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Abstract

In promoting indigenous management research in China, Peter P. Li has repeatedly asserted that Yin-Yang is superior to all other cognitive frames in dealing with paradox in general and that his “Yin-Yang balancing” solution is superior to ambidexterity as an approach to paradox management in particular. Disagreeing with Peter P. Li, this paper debunks the “Yin-Yang balancing being superior to ambidexterity” assertion by making three critical points. First, at the philosophical level, Peter P. Li’s notion of “Yin-Yang balancing” is an inaccurate interpretation (or incomplete version) of the Confucian principle of Zhong-Yong that is largely compatible with Aristotle’s doctrine of the mean. Second, at the practical level, his “Yin-Yang balancing” solution, while being different from the structural ambidexterity approach, is compatible with the contextual ambidexterity approach. These first two points imply that Peter P. Li’s “Yin-Yang balancing” solution is not necessarily superior to the ambidexterity approach in particular and the Western thinking in general. Third, Robert Blake and Jane Mouton, in their 1964 book *The Managerial Grid*, provide a variety of approaches to manage a fundamental organizational paradox, i.e., the production-people dilemma. Their analysis not only covers different ambidexterity approaches, but also offers much more insights on paradox management. More significant is that Blake and Mouton made explicit that those ambidexterity-type approaches only deal with the problem at the level of symptoms rather than root causes. This third point implies that some Western scholars have had much deeper thinking on paradox management than some Chinese colleagues may have imagined.

Keywords: Yin-Yang; Zhong-Yong; paradox; ambidexterity; indigenous; China

Introduction

In the discourse of “West meets East” and indigenous management research in China and Asia (Ananthram & Chan, 2016; Barkema et al., 2015; Chai et al., 2016; Chen & Miller, 2010, 2011; Horak & Klein, A. 2016; Horak & Taube, 2016; Leung, 2012; Lewin, 2014; P. P. Li, 2012a; P. P. Li et al., 2012; X. Li, 2014; Liu & Stening, 2016; Luo, Cheng, & Zhang, 2016; Redding & Witt, 2015; Tsui, 2004; Zhang, Peace, & Han, 2016; Zhang et al., 2016), Chinese Yin-Yang philosophy has often been taken to contrast the widely-held linear or either/or thinking in the West (Fang, 2012; Jing & Van de Ven, 2014; Lin et al., 2015; Mathews & Tan, 2015; Peng, Li, & Tian, 2016, Zhang et al., 2015). While we acknowledge the relevance and usefulness of Yin-Yang and other Chinese indigenous notions to management research, we are also concerned about the danger of *overstating* the advantage of Chinese way of thinking over those of the Westerners. We are especially worried about the negative impacts on the future development of management research in China that stems from the assertion that Yin-Yang is superior to all other cognitive frames in the world for managing organizational paradoxes, one of the most challenging issues in the management literature today.

The assertion about “Yin-Yang’s superiority” has been repeatedly made by Peter P. Li, one of the most ardent supporters of indigenous management research in recent years (P. P. Li, 2012b, 2014a, 2015a, 2015b, 2016). He claims that “Yin-Yang is *best* positioned to manage paradoxes” (P. P. Li, 2014a: 324, *italic added*), because he believes that “it is the *only* system available to truly and fully appreciate and accommodate opposites by reframing paradox as duality” (P. P. Li, 2016: 54, *italic added*). Based on such an understanding, he has proposed a “Yin-Yang balancing” approach to paradox management. In his capacity as the lead guest editor of the *Asia Pacific Journal of Management*’s special issue on “Indigenous Management Research in Asia”, Peter P. Li writes in the Special Issue’s introductory essay that “Perhaps it is not an exaggeration to say that the cognitive system of Yin-Yang balancing can yet present the *most* valuable tool of paradox management” (Li, Sekiguchi, & Zhou, 2016: 591, *italic added*).

Is “Yin-Yang balancing” really superior to ambidexterity as an approach to paradox management? Disagreeing with Peter P. Li, we debunk his assertion that “Yin-Yang balancing” is superior to ambidexterity by making three critical points. First, at the philosophical level, Peter P. Li’s notion of “Yin-Yang balancing” is an inaccurate interpretation (or incomplete version) of the Confucian principle of Zhong-Yong that is largely compatible with Aristotle’s doctrine of the mean. Second, at the practical level, while his “Yin-Yang balancing” solution is different from one type of ambidexterity approach (i.e., structural ambidexterity—O’Reilly & Tushman, 2013), it is compatible with the other type (i.e., contextual ambidexterity—Gibson & Birkinshaw, 2004). The first two points imply that “Yin-Yang balancing” is not necessarily superior to the ambidexterity approach in particular and the Western thinking on paradox in general. Third, Robert Blake and Jane Mouton, in their 1964 book *The Managerial Grid*, provide a variety of approaches to manage a fundamental organizational paradox, i.e., the production-people dilemma. Their analysis not only covers different ambidexterity approaches, but also offers much more insights on paradox management. More significant is that Blake and Mouton made explicit that those ambidexterity-type approaches only deal with the problem at the level of symptoms rather than root causes. This third point implies that some Western scholars have had much deeper thinking on paradox management than some Chinese colleagues may have imagined.

