

AN ELEGANT FRAMEWORK FOR MORE EFFECTIVE LEADERSHIP

Bolman and Deal's four-frame model has been transforming business leadership for over 40 years. Using a multidisciplinary approach to management, this deceptively simple model offers a powerful set of tools for navigating complexity and turbulence; as the political and economic climate continues to evolve, this model has never been more relevant than today.

The Structural Frame explores the convergence of organizational structure and function, and shows why social architecture must take environment into account. Case studies illustrate successful alignment in diverse organizations, and guidelines provide strategic insight for avoiding common pathologies and achieving the right fit.

The Human Resource Frame dissects the complex dynamics at the intersection of people and organizations and charts the leadership and human resource practices that build motivation and high performance.

The Political Frame shows how competition, conflict, and the struggle for power and resources can be either a tool for growth or a toxic landmine for an individual or organization. Case studies show how both constructive and destructive practices influence social, political, and economic trends both within and beyond organizational boundaries.

The Symbolic Frame defines organizational culture, and delves into the emotional and existential underbelly of social life. It underscores the power of symbolic forms such as heroes, myths, and rituals in providing the glue that bonds social collectives together.

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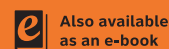
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**BOLMAN
DEAL**

REFRAMING ORGANIZATIONS

7TH
EDITION



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EDITION

REFRAMING ORGANIZATIONS

ARTISTRY, CHOICE, AND LEADERSHIP

LEE G. BOLMAN | TERRENCE E. DEAL

REFRAMING ORGANIZATIONS

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7TH
EDITION

R E F R A M I N G ORGANIZATIONS

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LEE G. BOLMAN | TERRENCE E. DEAL

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CONTENTS

Preface	vii
Acknowledgments	xiii

PART ONE Making Sense of Organizations 1

1 Introduction: The Power of Reframing	3
2 Simple Ideas, Complex Organizations	25

PART TWO The Structural Frame 45

3 Getting Organized	47
4 Structure and Restructuring	75
5 Organizing Groups and Teams	97

PART THREE The Human Resource Frame 115

6 People and Organizations	117
7 Improving Human Resource Management	139
8 Interpersonal and Group Dynamics	163

PART FOUR The Political Frame 185

9	Power, Conflict, and Coalition	187
10	The Manager as Politician	209
11	Organizations as Political Arenas and Political Agents	227

PART FIVE The Symbolic Frame 247

12	Organizational Symbols and Culture	251
13	Culture in Action	279
14	Organization as Theater	293

PART SIX Improving Leadership Practice 311

15	Integrating Frames for Effective Practice	313
16	Reframing in Action: Opportunities and Perils	329
17	Leadership in Theory and Practice	343
18	Reframing Leadership	369
19	Reframing Change in Organizations	383
20	Reframing Ethics and Spirit	409
21	Bringing It All Together: Change and Leadership in Action	423
22	Epilogue: Artistry, Choice, and Leadership	443

	Appendix: The Best of Organizational Studies	447
	Bibliography	451
	The Authors	505
	Name Index	507
	Subject Index	515

PREFACE

This is the sixth release of a work that began in 1984 as *Modern Approaches to Understanding and Managing Organizations* and became *Reframing Organizations* in 1991. We're grateful to readers around the world who have told us that our books gave them ideas that make a difference—at work and elsewhere in their lives.

It is again time for an update, and we're gratified to be back by popular demand. Like everything else, organizations and their leadership challenges continue to evolve rapidly, and scholars are running hard to keep pace. This edition tries to capture the current frontiers of both knowledge and art.

The four-frame model, with its view of organizations as factories, families, jungles, and temples, remains the book's conceptual heart. But we have incorporated new research and revised our case examples extensively to keep up with the latest developments. We have updated a feature we inaugurated in the third edition: "Greatest Hits in Organization Studies." These features offer pithy summaries of key ideas from some of the most influential works in scholarly literature (as indicated by a citation analysis, described in the Appendix at the end of the book). As a counterpoint to the scholarly works, we have also added occasional summaries of management best sellers. Scholarly and professional literature often run on separate tracks, but the two streams together provide a fuller picture than either alone, and we have tried to capture the best of both in our work.

