that the size of the overlapped domains and the size of non-overlapped domains can be used as a measure to define all possible ratios between the two opposite elements (the left and right boxes).

The other step is to identify the threshold (i.e., the proper ratios between black, white, and gray). The balance between the overlapped domains and the non-overlapped domains within the range of proper threshold (i.e., the ratios at moderate levels, rather than the ratios at extreme levels) will result in a healthy tension (also a healthy harmony) with positive outcomes on the upside in the duality map. In contrast, any mix of the overlapped domains and the non-overlapped domains beyond the range of proper threshold (i.e., the ratios at extreme levels, rather than the ratios at moderate levels) will lead to an unhealthy tension (also an unhealthy harmony) with negative outcomes on the downside in the duality map. In other words, the threshold can be used as a measure to define a set of proper ratios between the two opposite elements.
Conclusion

Arguably, the West and East have created distinct philosophies leading to different approaches to managing volatility, uncertainty, complexity, and ambiguity (VUCA). These philosophical differences often lead to difficulties in the way Chinese and Western (US) companies do business with each other. The Chinese who are comfortable with VUCA tend to conduct business on the basis of long-term reciprocal relationships. Westerners who embrace individual achievement, independent action, and logic tend to conduct business based on quantitative analyses such as cost and benefit, a reflection of an aversion to VUCA.

This paper introduces readers to the idea that the best approaches to paradox may result from a blending of Eastern and Western philosophies—perhaps during a time when they are most needed. The polarity map and duality map are both thought-provoking tools to help address complications in organizational life. Both approaches emphasize the why, what, and how to achieve an ultimate goal of paradox management. Notably, both maps serve another important purpose. Paradoxically, both the existence and the absence of conflict, as reflected in healthy and unhealthy tensions, can threaten the fulfillment of the desired outcome of paradox management. The positive and negative aspects of coexisting opposites presented in the maps are reminders to retain a “paradoxical lens.” Organizations that lose the ability to “hold” competing interests in mind are at risk of losing sight of the wisdom in the coexisting interdependent pairs. This is consistent with the perspective that the VUCA context is on “the edge of chaos.”
We have offered new ways of thinking about ideas that appear to be in opposition to one another, but are interrelated and connected by a series of implicit links. By making these links explicit, your organization can come to understand that even seemingly great differences are opportunities and advantages. Use paradoxical thinking and these maps in your organization to

- explore opportunities and advantages in tensions or contradictions rather than suppress or deny them
- illustrate perceptual differences and hidden views when debating topics of contrasting value
- shift views from only a few people being responsible for managing polarities to it being a process of a group
- reframe your organization’s problems so they become complementary and codependent (a healthier stance)
- understand how cohesive and divergent groups and the people who link them work in your organization, in your organization’s culture
- interpret and expose recurring chronic issues, especially those that might be globally based
- look for clues in mixed messages for a source of hidden paradox
- escape vicious cycles and work towards continuous improvement (virtuous cycles)
- sensitize the organization to a paradoxical lens
- be observant of the contexts and times when contradictions are present (e.g., the times when the organization is in profitability mode and when it is in growth mode)
- respect the fact that successful leaders must act paradoxically to be effective (e.g., delegating responsibility and maintaining control)
- work through resistance to change
Resources


About the Authors

Jean Brittain Leslie is senior fellow and director of Strategic Initiatives in Research, Innovation, and Product Development at the Center for Creative Leadership (CCL®). With 26 years of experience working at CCL, Jean has made numerous contributions in the areas of research, publication, product development, and training. She has published more than 90 pieces on leadership, assessment, and feedback—in the form of peer-reviewed and popular-press articles, book chapters, and books. Jean also has presented over 50 papers at professional conferences such as the Academy of Management and the Society for Industrial and Organizational Psychologists.

Peter Ping Li is professor of Chinese business studies at Copenhagen Business School (CBS), Denmark, and also professor of international business at Xian Jiaotong-Liverpool, China. Before joining CBS, he was professor of management at California State University. His primary research focus is on building geocentric (West-meeting-East) theories from the cultural and historical perspectives. He has published over 50 articles in academic journals, 16 book chapters, and four books. He serves on the editorial boards of several major management journals. He is the founding editor-in-chief of Journal of Trust Research and also the senior editor of Asia Pacific Journal of Management and Management and Organization Review.

Sophia Zhao, PhD, is a research faculty member at the Center for Creative Leadership, based at CCL's Asia-Pacific campus in Singapore. Her focus is on conducting research about leadership and leadership development in specific sectors, regions, and populations in order to make significant contributions to the understanding of leadership and leadership development. She has published academic journal papers, as well as research reports and white papers. She frequently presents her research findings at various conferences. Her current research interests are on global/cross-cultural leadership, senior leadership, and women's leadership.

To learn more about this topic or the Center for Creative Leadership’s programs and products, please contact our Client Services team.
+1 800 780 1031   +1 336 545 2810   info@ccl.org
The Center for Creative Leadership (CCL®) is a top-ranked, global provider of leadership development. By leveraging the power of leadership to drive results that matter most to clients, CCL transforms individual leaders, teams, organizations and society. Our array of cutting-edge solutions is steeped in extensive research and experience gained from working with hundreds of thousands of leaders at all levels. Ranked among the world’s Top 5 providers of executive education by the *Financial Times* and in the Top 10 by *Bloomberg Businessweek*, CCL has offices in Greensboro, NC; Colorado Springs, CO; San Diego, CA; Brussels, Belgium; Moscow, Russia; Addis Ababa, Ethiopia; Johannesburg, South Africa; Singapore; Gurgaon, India; and Shanghai, China.