While we appreciate the call for Asian management scholars to be more self-confident (Meyer, 2006), this paper alerts Chinese (and Asian) management scholars to the danger of “overconfidence” (as critiqued by X. Li, 2014: 14) and “Chinese exceptionalism” (as critiqued

by Peng, 2005: 133). Overall, we call for a more modest, more prudent, and ultimately more solid attitude in pursuing Chinese indigenous management research.

“Yin-Yang Balancing”, Zhong-Yong, and Aristotle’s doctrine of the mean

While Peter P. Li (2016: 42) talks about “indigenous Eastern epistemological system of Yin-Yang balancing... as a novel system or frame of thinking”, the notion of “Yin-Yang balancing” is his own invention, which is an amalgam of two distinct philosophical notions, i.e., Yin-Yang and Zhong-Yong (中庸). While the notion of Yin-Yang can be said to have an element of epistemology, Zhong-Yong is a Confucian practical (or, methodological, in a loose sense) principle of balancing between two Yin-Yang opposites in daily life. To mix Yin-Yang and Zhong-Yong balancing together to form a so-called “epistemological system of Yin-Yang balancing” is the first mistake Peter P. Li makes in developing his flawed analysis. By saying “Yin-Yang balancing as the epistemology” (p. 44) on the one hand and “dynamic process of Yin-Yang balancing with the stages and thresholds at multiple levels for structural changes” (p. 56) on the other, it seems that Peter P. Li simply confuses epistemology with other things such as methodology and process.

According to Peter P. Li (2016: 52, italics added), his notion of “Yin-Yang balancing” has three core tenets: (1) holistic content, (2) dynamic process, and (3) duality balance. The tenet of holistic content is about “a *spatial* balancing” that allows “only a partial spatial separation of mental opposite elements rather than a full spatial separation”. The tenet of dynamic process is about “a *temporal* balancing” that allows only “a partial temporal separation of mental opposites rather than a full temporal separation”. The tenet of duality balance is about “mental opposites as opposites-in-unity (thus contrary yet complementary) via mutual negation and mutual affirmation in relative terms”, meaning “a *partial separation* of the conflicting elements of mental opposites in different ‘spatial’ aspects and levels or at different temporal stages and steps” and “a *partial integration* of the complementary elements of mental opposites in both spatial and temporal terms”.

Peter P. Li (2016: 57) states that corresponding to the three core tenets are three operating mechanisms: (1) asymmetrical balancing, (2) curvilinear balancing, and (3) transitional balancing. In his “Yin-Yang balancing” solution to paradox management, there are four core variables—“opposite means for opposite ends” (p. 57). Asymmetrical balancing means “one of the two opposite elements [the two opposite means] to play the dominant role in performing one specific function [one of the two opposite ends]”. For example, “exploitation [plays the dominant role, or as the dominant means] for [achieving] incremental innovation [as one of the two opposite ends] in contrast to exploration [plays the dominant role, or as the dominant means] for [achieving] radical innovation [as one of the two opposite ends]” (p. 57). Therefore, asymmetry here denote “the dominant-subordinate mix” of both “opposite sub-goals [ends]” and “opposite means”.

Peter P. Li (2016: 57) argues, “the subordinate opposite will be related to the dominant opposite in an inverted U-shaped nonlinear pattern with their interaction effect on the specific function”, namely, “the subordinate opposite is the least complementary and the least conflicting when it is at a low level...it is the most conflicting, but the least complementary, when it is at a high level...it is the most complementary, but the least conflicting, when it is at a moderate level”. Accordingly, his “curvilinear balancing” means “an effective balance is a mix of opposite elements at their respective moderate levels (i.e. about 60-70 percent for the dominant element, and about 40-30 percent for the subordinate element)”. Clearly, by labelling this analysis as

“curvilinear balancing”, it seems Peter P. Li confuses description (i.e., *curvilinear* relationship between the two opposites) with prescription (i.e., *balancing* with a moderate mix).

Peter P. Li (2016: 57-58) posits that “the interaction and inter-transformation of opposite elements tend to trigger a dynamic shift in the relative status or positions of opposite elements from a dominant to a subordinate role, or vice versa.” He contends that “This shift is largely due to the external shift in the priority status or position of a specific sub-goal”, yet “internal dynamics can also trigger such shift”. Specifically, “a weak subordinate element can grow from a low to a moderate level, either pulled by a strong dominant element or pushed by its own force”. He states “Related to the dynamic [process] tenet that opposite elements tend to switch between their respective roles, this third operating mechanism is called ‘transitional balancing’” and argues that “a swift switch in the relative status between dominant and subordinate roles is often desirable”. Again, it is clear that Peter P. Li confuses description (i.e., the *tendency* of opposite elements to switch between their respective roles) with prescription (i.e., calling this as transitional *balancing* and suggest a swift transition).