Life in organizations has produced many stories and examples, and there is new material throughout the book. At the same time, we worked zealously to minimize bloat by tracking down and expunging every redundant sentence, marginal concept, or extraneous example. We've also tried to keep it fun. Collective life is an endless source of vivid examples as entertaining as they are instructive, and we've sprinkled them throughout the text. We apologize to anyone who finds that an old favorite fell to the cutting-room floor, but we hope readers will find the book an even clearer and more efficient read.

As always, our primary audience is managers and leaders. We have tried to answer the question, what do we know about organizations and leadership that is genuinely relevant and useful to practitioners as well as scholars? We have worked to present a large, complex body of theory, research, and practice as clearly and simply as possible. We tried to avoid watering it down or presenting simplistic views of how to solve managerial problems. This is not a self-help book filled with ready-made answers. Our goal is to offer not solutions but powerful and provocative ways of thinking about opportunities and pitfalls.

We continue to focus on both management and leadership. Leading and managing are different, but they're equally important. The difference is nicely summarized in an aphorism from Bennis and Nanus (2007): "Managers do things right. Leaders do the right thing." If an organization is over-managed but under-led, it eventually loses any sense of spirit or purpose. A poorly managed organization with a strong, charismatic leader may soar briefly—only to crash shortly thereafter. Malpractice can be as damaging and unethical for managers and leaders as for physicians.

Myopic managers or overzealous leaders usually harm more than just themselves. The challenges of today's organizations require the objective perspective of managers as well as the brilliant flashes of vision that wise leadership provides. We need more people in managerial roles who can find simplicity and order amid organizational confusion and chaos. We need versatile and flexible leaders who are artists as well as analysts, who can reframe experience to discover new issues and possibilities. We need managers who love their work, their organizations, and the people whose lives they affect. We need leaders who appreciate management as a moral and ethical undertaking, and who combine hard-headed realism with passionate commitment to larger values and purposes. We hope to encourage and nurture such qualities and possibilities.

As in the past, we have tried to produce a clear and readable synthesis and integration of the field's major theoretical traditions. We concentrate mainly on organization theory's implications for practice. We draw on examples from every sector and around the globe. Historically, organization studies have been divided into several intellectual camps, often isolated from one another. Works that seek to give a comprehensive overview of theory and research often drown in social science jargon and abstraction and have little to say to practitioners. Works that strive to provide specific answers and tactics often offer advice that applies only under certain conditions. We try to find a balance between misleading oversimplification and mind-boggling complexity.

The bulk of work in organization studies has focused on the private or public or non-profit sector, but not all three. We think this is a mistake. Managers need to understand

similarities and differences among all types of organizations. All three sectors increasingly interpenetrate one another. Federal, state, and local governments create policy that shapes or influences organizations of all types. When bad things happen, new laws are promulgated. Public administrators who regulate airlines, nuclear power plants, or pharmaceutical companies face the problem of “indirect management” every day. They struggle to influence the behavior of organizations over which they have very limited authority. Private firms need to manage relationships with multiple levels of government. The situation is even more complicated for managers in multinational companies coping with the subtleties of governments with very different systems and traditions. Around the world, voluntary and nongovernmental organizations partner with business and government to address major social and economic challenges. Across sectors and cultures, managers often harbor narrow, stereotypic conceptions of one another that impede effectiveness on all sides. We need common ground and a shared understanding that can help strengthen organizations in every sector. The dialogue between public and private, domestic and multinational organizations has become increasingly important. Because of their generic application, the four frames offer an ecumenical language for the exchange. Our work with a variety of organizations around the world has continually reinforced our confidence that the frames are relevant everywhere. Translations of the book into many languages, including Chinese, Dutch, French, Korean, Norwegian, Russian, Spanish, Swedish, and Turkish, provide ample evidence that this is so. Political and symbolic issues, for example, are universally important, even though the specifics vary greatly from one country or culture to another.

The idea of reframing continues to be a central theme. Throughout the book, we show how the same situation can be viewed in at least four unique ways. In Part Six, we include a series of chapters on reframing critical organizational issues such as leadership, change, and ethics. Two chapters are specifically devoted to reframing real-life situations.

