



Interdependent Pairs and Dilemmas of System Change

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In Chapter 2 of our new book, *Adaptive Action: Leveraging Uncertainty in Your Organization* (Stanford University Press, 2013), we explore some issues that contribute to uncertainty in our complex systems, and we propose ways to find a path to informed and wise decision making. One of those issues we explore is the idea of **interdependent pairs**.

In our experience unstable or unpredictable situations emerge from a framework of interdependent pairs. Examples include centralization or decentralization, long-term or short-term decisions, collaboration or independent work, optimizing the whole or the part. Barry Johnson, in his *Handbook of Polarity Management: Identifying and Managing Unsolvable Problems*, describes these pairs as polarities. We have found that, in a complex system, multiple polarities exist and are interdependent with each other. A movement along one pair to resolve a challenge can lead to radical transformation along another pair--one of the sources of uncertainty we often see in complex systems.

Here is an example from product development that represents this interdependent relationship among three such polarities. Effective product development efforts focus on dynamic relationships between quality and speed, quality and cost, and cost and speed. It's simple to see how these pairs and their complex interdependencies could disrupt any simple plan for success. One decision might slide the product along the continuum from high quality toward low quality and increase along the continuum of speed. Slower production may enable higher quality, but it may also increase cost. When considered independently, any one of those decisions may be very difficult to make, but the interdependency with other pairs makes it even more challenging. The decision space becomes unstable because any single decision reshapes the relationships for all remaining decisions.

Finding the best balance in any such relationship is difficult. No simple formula will lead to that optimal solution. Trial and error that is based in deep understanding of the relationships between and among the pairs is the only viable strategy. That is why Adaptive Action is such a powerful tool in uncertain times.

Ignoring, misunderstanding, or mismanaging interdependent pairs is one of the easiest ways to get stuck in a complex human system. Whenever there is an apparently intractable problem, there is a good chance that some dysfunctional interdependent pair is to blame. Once you find the pair and agree on a way to manage it, the intractable problem resolves itself into a series of decisions, which may be difficult, but at least they are not impossible.

Every situation has its own unique set of most important interdependent pairs, and there are some



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pairs that we often encounter as we talk with clients and explore the nature of their challenges and how they are stuck. These show up in a variety of ways, but the dynamics are undeniable. Large-scale, system-wide change is often complicated by a set of interdependent pairs that we call System Change Dilemmas.

The Dilemma	Charts the impact of . . .		
Power	Power of political influence of a few individuals or groups	against. . .	Power of engaging employees at all levels of the system
Capacity	Reactive stance that relies on rules, regulations, and policies that attempt to codify all contingencies	against. . .	Responsive attitudes that allow for and support coherent adaptation to emergent challenges
Identity	Employee needs and demands are the focus of resource allocation and decision making	against. . .	Customer-centered focus for resource allocation and decision making
Scale	Group-level decisions and considerations guide decisions	against. . .	Individuals' needs for support through change are the basis for decisions
Decision Making	Top-down decisions and planning shape the change and inform implementation	against. . .	Bottom-up planning brings the voices of those who carry out the work of implementing the change

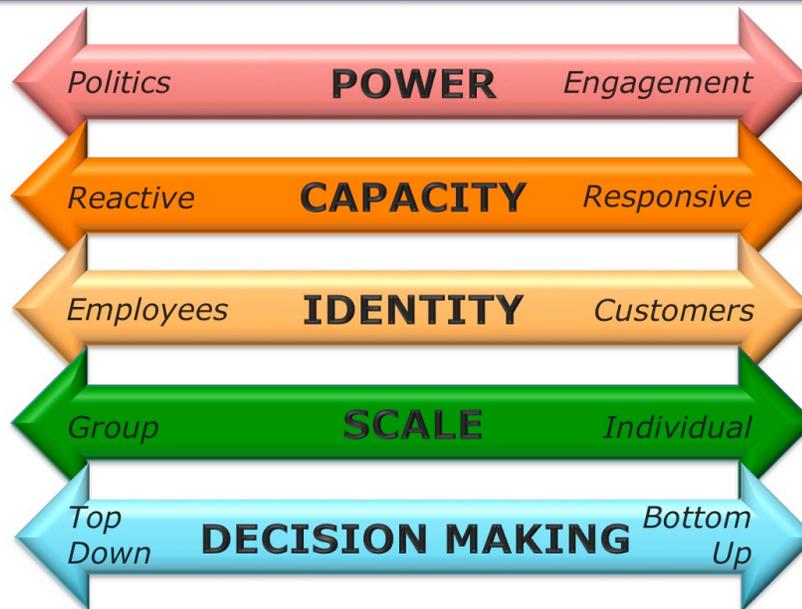
Both ends of these spectra deliver risks and benefits. Traditional wisdom focuses on the left, while recent innovations in leadership and management support only the right. HSD and Adaptive Action allow you to make conscious decisions to find the right fit to situation and purpose. As a result, you access the benefits of both and the risks of neither.

While these systemic dilemmas are common across systems, there is still no one answer to the challenges they pose. Each system is unique; each dilemma carries its own dangers, surprises, and gifts. The most effective path is to use Adaptive Action in cycles of inquiry to see (What?), understand (So what?), and influence (Now what?) the patterns generated by each dilemma individually and among them all as they interact.

This month's tool is a visual reminder of these interdependent pairs of dilemmas that lie at the heart of system-wide change. It provides insights about how we can begin to understand and manage the interdependent pairs by engaging in Adaptive Action. Use the protocol on the following page to explore your own System Change Dilemmas to find your path toward informed, wise action. Be in touch to let us know what you find.



System Change Dilemmas



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Engage in Adaptive Action, considering each pair independently, and then examine their impacts on each other.

- 1. What?** Explore each pair separately. Use the information you have at hand to develop a deep awareness of where your organization falls on the landscape of change.
- 2. So what?** Clarify the impact of each pair on the others. Shift one of the dilemmas and see how it might interact with each of the others.
- 3. Now what?** Consider your options for shifting conditions and analyze the possible outcomes of your action. Then act, and watch carefully as you step right back to the next **What?** of your Adaptive Action cycle.

For more information, visit our blog site at <http://adaptiveaction.org/>