Overall, Peter P. Li confuses epistemology (as expressed as the three tenets) with methodology (as embodied in the first two operating mechanisms), and description (curvilinearity and tendency to switch) with prescription (suggesting the so-called curvilinear and transitional *balancing*). In essence, his “Yin-Yang balancing” approach can be summarized by four “partials”. Specifically, on the cognitive side, the two opposites in a paradox should be seen as being partially conflicting and partially complementary; and on the behavioral side, the two opposites should be partially separated and partially integrated. In particular, the integration or combination of the two opposite (be them means or ends) should be asymmetric and with both opposites being at their respective moderate levels.

His “Yin-Yang balancing” is in fact a particular (and inaccurate) interpretation of Confucian Zhong-Yong principle that prescribes an appropriate balance between two Yin-Yang opposites. One possible reason why he avoids using the word of Zhong-Yong is that he, as expressed on many occasions, has strong preference of Daoism to Confucianism (P. P. Li, 2014b).

According to the Zhong-Yong principle, one should strike an appropriate balance between two opposites, namely, one should never go to either extreme but take a position in between two opposites because excess is just as bad as deficiency. Clearly, the Zhong-Yong principle is compatible with three core tenets of Peter P. Li’s “Yin-Yang balancing”. However, Zhong-Yong does not prescribe asymmetric balancing. Emphasizing on asymmetrical balancing is ironically *anti*-Yin-Yang, because, according to the Yin-Yang logic, if there is a yin (asymmetrical balance), there must be a corresponding yang (symmetric balance). We can safely say that, Yin-Yang not only allows, but also entails the co-existence of both asymmetric and symmetric balances. Interestingly, Sundararajan (2013, 2015) analyzes harmony and Zhong-Yong by proposing a framework of symmetry breaking and restoration, in which both symmetry and asymmetry co-exist. Therefore, Peter P. Li’s “Yin-Yang balancing” is an inaccurate interpretation of Zhong-Yong.

While Peter P. Li claims his Zhong-Yong-like “Yin-Yang balancing” is “superior in managing paradoxes” compared to the Western ambidexterity approach in particular (P. P. Li, 2014a: 324) and to any other cognitive frame in the world in general (P. P. Li, 2016), we argue that the Zhong-Yong principle is highly compatible with Aristotle’s doctrine of the mean, explicated in Aristotle’s *Nicomachean Ethics*.

According to Gottlieb (2009: 19), Aristotle’s doctrine of the mean has three aspects: “First, virtue, like health, is in equilibrium and is produced and preserved by avoiding extremes and hitting the mean; it is self-sustaining. Second, virtue is in a mean ‘relative to us’. Third, each virtue is in a mean between two vices, one of excess and one of deficiency”. Aristotle’s mean is not an arithmetic mean which is equidistant from two opposed extremes. Instead, the mean is “relative to us,” which “cannot be determined without close attention to features of the persons to whom such means are relative and the circumstances in which those persons are placed” (Losin, 1987: 332). Such a mean “relative to us” is equivalent to the Zhong-Yong notion of balancing according to the specific circumstances. Clearly, Zhong-Yong is highly compatible with Aristotle’s doctrine of the mean, and therefore, there is no basis to assert the superiority of either Zhong-Yong or “Yin-Yang balancing”.

“Yin-Yang balancing” and ambidexterity

In the management literature in the West, the ambidexterity approach (Birkinshaw & Gupta, 2013; O’Reilly & Tushman, 2013) has been a prominent way of thinking for managing the exploitation-exploration dilemma (March, 1991; Raisch et al., 2009) in particular and organizational paradox in general (Andriopoulos & Lewis, 2009; Y. Li, Peng, & Macaulay, 2013; Schad et al., 2016; Smith & Lewis, 2011).

In reviewing the organizational ambidexterity literature, Peter P. Li (2014a: 328-329) groups the various studies into two broad categories: (1) “separated ambidexterity” and (2) “integrated ambidexterity”. He further divides each category into three groups. The “separated ambidexterity” category is subdivided into “structural ambidexterity”, “temporal ambidexterity” and “domain ambidexterity” (p. 328), while the “integrated ambidexterity” category into “resource ambidexterity”, “contextual ambidexterity” and “managerial ambidexterity” (p. 329).

Peter P. Li (2014a: 329) argues that “the extant views of ambidexterity fail to account for the original insights concerning both trade-off and synergy, thus failing to adequately explain the dual nature of the exploration-exploitation link”. In contrast, he posits that, “to fully understand the paradox of the exploitation-exploration link...Yin-Yang balancing is able to reframe paradox (absolute opposites) into duality (relative opposites) without “transcending” the true nature of being opposite or paradoxical, thus distinctive from the other logical systems” (p. 330). Hence, he asserts that “the Yin-Yang frame is superior in managing paradoxes, as illustrated by the example of ambidextrous balance” (p. 324).