We also continue to emphasize artistry. Overemphasizing the rational and technical side of an organization often contributes to its decline or demise. Our counterbalance emphasizes the importance of art in both management and leadership. Artistry is neither exact nor precise; the artist interprets experience, expressing it in forms that can be felt, understood, and appreciated. Art fosters emotion, subtlety, and ambiguity. An artist represents the world to give us a deeper understanding of what is and what might be. In modern organizations, quality, commitment, and creativity are highly valued but often hard to find. They can be developed and encouraged by leaders or managers who embrace the expressive side of their work.

OUTLINE OF THE BOOK

As its title implies, the first part of the book, “Making Sense of Organizations,” focuses on sense-making and tackles a perplexing question about management: Why is it that smart people so often do dumb things? Chapter 1, “Introduction: The Power of Reframing,” explains why: Managers often misread situations. They have not learned how to use multiple lenses to get a better sense of what they’re up against and what they might do. Chapter 2, “Simple Ideas, Complex Organizations,” uses well-known cases (such as the Covid-19 pandemic) to show how managers’ everyday thinking and theories can lead to catastrophe. We explain basic factors that make organizational life complicated, ambiguous, and unpredictable; discuss common fallacies in managerial thinking; and spell out criteria for more effective approaches to diagnosis and action.

Part Two, “The Structural Frame,” explores the key role that social architecture plays in the functioning of organizations. Chapter 3, “Getting Organized,” describes basic issues that managers must consider in designing structure to fit an organization’s goals, tasks, and context. It demonstrates why organizations—from Amazon to McDonald’s to Harvard University—need different structures in order to be effective in their unique environments. Chapter 4, “Structure and Restructuring,” explains major structural pathologies and pitfalls. It presents guidelines for aligning structures to situations, along with cases illustrating successful structural change. Chapter 5, “Organizing Groups and Teams,” shows that structure is a key to high-performing teams.

Part Three, “The Human Resource Frame,” explores the properties of both people and organizations, and what happens when the two intersect. Chapter 6, “People and Organizations,” focuses on the relationship between organizations and human nature. It shows how managers’ practices and assumptions about people can lead either to alienation and hostility or to commitment and high motivation. It contrasts two strategies for achieving effectiveness: “lean and mean,” vs. “investing in people.” Chapter 7, “Improving Human Resource Management,” is an overview of practices that build a more motivated and committed workforce—including participative management, job enrichment, self-managing workgroups, management of diversity, and organization development. Chapter 8, “Interpersonal and Group Dynamics,” presents an example of interpersonal conflict to illustrate how managers can enhance or undermine relationships. It also discusses emotional intelligence and how group members can increase their effectiveness by attending to group process, including informal norms and roles, interpersonal conflict, leadership, and decision making.

Part Four, “The Political Frame,” views organizations as arenas. Individuals and groups compete to achieve their parochial interests in a world of conflicting viewpoints, scarce resources, and struggles for power. Chapter 9, “Power, Conflict, and Coalition,” opens with

two classic cases of organizational tragedy: the management errors that grounded Boeing's 737MAX aircraft, and the tragic loss of the Space Shuttle *Challenger*, illustrating the influence of political dynamics in decision making. The chapter shows how scarcity and diversity lead to conflict, bargaining, and games of power; it also distinguishes constructive and destructive political dynamics. Chapter 10, "The Manager as Politician," uses leadership examples from Jacinda Ardern in New Zealand and a software development effort at Microsoft to illustrate the basic skills of the constructive politician: diagnosing political realities, setting agendas, building networks, negotiating, and making choices that are both effective and ethical. Chapter 11, "Organizations as Political Arenas and Political Agents," highlights organizations as both arenas for political contests and political actors influencing broader social, political, and economic trends. Case examples such as Walmart and Ross Johnson explore political dynamics both inside and outside organizations.

