

## Ongoing Discussion “Thought Piece”

Prepared by

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**Ongoing Discussion Host: Bill Bellows**

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“Holding ‘two opposing ideas’ in mind will be even more important in the future...The dilemmas of the future will be more grating, more gnawing, and more likely to induce feelings of hopelessness. *Leaders must be able to flip dilemmas over and find the hidden opportunities.*”

futurist Bob Johansen, Institute for the Future  
*Leaders Make the Future*

“They’re  
already  
doing it!”

-Russ & Cliff

## THE VALUES OPPORTUNITY

Russ Gaskin, Cliff Kayser

# Values...a touchy subject?



- We're going to talk to you about values, many of which may be personally important to you. Indeed, to a great extent we are made up of our values.
- Our intent is not to challenge your personal values, but to put what's important to each of us into a larger context.
- We want to show you some of the massive impacts of values dynamics—and the huge opportunity they present for innovation breakthroughs.

# Consider the following values:

I VALUE...
Being active
Working
Centralized operations
Stability
Order
Short-term
Accountability
Action
Doing
Rationality
Looking at the big picture
Analyzing
Independence
Advocating my position
Dealing with Reality
Being reasonable
Impact
Justice
Leadership

# Consider the following values pairs:

I VALUE...	AND I ALSO VALUE...
Being active	Resting
Working	Being at home
Centralized operations	Decentralized operations
Stability	Change
Order	Chaos
Short-term	Long-term
Accountability	Freedom
Action	Reflection
Doing	Planning
Rationality	Intuition
Looking at the big picture	Dealing with details
Analyzing	Imagining
Independence	Interdependence
Advocating my position	Inquiring about others' positions
Dealing with Reality	Dealing with possibilities
Being reasonable	Having faith
Impact	Intent
Justice	Charity
Leadership	Participation

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Leadership	Participation

What's true about these two lists?

Most of us want the things in both columns, but we tend to *act like* we value things on the left more than the things on the right, especially in business.

# Why do we choose just one value?



- ❑ Social forces
- ❑ Stress, fear (esp. of the downsides of “other” values)
- ❑ Habit, upbringing, experience
- ❑ Social identities
- ❑ Perceived time constraints
- ❑ Perceived resource constraints
- ❑ Lack of process skill
- ❑ A heavy bias toward either-or thinking
- ❑ Seeing values pairs as problems to be solved
- ❑ But most of all...because we really love that one value!

# Interdependent Values



Also known as...

- Polarities
- Tensions
- Dilemmas
- Paradoxes
- Contradictions
- Unsolvable problems



# Do a quick exercise

1. **Inhale your breath now and hold it.**
2. Count to 10...15...20...as you hold your breath, carbon dioxide is dissolving into your blood, building up carbonic acid. You're experiencing acidosis—increased acidity of blood. Your brain is going to tell you to exhale soon if it hasn't already!
3. Now exhale and inhale...get your breath back.
4. Now try some fast, shallow breathing...keep going...do you feel anxious? unsatisfied?
5. Now breath deeply...exhale all the way (every ounce of air) until you're forced to inhale. Relax.

# Exercise Debrief



- Let's think of inhaling and exhaling as values—not too hard, since we certainly value both!
- When we're stressed, we undervalue exhaling, which results in poor inhalation—and vice versa.
- By undervaluing one of these, we undermine the other. In other words, we give short shrift to the *whole process* of breathing.
- By doing both inhaling and exhaling well, we experience the upsides of both—both become better, fuller, more satisfying experiences.