There are four problems in Peter P. Li’s arguments: (1) inaccurate dichotomization, (2) being anti-Yin-Yang, (3) neglecting intention-action mismatch, and (4) ignoring the unity of ambidexterity thinking. First, it is inaccurate to dichotomize the various ambidexterity studies into “separated” versus “integrated” because all ambidexterity solutions involve, explicitly or implicitly, a combination of mechanisms of separation and integration (or coordination). Specifically, the essence of the ambidexterity thinking is an organizational or behavioral design of separation at the micro level coupled with integration or coordination at the macro level. Simply put, being ambidextrous means being separated and integrated simultaneously.

For instance, the structural ambidexterity (Tushman & O’Reilly, 1996), which is categorized as “separated ambidexterity” category by Peter P. Li, involves an organizational structure design in which one unit of the organization undertakes exploitative activities while another unit pursues explorative learning. This is the mechanism of separation of responsibilities at the micro (i.e., business unit) level. Yet, this separation mechanism is *coupled* with a complementary mechanism of integration or coordination (Markides, 2013)—for example, by

appointing an active and capable integrator between two units (Gilbert & Bower, 2002) or the same general manager in charge of two units (O’Reilly & Tushman, 2004). The more effective mechanism of integration is to put in place a top-level leadership, of CEOs or top management teams, “that can make dynamic decisions, build commitment to both overarching visions and agenda specific goals, learn actively at multiple levels, and engage conflict” (Smith, Binns, & Tushman, 2010: 448; Smith & Tushman, 2005).

Similarly, the contextual ambidexterity (Gibson & Birkinshaw, 2004), which is categorized as “integrated ambidexterity” category by Peter P. Li, relies on building an organizational culture or context that encourages or facilitates the development of behavioral capacities of individual employees to simultaneously pursue opposing goals. It also has a built-in mechanism of separation because contextual ambidexterity ultimately relies on “individuals to make their own judgments as to how best *divide* their time between the conflicting demands” (Gibson & Birkinshaw, 2004: 211, *italic added*).

Second, Yin-Yang tells us that everything has its own merits and limitations, and ambidexterity is no exception. So, Peter P. Li’s assertion on Yin-Yang’s superiority (or ambidexterity’s inferiority) is ironically anti-Yin-Yang. In fact, ambidexterity may be the most suitable solution in some situations, e.g., in quantum physics. According to Heisenberg (1958: 14), “The Copenhagen Interpretation of quantum theory starts from a paradox”, which should be the wave-particle duality of light. The wave-particle duality is the phenomenon that, while light can be seen as wave because its behaviors present wave properties in some experiments, it can also be seen as particle because its behaviors present particle properties in some other experiments. The wave-particle duality of light is paradoxical because wave and particle are fundamentally different and mutual exclusive in that the former is continuous while the latter is discrete. In technical terms, “particles are localized while waves are not” (Pais, 1991: 57).

In 1924, Einstein describes the wave-particle paradox as “two theories of light, both indispensable and [...] without any logical connection” (cited in Pais, 1991: 88). Later, Einstein & Infeld (1938) explicate this paradox as follows:

“But what is light really? Is it a wave or a shower of photons? There seems no likelihood for forming a consistent description of the phenomena of light by a choice of only one of the two languages. It seems as though we must use sometimes the one theory and sometimes the other, while at times we may use either. We are faced with a new kind of difficulty. We have two contradictory pictures of reality; separately neither of them fully explains the phenomena of light, but together they do” (Einstein & Infeld, 1938: 262-263).

As one of the three core principles of the Copenhagen Interpretation of quantum theory, Bohr’s complementarity principle was initially proposed as a philosophical solution to the wave-particle paradox. According to Bohr, light (later extended to any matter) has both wave and particle properties, or in other words, it is both wave and particle, *ontologically*. When we try to observe or measure its properties by experiments, our observational or measurement instruments disturb or interact with the observed object. Consequently, our observations, or the captured properties, is a result of the disturbance or interaction between the observational instruments and the observed object. This is the so-called measurement problem. An experiment designed to observe the wave properties of the observed object will result in wave properties in our observation and an experiment designed to observe the particle properties will result in particle properties. Due to the fundamental difference between wave and particle, the two properties can never be captured simultaneously in one single experiment or observation. In technical terms, it is “a simple consequence of the noncommutativity” of wave and particle (Pais, 1991: 304).

However, no matter how contradictory the wave and particle descriptions of the object are, *epistemologically*, they are complementary and necessary for a complete description of the observed object.