Part Five explores the symbolic frame. Chapter 12, "Organizational Symbols and Culture," spells out basic symbolic elements in organizations: myths, heroes, metaphors, stories, humor, play, rituals, and ceremonies. It defines organizational culture and shows its central role in shaping performance. The power of symbol and culture is illustrated in cases as diverse as the U.S. Congress, Nordstrom department stores, the U.S. Air Force, Zappos, and a unique horse race in Italy. Chapter 13, "Culture in Action," uses the case of a computer development team to show what leaders and group members can do collectively to build a culture that bonds people in pursuit of a shared mission. Initiation rituals, specialized language, group stories, humor and play, and ceremonies all combine to transform diverse individuals into a cohesive team with purpose, spirit, and soul. Chapter 14, "Organization as Theater," draws on dramaturgical and institutional theory to reveal how organizational structures, activities, and events serve as secular dramas, expressing our fears and joys, arousing our emotions, and kindling our spirit. It also shows how organizational structures and processes—such as planning, evaluation, and decision making—are often more important for what they express than for what they accomplish.

Part Six, "Improving Leadership Practice," focuses on the implications of the frames for central issues in managerial practice, including leadership, change, and ethics. Chapter 15, "Integrating Frames for Effective Practice," shows how managers can blend the frames to improve their effectiveness. It looks at organizations as multiple realities and gives guidelines for aligning frames with situations. Chapter 16, "Reframing in Action," presents four scenarios, or scripts, derived from the frames. It applies the scenarios to the harrowing experience of a young manager whose first day in a new job turns out to be far more challenging than she expected. The discussion illustrates how leaders can expand their options and enhance their effectiveness by considering alternative approaches. Chapter 17,

“Leadership in Theory and Practice,” discusses limitations in traditional views of leadership and proposes a more comprehensive view of how leadership works in organizations. It summarizes and critiques current knowledge on the characteristics of leaders, including the relationship of leadership to culture and gender. Chapter 18, “Reframing Leadership,” shows how frames generate distinctive images of effective leaders as architects, servants, advocates, and prophets.

Chapter 19, “Reframing Change in Organizations,” describes four fundamental issues that arise in any change effort: individual needs, structural alignment, political conflict, and existential loss. It uses cases of successful and unsuccessful change to document key strategies, such as training, realigning, creating arenas, and using symbol and ceremony. Chapter 20, “Reframing Ethics and Spirit,” discusses four ethical mandates that emerge from the frames: excellence, caring, justice, and faith. It argues that leaders can build more ethical organizations through gifts of authorship, love, power, and significance. Chapter 21, “Bringing It All Together,” is an integrative treatment of the reframing process. It takes a troubled school administrator through a weekend of reflection on critical difficulties he faces. The chapter shows how reframing can help managers move from feeling confused and stuck to discovering a renewed sense of clarity and confidence. The Epilogue (Chapter 22) describes strategies and characteristics needed in future leaders. It explains why they will need an artistic combination of conceptual flexibility and commitment to core values. Efforts to prepare future leaders have to focus as much on spiritual as on intellectual development.

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February 2021

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We noted in our first edition, “Book writing often feels like a lonely process, even when an odd couple is doing the writing.” This odd couple keeps getting older (ancient, to be more precise) and, some would say, even grumpier. It seems like only yesterday that we were young, aspiring new authors full of vim and vigor. But that was 40 years ago. To our amazement, we’re still at it, and, even more remarkable, have remained close friends.

The best thing about teaching and book-writing is that you learn so much from your readers and students, and we have been blessed to have so many of both. They have come from a number of institutions: Stanford, Harvard, Vanderbilt, the University of Missouri–Kansas City, the University of La Verne, and the University of Southern California, and have given us invaluable criticism, challenge, and support over the years. (Lee gives a special shout-out to everyone in his Fall, 2020, course at Harvard Extension, who kept generating ideas and finding great stuff to read. Particular thanks to Lisa Chisholm, Monica Eaton, Thomas Gibson, Kyle Kenney, Sharon Loh, Marissa Mann, Kafi Rouse, Jay Sivasailam, Deise Uema, Jared Weikum, and Vincent Zhou.)

