Now, I want to turn again to the broader problem domain. Remember when I said that complex problem domains that tend to be hard to change are also characterized by an interesting tension between elements that are seen as good and elements that are seen as bad between fundamental paradoxes that are hard to reconcile? Here, we're moving to a work of an interesting man, a British scholar named Charles Hampden-Turner. He wrote a book called, *Charting the Corporate Mind*, that you might want to look at if this interests you, and another one called, *Riding the Waves of Corporate Culture*, which we'll be looking at again in the future.

He's a very, very creative, innovative thinker. He worked for corporations, but as we talk about problem domains, his focus was on the industries in which those particular corporations were playing. He began to be aware that those industries were structured in terms of what they value and in terms of the innovations that they were working towards in *opposing dilemmas*.

He first set out by trying to elicit what people thought those dilemmas were. He would go around to various companies and he'd asked them a whole set of questions about, "What

do you think are the paradoxes? What are the values that are hard to reconcile here?"

For example, in the car industry, building a sporty car versus a safe car, there's a paradox: it was hard to do both at the same time. Companies tend to either build *safe* cars that were not all that sporty and attractive to people who were going to invest in the sports car or a *sporty* car that the family wouldn't want to drive because it wasn't safe enough.

That was just one of the paradoxes. He said there are as many as eight or nine or ten embedded; but if you're interview people, you can find out what they are. Then, he also found that once you just establish those paradoxes and you treated them like two horns of the dilemma, there was a pretty high consensus among the top management in all the companies working in the particular industry (like a car company) about what they were, and who would make which decisions in terms of the design of their vehicles, towards the one end of the dilemma or another.

He also said that companies who had found a way to reconcile those paradoxes and to bring them closer together—to see that they, in fact, belong together and not separately–

were the ones who were adding the most value in the industry. In fact, this could be measured by financial returns. They were also making the most money.

Here's another case of one of the things he looked at. This was actually appliance manufactures and one of the dilemmas that he found in appliance manufactures had to do with the coherence of the whole platform, or the ways in which a particular product being produced worked its way through a system that everybody recognized, in coherent stages of putting together a product. Then you had individual platforms where you developed different parts of the product and they were very, very good at each element but maybe didn't work together all that well.

He said: there's a tension between these two things. People who took the extreme end of: *let's develop the component separately and excellently* he called *islands of excellence in the sea of chaos*. Those who really privileged the integrity of the whole so that it would all just fit together, and you shouldn't be working too hard to make one bit excellent because that's just going to throw the next one off, he called *order without distinction*. You could produce a good product, but it really

suppressed innovation, because you tried to keep everything the same as opposed to changing it.

That was just one. There were a number of them. He then looked across the companies and they were able and we had about five or six different ones and [identified one company] that had been the most innovative around process and tried to find ways to orchestrate this excellence—to find and allow these different islands to exist, but at the same time, to find a way to make it all fit into a general whole. He did this over and over again. What's interesting, when you go into problem domains, is that you can find a similar kind of thing.

For example, in many of the problem domains that you see, whether you're talking about treatment of mental health or young offenders or children in care, etc., you find a big dilemma between the notion of customized, attentive service on one level where it is very high touch and every child or mental health patient is treated as an individual, etc., versus the other which is what you can achieve by standardizing a best practice from lots of expertise being developed.

You can standardize that practice, and everybody got the same kind of treatment but it was based on expertise. At the moment, there's a general perception that we've gone too far over towards expertise. However, instead of characterizing it as the best that it can be, it is characterized as, in fact, being substandard, bureaucratic, rigid, unresponsive to individuals, and full of technocrats.

People will comment and complain about that and say: *What do we need now? We're going to really innovate something which is much more customized, personal, high touch, etc., and very user-centered*. A lot of the dialogue that you were hearing in any one of those areas will now be around: *how do we get away from this very bureaucratic thing?*

The fact is, however, if we were to swing back towards that horn of the dilemma, we probably would not achieve the kind of perfection that they're imagining either or what was been there in the past, because these are horns of dilemma. What you do when you turn over care in families and communities, etc., is that it's very variable. You see real whimsical care: sometimes sparkling little flashes of brilliance and sometimes, terrible abysmal care, because

you're leaving it up to personal relationships and we all know those are whimsical. They can sometimes be wonderful and sometimes can be very terrible. As we swing back to that end, we'll see more and more of this kind of failure to be perfect and you'll hear the other end of the dialogue start up: *"You know, we need to standardize. We need to have expertise. We shouldn't just be leaving up this up to lay individuals who don't really know what's best, and so many people are suffering from that, how can we standardize this and bring back the other?"*

Then, we'll swing back towards that, but again, we'll rarely get to the perfection of that. We ended up with something that is much more bureaucratized.

As long as we're going back and forth to one horn of the dilemma to the other, we're not going to come up with something which is really going to be transformative. It's just as a pendulum that swing back and forth. One of the ways we might identify a potentially transformed innovation, is if it hits that integrative spot which he calls innovation. Real innovation spaces somehow reconcile some of both of those. They're both, in a sense, highly standardized and high touch.

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How might you do that? It just raises an interesting question. That's one of the ways we might look for innovative change and we can look at a number of dilemmas in food systems [for example]: political philosophy; food as a right; food as a choice; global versus local; global food markets which have broader accessibility; local food markets which might be more ecological; land use—growing urban areas and industrialization or keeping that limited for growing food production. We can see this in the cities.

[This is] another big area where people talk about an intractable problem domain, with political philosophies of valuing social good versus valuing individual choice. We see decentralization and private space versus the centralization to high-density cities. We see life style choices, cosmopolitan, diversity, accessible, walk-able urban and suburban space, etc. These are pendulum swings that we tend to go back and forth. Nature versus culture. Eco-serving, system serving, natural environmental conservation and the built environment with more social growth, social services, etc.

These are the ones that are identified by people working in those zones and you can see that, depending on where you are with your own problem domain, you probably identify a value or solution in your mind that may just be one horn of the dilemma. If so, you, in a sense have to go through the same exercise you went through with nemesis.

You have to recognize that the opposite, which you're defining as evil, was actually created to deliver some kind of good. Where is the good? Because we want to find innovation space, you have to find a way to define the two horns of dilemma positively. There are two positive values which you're going to attempt to reconcile.

Value, then, is created and is being added, as opposed to opposing each other; and more value is going to be added through combinations, reconciling capacities of forms, integrity, harmony and novelty. And confronting dilemmas is both dangerous and rewarding. [It's] threatening on the one hand to the established organization, yet offering potential for transformation.

We have to, in a sense, own and identify with those things that you've called bad, recognizing what was the impetus behind them that set them up in the first place. How might they be of value moving forward?