In a sense, Bohr's complementarity principle is ambidextrous in that it allows separation of wave and particle properties in experiment (at the micro or epistemological level) coupled with integration of wave and particle in nature (at the macro or ontological level). At the epistemological level, there is another paradox to deal with. According to Bohr, as the quantum theory is universal while the classical theories are at best approximations of it, a pure classical description of the world is incomplete; on the other hand, due to this measurement problem, it is also impossible to give a pure quantum description of the world. Bohr's solution to this paradoxical situation is his principle of classical concepts, namely, "to divide the system whose description is sought into two parts: one, the object, is to be described quantum-mechanically, whereas the other, the apparatus, is treated as if it were classical" (Landsman, 2006: 221). This quantum-classical division or separation is called "Heisenberg cut" as Heisenberg explained this principle in an articulate way. Like the complementarity principle, Bohr's principle of classical concepts can also be viewed as a structural ambidexterity solution.

Third, Peter P. Li's argument neglects the possible mismatch between intention and action. In some but not all situations, "Yin-Yang balancing" (i.e., simultaneously holding two opposites) is only possible in intention but impossible in action. In such situations, the Zhong-Yong balancing intention is ultimately converted into ambidextrous actions. Take the work-family conflict for example. We are often advised to have a work-and-family balance. The Zhong-Yong principle would suggest people to simultaneously take care of both work and family and not to attend one to the exclusion of the other. In principle and intention, simultaneous attention to both work and family is desirable. However, in practice and action, there are often circumstances in which one of the two cannot be taken care of. Two kinds of such circumstance are called work-to-family conflict and family-to-work conflict. One example of work-to-family conflict is that an unexpected problem in work requires one to work overtime, which prevents the person from meeting his or her spouse for celebrating the anniversary of their marriage. In such an emergency situation, the ambidextrous person may have to forgo the anniversary celebration that day but makes another romantic arrangement to delight his or her spouse.

Another example is the dual-leadership system adopted in the Chinese Army,¹ where there is always a political officer besides the military commander as the co-leader of a military organization above the platoon level. In the Chinese army, the political co-leader is called political trainer at the company level, political instructor at the battalion level, and political commissar at the regiment level and above. Normally, the military commander has competence in and is in charge of military operations, while the political officer is skilled at ideological training and psychological counselling. It will be ideal if the military commander is ambidextrous himself or herself, namely, he or she can act in different ways adapting to changing situations (Zhang et al., 2015), then he or she does not need to have a co-leader. However, if the military commander is not ambidextrous himself or herself, which is often the case, then the institutional design of dual-leadership is the second best solution to make the military dual-leadership *team* ambidextrous.

¹ A similar dual-leadership structure existed in the Red Army (during Soviet times) and still exists in today's North Korean and Vietnamese Armies. I thank Professor Mike Peng for bringing this to my knowledge.

A third illuminating case is the rigor-relevance debate. Many scholars have called for balancing academic rigor and practical relevance in conducting management research (Bartunek & Rynes, 2014; Kieser, Nicolai, & Seidl, 2015) given the criticism that much of the management literature is not relevant to management practice (Bennis & O’Toole, 2005; Vermeulen, 2005). However, Daft and Lewin (2008), the founding co-editors of *Organization Science (OS)*, after 18 years of journal editing experience, despite their initial commitment to encourage and publish in *OS* studies that are both rigorous and relevant (Daft & Lewin, 1990), have come to realization, that “*Direct Practical Relevance Was a Naïve Aspiration for OS*” (p. 181, capitalization and italics in original) and “Journals that serve as a source of academic knowledge should have a fundamental mission to publish diverse new ideas of high quality without regard to relevance to the world of practice”. Daft and Lewin’s (2008) argument is ambidextrous in nature because they acknowledge that:

“Academic relevance and practical relevance serve different subcommunities [...] The larger academic arena is made up of many journal-based subcommunities, each with its own niche, world view, values, and purpose, and some with more direct links to practitioners (e.g., HBR). The process for how knowledge is created in one subcommunity and appropriated by another subcommunity is ill defined and poorly understood, and deserves much deeper study. However, idea migration does happen and the natural migration of knowledge and selection processes at various levels does eventually create practical outcomes” (p. 181).

Last, although contextual ambidexterity is often said to be different from structural ambidexterity in that Gibson and Birkinshaw (2004: 211, italic in original) believe that organizational ambidexterity “is best achieved *not* through structural, task, or temporal separation, *but* by building a business-unit context”. Yet, as briefly mentioned above, contextual ambidexterity is ultimately an integrative separation (or separated integration) approach to paradox, because it still relies on “individuals to make their own judgments as to how best *divide* their time between the conflicting demands” (Gibson & Birkinshaw, 2004: 211, italic added). So the real difference between contextual ambidexterity and structural ambidexterity is not the nature of their approach but the level at which the ambidextrous balance is discussed.

The structural ambidexterity is often discussed at the level of business unit while the contextual ambidexterity at the level of individual members of the business unit. What unifies structural and contextual ambidexterity approaches is the essence of the ambidexterity thinking, namely, an organizational or behavioral design of separation at the micro level coupled with integration or coordination at the macro level. Understood this way, contextual ambidexterity is ultimately compatible with structural ambidexterity. Namely, an individual within a contextually ambidextrous business unit is encouraged to simultaneously pursue opposite objectives. From a macroscopic view, he or she may does so (pursuing opposite objectives simultaneously during his/her entire working hours); however, from a microscopic view, he or she must be pursuing any of opposite objectives within a small enough unit of time (say, half minute or second).