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Sandy Deal's psychological training enables her to approach the field of organizations with a distinctive and illuminating slant. Her successful practice produces examples that have helped us make some even stronger connections to the concepts of clinical psychology. She is one of the most gifted diagnosticians in the field, as well as a delightful partner whose love and support over the long run have made all the difference. She is a rare combination of courage and caring, intimacy and independence, responsibility, and playfulness.

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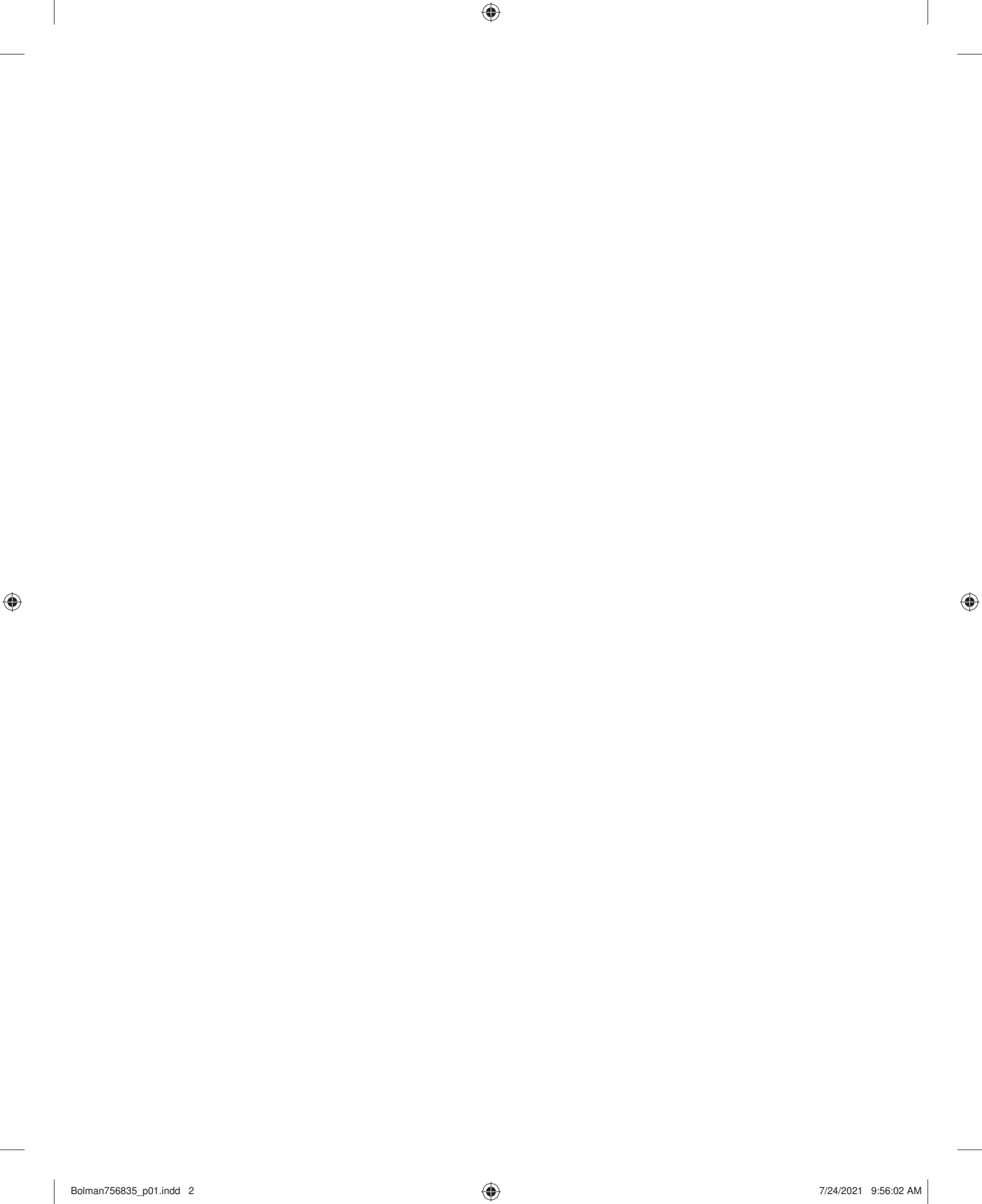
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PART ONE