# A full-blown values map



- The most sophisticated system for managing interdependent values was created by Barry Johnson and his colleagues as Polarity Management Associates.
- The following slide shows a fully-mapped polarity with action steps and early warning indicators.
- *Some of us like stability; others prefer change. What if we decide to do both well?*

We encourage you to edit this map so the language and values work for you.  
**Basic Steps to Managing a Polarity Well Over Time**

**Action Steps**

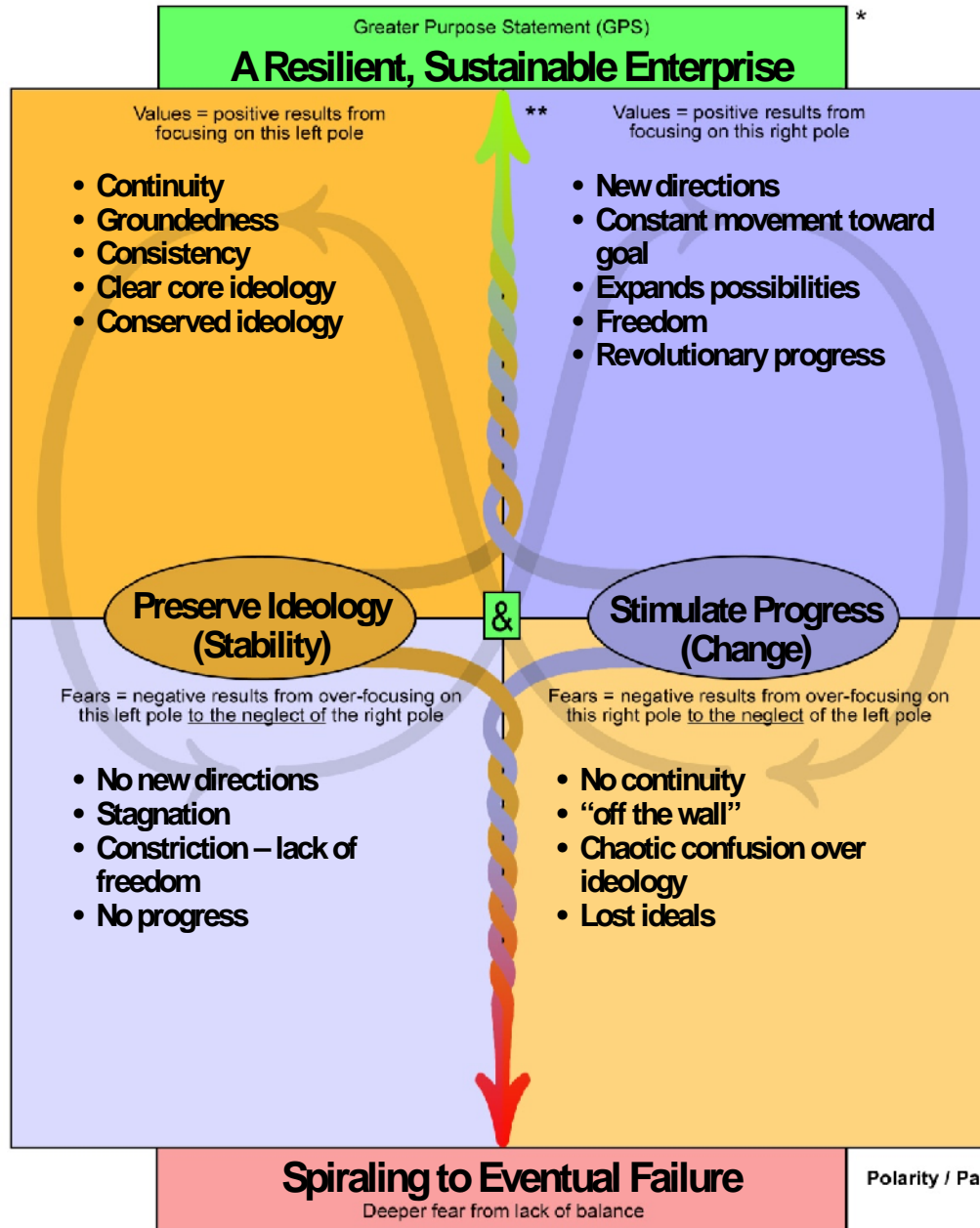
How will we gain or maintain the positive results from focusing on this left pole?  
 What? Who? By when? Measures?

- Be clear about the core ideology
- Create cult-like cultures without actually being cults
- Develop home grown management

**Early Warnings** \*\*\*

Measurable indicators (things you can count) that will let you know that you are getting into the downside of this left pole.  
 Who will know?