In a sense, the ambidexterity approach can be linked to Adam Smith’s (1937/1776) idea of division of labor that calls for specialization and coordination. The separation mechanism of ambidexterity can be thought as specialization, i.e., one organizational unit or person doing one thing at one time in one place and switching to another at another time in another place. Due to the fact that there are time costs associated with switching between different tasks and human brain’s capacity for information processing is limited, such separation and specialization is both inevitable and necessary to improve efficiency and effectiveness of task handling.

In short, “Yin-Yang balancing” may be only possible in theory, but never in practice, because the balancing practice ultimately has to be ambidextrous (Peng et al., 2016). Therefore,

“Yin-Yang balancing” may well be thought as a rough macroscopic view of the ambidexterity approach.

Blake’s and Mouton’s insights on ambidexterity and paradox management

While many scholars often trace the notion of organizational ambidexterity back to Duncan’s (1976) analysis of building an ambidextrous organization by designing dual structures for innovation, we have discovered that the ambidexterity thinking was well presented in Blake and Mouton’s (1964) classical book *The Managerial Grid*.

Blake and Mouton (1964) analyze “how organizations accommodate to the apparently contradictory requirements for production [of results] on the one hand and people needs on the other” (p. 222), which can be said one of the fundamental paradoxes any organization faces. They see “the production-people problems” (p. xi) a basic conflict or dilemma that managers or leaders need to deal with. To help people understand this issue, they develop the managerial grid framework (see Figure 1). The grid is a two-dimensional matrix with concern for production (of result) as the horizontal axis and concern for people the vertical axis. Each axis has a nine-point scale of concern with the number 1 standing for minimum concern and the number 9 maximum concern.

With this 9 x 9 grid/matrix, Blake and Mouton could plot different management or leadership styles or approaches against the two criteria: (1) concern for production and (2) concern for people. For simplicity sake, they identify five simple or “pure” styles, i.e., (1,1), (9,1), (1,9), (5,5), and (9,9). As the pairs of number correspond to the positions of these styles on the 9 x 9 grid, (1,1) stands for the management style that has lowest concerns for both production and people, (9,1) for highest concern for production and lowest concern for people, (1,9) for lowest concern for production and highest concern for people, (5,5) for moderate concerns for both production and people, and (9,9) for highest concerns for both production and people. Later, Blake and Mouton (1978) give specific names for these five styles, i.e., impoverished management for (1,1), country club management for (1,9), authority-obedience or authority-compliance for (9,1), organization man or middle of the road management for (5,5), and team management for (9,9).

In addition to analyzing with rich details each of these five simple or pure styles of management, they devote a chapter to discussion of “managerial facades” that are “manipulative managerial practices” or “a cover for deception, intrigue, or trickery”. Blake and Mouton (1964: 192) posit that “in building a façade, the goal is to achieve, by indirect or by roundabout ways, something which otherwise is unavailable or believed to be unattainable if actual intent is revealed or issues confronted directly”.

They point out that while “a managerial façade is deceptive”, all the five pure styles are “well intended” and “authentic” (p. 192), so are the complex/combinative ones that are combinations of two or more of the pure styles either simultaneously or successively. In their 1964 book there are six mixed styles, only five of which are retained in their 1978 book *The New Managerial Grid* in the chapter titled “combinations of grid theories”, and the original sixth, i.e., “the 9,1 - 1,1 cycle”, was discarded. The five combinative styles are named as “paternalism”, “wide-arc pendulum”, “counterbalancing”, “the two-hat approach”, and “‘statistical’ 5,5”, respectively.

These five combinative styles are of ambidexterity nature. Specifically, the first three combinative styles—“paternalism”, “wide-arc pendulum”, and “counterbalancing”—are of structural ambidexterity nature, while the other two are of contextual ambidexterity nature.

The “paternalism” is a combination of the authoritative (9,1) style of leadership with the benevolent (1,9) one, which “involves control on the one hand, but care on the other” (p. 212). What makes the “paternalism” a structural ambidexterity approach with *domain/task separation* is that “In the paternalistic style, the work situation, in other words, approaches 9,1 conditions in terms of direction and control. But this is coupled with the 1,9 style of concern for the well-being of people” (p. 214).

The “wide-arc pendulum” combines the authority-compliance (9,1) style of management with the country club (1,9) management characterized by “managerial shifts in the same organization over extended periods of time” between the two opposite styles (Blake & Mouton, 1964: 216). What makes the “wide-arc pendulum” a structural ambidexterity approach with *temporal separation* is that “Under wide-arc pendulum management, either one or the other [style] is operating, never both together”.

The “counterbalancing” is “a way of applying 9,1 and 1,9 not in succession with one another, but rather at the same time” (p. 218). What makes the “counterbalancing” a structural ambidexterity approach with *spatial separation* is that

“the responsibility for production and people is not seen as a singular obligation resting on the shoulders of those who manage. Rather, the responsibility is subdivided and separated into two aspects, production responsibility on the one hand and people responsibility on the other. thus, one segment of the organization serves as a counterbalance intended to prevent the problems by the first part from becoming fatally disruptive” (Blake & Mouton, 1964: 220).

The other two combinative styles—“the two-hat approach” and “‘statistical’ 5,5” —are of contextual ambidexterity nature because “the responsibility for maintaining both [opposite requirements of concern for production and concern for people] rests on the shoulders of *the same people*” (p. 220, italics added) and both approaches rely on “individuals to make their own judgments as to how best *divide* their time between the conflicting demands” (Gibson & Birkinshaw, 2004: 211, italic added).

According to Blake and Mouton (1964: 220, italics added), “in a two-hat organization, it is likely, for example, that one day a week, say on Monday, the top group gets together to consider issues concerning P/(L) and problems of efficient operations, then on another day, say Wednesday, *the same group* meets again. This time, however, its purpose is to discuss people problems”.

The “‘statistical’ 5,5” managers employ all five simple or pure styles in their daily managerial works. The essential feature of the “‘statistical’ 5,5” style is that the leader of the organization manages “according to what is most ‘acceptable’ – whether or not it is appropriate” (p. 221). Depending on the circumstances, the manager has the freedom to choose among (1,1), (9,1), (1,9) and (5,5) styles. The manager seems to behave inconsistently, yet “he sees little or no contradiction in his action. His rationale is that each person [situation] is different than all the others and, therefore, you can’t expect to treat them all alike”. This style is called “‘statistical’ 5,5” because the manager “operates all over the grid. His managerial styles average out to 5,5” (p. 222).

Blake’s and Mouton’s work covers Zhong-Yong

While Blake and Mouton may not be aware, we argue that their analysis covers not only Zhong-Yong (including its incomplete version, i.e., “Yin-Yang balancing”), but also different ambidexterity approaches identified in the literature. From Figure 1 we can see, the Zhong-Yong approach can be depicted as a “z” position on the diagonal line between the two opposite styles, i.e., (1,9) and (9,1). As Zhong-Yong is dynamic balancing according to specific circumstances,

the “z” position can move along the diagonal line between but not including the two poles. Peter P. Li’s “Yin-Yang balancing” is then the z with all possible positions excluding the (5,5) point.

It is worth noting that while Peter P. Li (2016) rejects symmetric balance, Blake and Mouton (1964: 122) treat the symmetrically balanced (5,5) approach as a legitimate solution to the production-people paradox. They also establish the (5,5) as a legitimate solution to any type of conflict (Blake & Mouton, 1970). They make it explicit that “There are some situations where the middle situation is the *best* solution” (Blake & Mouton, 1964: 122, italic in original). The (5,5) style is a solution of compromising characterized by “a willingness to yield some advantages in order to gain others” (p. 110). They mentioned in passing that democracy “operates quite well by yielding to the many and mollifying the few” (p. 110). Indeed, “when other approaches fail, compromise is an adequate basis for the resolution of conflict” (p. 123).

Rather than thinking opposite-balancing (or paradox management) in a one dimensional continuum way, Blake and Mouton develop a two-dimensional matrix that offers a much broader conceptual space that is capable of accommodating a vast variety of possible solutions in terms of pure styles and their combinations. More significant is that Blake and Mouton make explicit that both the (5,5) management and all the ambidexterity-nature combinative styles only deal with the problem at the level of symptoms rather than root causes. The real and hard-to-achieve solution to the fundamental production-people paradox is “in the direction of learning to apply principles of human behavior in the context of production in such a manner that individual goals and organizational needs are geared to one another”, in another words, “the best integration of people in the achievement of production” (Blake & Mouton, 1964: 223), which is the essence of the (9,9) management. One effective way of achieving such an integration is for the organization or its leadership to facilitate and/or internalize the aspirations of the individual members (X. Li, 2012). Such an idea of aspiration facilitation and internalization has been practiced by many companies around the world, one of which is the Chinese white goods giant Haier. Haier has been transforming itself into a platform organization in which entrepreneurial employees are encouraged and supported to pursue their individual aspirations (X. Li, 2013). Today, there are more than 200 micro-entrepreneurial startups created on Haier’s platform. The more growths the micro-entrepreneurial startups can make, the more successful Haier will become. In this sense, Haier now acts as a mutual nurturing platform.