- No clear goals that are stimulating and challenging
- Decreasing number of new projects and experiments
- Measures of product and process quality show no improvement or they decline



**Action Steps**

How will we gain or maintain the positive results from focusing on this right pole?  
 What? Who? By when? Measures?

- Big, hairy, audacious goals
- Try a lot of stuff and keep what works

**Early Warnings**

Measurable indicators (things you can count) that will let you know that you are getting into the downside of this right pole.  
 Who will know?

- Complaints of “mixed messages” about what you stand for
- Complaints of things “falling between the cracks”
- Projects late or not completed at all

# There are many polarities!

individual & collective | interior & exterior | individual behavior & personal meaning | systems and processes & culture and shared values | rational & intuitive | logical & metaphorical | sequential & synthesizing | details & big picture | plan & improvise | verbal & visual/kinesthetic | analyze & imagine | objective & subjective | parts & wholes | observe & imagine | facts & inspiration | prove/verify & envision | reduce & expand | preparation & incubation | pattern perception & spacial perception | sort/separate & infuse/blend | discern & generate | divergent & convergent | facts & story | levels/stages & dimensions | successive & simultaneous | strategies & possibilities | segmented & contextual | independent & interdependent | distinctions & interrelations | evaluation & imagination | categorize & assimilate | finite & infinite | projection & introjection | manage & lead | lead & follow | stability & change | focus on productivity & focus on relationships | advocacy & inquiry | talking & listening | reality & vision | head & heart | making a life & making a living | absolute truth & relative truth | reason & faith | contextual & normative | did/past/present & present/future/do | familiar & novel | enlightenment, consciousness, (manifestation) & illusion, pre or unconscious (incubation) | known & unknown | evolutionary & revolutionary | incremental & breakthrough | deliberate & emergent | vertical (efficiency/hierarchy/functional) & horizontal (speed/flat/matrix) | short-term/here-and-now & long-term/future | hold responsible & give freedom | analytical & theoretical | accuracy & completeness | breadth & depth | reactive & proactive | objective & subjective | quantitative & qualitative | tangible & intangible | deductive & inductive | competence & respect | focus on self & focus on other | intent & impact | intellect & affect | learning from books & learning from experience | above the neck learning & below the neck learning | competition & cooperation | materialization & intention | order & emergence | direction & participation | choice & compliance | mandatory & discretionary | implement & plan | action & reflection | output & input | task & relationship | content & context | situational & uniform | consistency & versatility | durability & pliability | results & process | swiftness & mindfulness | efficiency & effectiveness | work & home | standardization & innovation | consistency & agility | structured/clear /focused & flexible/open/expansive | accountability & support | accountability & freedom | candor & diplomacy | intent & impact | commitment & possibilities | left-brain & right brain | decentralized & centralized | autonomous & integrated | detachment & attachment | custom information & common information | will & humility | debate & unity | consistent & adaptable | control & empowerment | negotiation & ventilation | caution & risk | self & other | individual & collective | part & whole | care for self & care for others | true to self & loyal to others | superstars & teamwork | internal stakeholders & external stakeholders | being the best & doing the best | doing things right & doing the right things | forgiveness & apology | self service & community service | differentiation & integration | independence & interdependence | teach & learn | speak & listen | push & pull | risk & safety | participate & observe | opaque & transparent | fairness & equality | exclusion & inclusion | independence & interdependence | individual effort & group effort | culture & multi-culture | homogeneity & diversity | specialist & generalist | functional & beautiful | logic & creativity | customer service & service to organization | anticipate customer needs & respond to customer feedback | manage costs & equip people | seriousness & playfulness | direction & participation | advocacy & inquiry | discipline & encouragement | efficient & effective | market driven & product driven | control costs & improve quality | faster & better | maintenance & emergence | expectations & discovery | reserved & enthusiastic | preserve & grow | converge & diverge | seriousness & humor/fun | image & substance | cutting edge & continuous improvement | method & meaning | discretion & openness | realistic & optimistic | sagely wisdom & child-like inquiry | complexity & simplicity | uniqueness & connectedness | awareness & skills application | understand/appreciate self & understand/appreciate others | inquiring/learning & sharing/teaching | care for self & opening self | candor & diplomacy | conditional respect & unconditional respect | space for self & space for others | recruitment & retention | individual identity & organization assimilation | policies/systems & practices/behaviors | organizational goals & individual goals | develop talent & utilize talent | diversity & meritocracy | honest organization self-assessment & awards/rewards | extroversion & introversion | sensing & intuition | thinking & feeling | judging & perceiving