Conclusion

Overall, we contribute to the literature by demonstrating that Peter P. Li’s “Yin-Yang balancing” is not necessarily superior to ambidexterity as an approach to paradox management. With regard to the emerging discourse of “West meets East”, Peter P. Li (2016: 44, italics added) sees “the possibility for an East-West integration as an *asymmetrical* balance with perhaps *more* emphasis on the Eastern philosophy”. While we cannot rule out such a possibility in the long run (saying something is possible is essentially non-falsifiable), we must acknowledge the long distance between the West and the East in terms of scientific advancement. A proverb shared by both the Chinese and Westerners is that facts speak louder than words. As a matter of fact, the West is still way ahead of the rest of the world in terms of scientific research capability and influence on management. There is still a long way to go for the rest of the world to catch up with the West. An inconvenient truth is that Yin-Yang’s influence in modern management—despite its widely proclaimed *potential* and some emerging interest—is limited worldwide. Even in Chinese business schools, few students study Yin-Yang management. In non-Chinese business schools, even fewer students would do that.

We conclude the paper by alerting management scholars to the danger of overconfidence and Chinese exceptionalism. Before declaring “victory” or “superiority,” Chinese (and Asian) management scholars are advised to have a better and deeper understanding of the wisdom in the management literature originated from the West. We call for a more modest, more prudent, and ultimately more solid attitude in pursuing Chinese indigenous management research. We believe scholars—both Chinese and non-Chinese—may be able to make important contributions to management knowledge if they adopt such an attitude.

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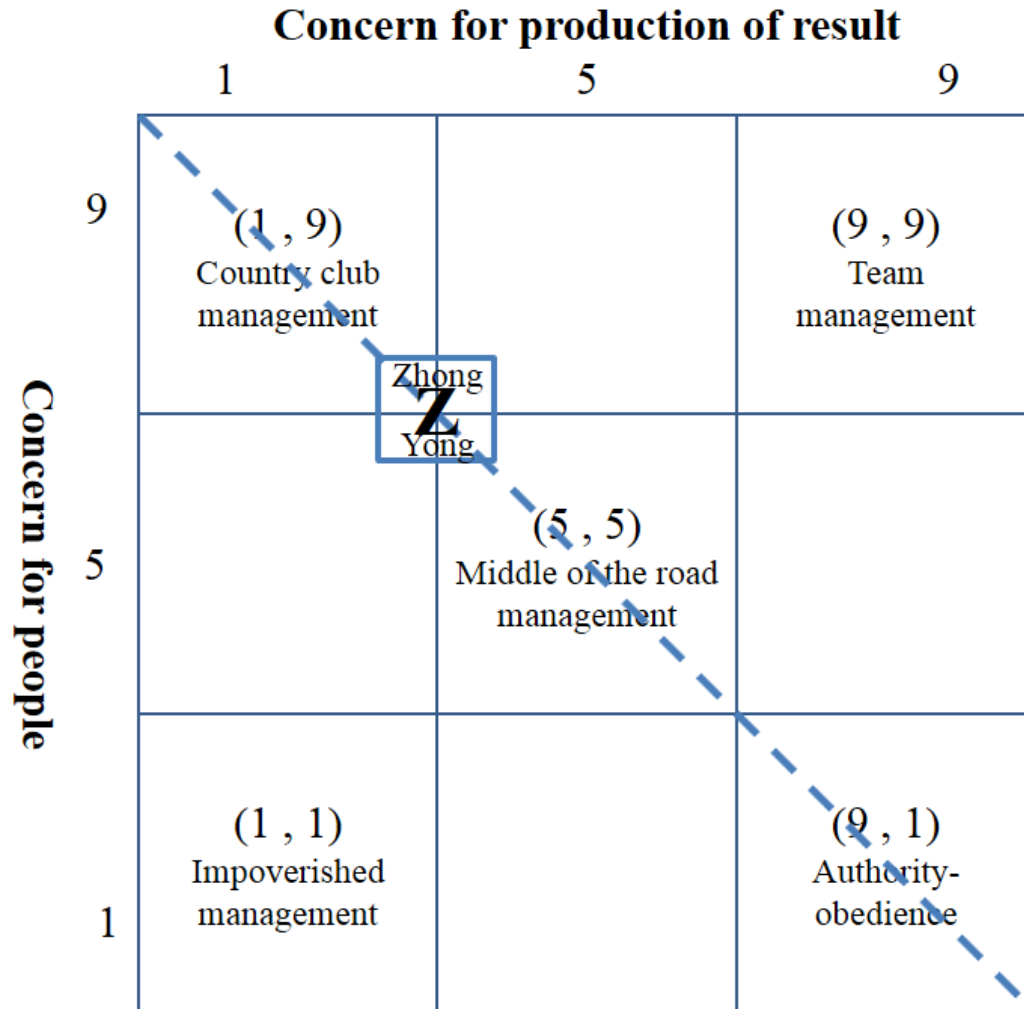
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Figure 1. “Yin-Yang balancing” placed on Blake and Mouton’s (1964) managerial grid



Source: Adapted from Blake and Mouton (1964, 1978). The five management-style labels come from the original source. Position “Z” and the “Zhong-Yong” label is proposed by the present author.