# Values Optimization & Innovation



- We're not going to explain polarities in depth, or present the whole concept of interdependent values (see resources at the end if you want to explore them more)
- We're focused on their powerful roles in innovation and politics (an area ripe with potential innovation!)

# Values Optimization & Innovation



- At the heart of many of the “business” and social innovations we’re experiencing today *are values pairs that are just now being optimized*
- If you want to forecast innovation, look at places where previous either-or tensions are being recast as new “opportunities”

# Consider these social innovations...

Green jobs

Green business/commerce

CSR

Social entrepreneurship

Internet, telecommunications, transportation

Smart grid

Clean energy

Charter schools

Microfinance

Cause marketing

Bottom of the pyramid" business

Closed-loop processes,  
Product take-back



# ...and the underlying values pairs.

Green jobs	<i>Employment &amp; Environment</i>
Green business/commerce	<i>Business &amp; Environment</i>
CSR	<i>Business &amp; Society</i>
Social entrepreneurship	<i>Individual success &amp; Success for all</i>
Internet, telecommunications, transportation	<i>Local &amp; Global/Non-local, Near &amp; Far</i>
Smart grid	<i>Focus on production &amp; Focus on distribution</i>
Clean energy	<i>Energy &amp; Environment</i>
Charter schools	<i>Public interest &amp; Private interest</i>
Microfinance	<i>Commerce &amp; Development</i>
Cause marketing	<i>Philanthropy &amp; Commerce</i>
Bottom of the pyramid” business	<i>Poverty alleviation/Development &amp; Commerce</i>
Closed-loop processes, Product take-back	<i>Focus on waste &amp; Focus on resources Focus on inputs &amp; Focus on outputs</i>

# The new perspective on change

Systems Dynamics guru Donella Meadows identified 12 places to intervene in a system.

12. Constants, parameters, numbers (such as subsidies, taxes, standards);
11. The sizes of buffers and other stabilizing stocks, relative to their flows;
10. The structure of material stocks and flows (such as transport networks, population age structures);
9. The lengths of delays, relative to the rate of system change;
8. The strength of negative feedback loops, relative to the impacts they are trying to correct against;
7. The gain around driving positive feedback loops;
6. The structure of information flows (who does and does not have access to what kinds of information);
5. The rules of the system (such as incentives, punishments, constraints);
4. The power to add, change, evolve, or self-organize system structure;
3. The goals of the system;
2. The mindset or paradigm out of which the system—its goals, structure, rules, delays, parameters—arises; and,

**1. The power to transcend paradigms.**



Most powerful intervention point

# The new perspective on innovation



- Innovation doesn't happen "out there" in the world, but because we change our way of seeing.
- Much of this innovation is being driven by our ability to see more of the whole system (see Otto Scharmer's *Theory U*). When that happens, and innovation is spontaneously stimulated.
- Much of our ability to see beyond paradigms and see more of the larger system depends on our ability to move beyond values polarization and the associated tunnel vision.

# The new perspective on change



- When this happens, especially given our powerful influence over the material world, we change forms and structures, resulting in revolutionary systemic change.
- Values Optimization  $>$  Form/Structure\*

\* Like the smart grid, for example, or renewable energy systems.

# Company-level examples

Consider companies who embrace core tensions or “dilemmas” to their advantages.

Google	<i>Innovation &amp; Stability</i>
eBay	<i>Buyer interests &amp; Seller interests</i>
Toyota	<i>Stability &amp; Innovation</i>
Green Mountain Coffee Roasters	<i>Company benefit &amp; Social benefit</i>
Seventh Generation	<i>Safe and Effective</i>
Royal Dutch/Shell Group	<i>Centralization &amp; Decentralization</i>
Virgin Group	<i>Business profit &amp; Anti-establishment protest</i>
AMD (Dresden plant)	<i>American can-do optimism &amp; German careful thoroughness</i>
Hanover Insurance	<i>Strong branches &amp; Strong central staff</i>

# Values optimization



Characterized by...

- Dynamic cycles *versus rigid dichotomies*
- Seeing whole systems *while also seeing parts*
- Solving problems *and managing tensions*
- Not stopping at “balance” *but actively seeking the upsides of both values*
- Not choosing between either-or thinking and both-and thinking

# Take our quiz.

Please take the following quiz on your own before our call. Answer quickly and instinctively.

"I <b>most</b> associate the value below with the..."	Democratic Party	Republican Party
Business		
Regulation		
Economy		
Equality		
Social Needs		
Military/Hawk		
Competition		
Change/Progressive		
Focus on Whole		

# Interdependent Values...learn more

## Books

- Johnson, Barry. *Polarity Management*.
- Collins, James and Jerry Porras. *Built to Last*.
- Hamden-Turner, Charles. *Charting the Corporate Mind*.
- Pascal, Richard Tanner. *Managing on the Edge*.
- Fletcher, Jerry and Kelle Olwyler. *Paradoxical Thinking, How to Profit from Your Contradictions*.

## Articles

- Takeuchi, H., Osono, E. & Shimizu, N. (2008). The Contradictions That Drive Toyota's Success. *Harvard Business Review*, Harvard Business School Publication Corp. 86, 96-104.



## Biographies

**Russ Gaskin** describes himself: “I am a change agent, consultant, mentor and teacher who advances sustainability and social justice through social innovation. At Green America, I develop innovative programs, platforms and tools to advance both environmental and social sustainability. Through my part-time consulting practice, I help organizations and their stakeholders clarify complex challenges and opportunities, and develop innovative and productive pathways to mutually-beneficial outcomes. I also advise masters-level students and teach workshops and courses in social entrepreneurship, social innovation and systems analysis and interventions. I hold a masters degree in Organization Development from American University and the NTL Institute and am a member of the Society for Organizational Learning and the Organization Development Network. My work draws on extensive formal training in change models, sustainability, change management, and group dynamics and interventions, including the U-Process, Appreciative Inquiry, Myers-Briggs, Cultural Transformation Tools, polarity management, multi-stakeholder collaboration, systems thinking, Gestalt facilitation, and diversity.”

An Associate of Polarity Management Associates, **Cliff Kayser** is a speaker and trainer in the Polarity Management theory, tool and process developed by Dr. Barry Johnson, author of “Polarity Management: How to Identify and Manage Unsolvable Problems.” Prior to launching Xperience® in 2007, Cliff was Vice President of Organizational Development and Training for The National Cooperative Bank (NCB), a cooperatively -owned, Congressionally-chartered financial institution located in Washington, D.C. Cliff spent nearly a decade serving The Washington Post newspaper as Senior Organization Development Consultant and The Washington Post Company as Corporate Manager of Human Resources, Training and Web Development.

Cliff holds a Master’s Degree in Organizational Development from AU/NTL, a Master’s Degree in Human Resource Management from American University, and a Bachelor’s Degree in History and Business from Lenoir-Rhyne College. Cliff is a graduate of Georgetown University’s Executive Leadership Coaching program, The Gestalt Institute of Cleveland’s BEI Program and holds the following OD and Coaching certifications: International Coaching Federation certified coach; Senior Professional Human Resources (SPHR); Polarity Management; Cook-Greuter’s Leadership Maturity Framework (LMF); MBTI; Barrett Values Center Level II practitioner; and Master Trainer for Development Dimensions International, Achieve Global, and Center for Creative Leadership Benchmarks.