Making Sense of Organizations



Introduction

The Power of Reframing

Donald Trump's presidency was distinctive for his outsized personality, raucous rallies, fearsome Twitterstorms, and stunning iconoclasm. It was also unorthodox from a management perspective, a feature that generated less media attention but affected everything the Trump administration tried to do. From his experience of running a family business, Trump brought a deeply ingrained preference for patriarchy rather than bureaucracy, for entrepreneurial flexibility rather than structural constraint, and for lieutenants whose loyalty mattered more than their experience or expertise (Blair, 2018). He created a structure much like that of a boisterous family, with Trump as a dominant father figure whose attention and favor everyone else fought to get.

Traditionally, presidents have relied on their chiefs of staff to bring a modicum of order and discipline to operations that are chronically hectic and complex. Trump's first chief of staff, Reince Priebus, lasted only six months, during which he struggled to control both his boss and his staff. He was "widely viewed as weak and ineffective," but "hardly got the chance to operate as an effective chief of staff" (Prokop, 2017), because he was hobbled by more powerful informal players like Trump *consigliere* Steve Bannon and Trump's son-in-law Jared Kushner.

Trump tried to rein in the chaos and infighting of the Priebus era by appointing a retired marine general, John Kelly, as his next chief of staff, but the buttoned-down general and the mercurial president were not a match made in heaven. Kelly set out to bring coherence and

a semblance of military discipline to the cacophony of voices that vied for the president's attention. He announced a hierarchical system requiring all staff to go through him before seeing the president, but that was alien to the president's free-wheeling style. As a former official in the Bush administration noted, "The notion of a chain of command is gone" (Baker, 2017).

Kelly lasted 18 months in the job, longer than many skeptics expected, before leaving in the wake of media reports that he and the president were no longer on speaking terms. After his departure, Trump's subsequent chiefs (Mick Mulvaney and Mark Meadows) were loyalists with limited inclination or ability to contain the president's impulses.

White House turmoil reached a new high after Joe Biden was declared the winner of the 2020 presidential election. Some of Trump's most committed supporters found that he was eager to listen to any conspiracy theory that reinforced his preferred narrative that he had "won by a landslide" (Barry and Frenkel, 2021). Trump ignored advisors who encouraged him to acknowledge Biden's victory. Instead, he devoted almost all his attention to a quixotic battle to overturn the election results. A tragic climax came on January 6, 2021, when Trump's "Rally for America" triggered a mob to march down Pennsylvania Avenue and to invade the halls of Congress, producing terror, vandalism, and five deaths.

A few weeks before the rally, Trump had tweeted to his supporters, "Big protest in D.C. on January 6th. Be there, will be wild!" At the event, he gave an hour-long, barn-burner of a speech that extolled his achievements, insisted that the election had been stolen, and told his audience they needed to be strong to "stop the steal." Near the end of the address, he exhorted the crowd, "And we fight. We fight like Hell and if you don't fight like Hell, you're not going to have a country anymore" (Jacobo, 2021). The crowd apparently took him at his word and became a pugnacious mob, armed and looking for trouble. The only thing in their way was an undermanned Capitol Police Force.

The federal government has the capacity to deploy massive security forces in the District of Columbia, but it takes substantial planning and coordination. Security assets in the region are widely dispersed across the District of Columbia's metropolitan police force, the neighboring states of Maryland and Virginia, and multiple federal departments, including Defense, Justice, and Homeland Security. That was a problem in the run-up to the president's "Save America" rally:

Two days before Congress was set to formalize President-elect Joe Biden's victory, Capitol Police Chief Steven Sund was growing increasingly worried about the size of the pro-Trump crowds expected to stream into Washington in protest. To be on the safe side, Sund asked House and Senate security officials for

4 Reframing Organizations

permission to request that the D.C. National Guard be placed on standby in case he needed quick backup. But, Sund said, they turned him down. During the invasion, the chief “pleaded for help five more times as a scene far more dire than he had ever imagined unfolded on the historic Capitol grounds.” (Leonnig, Davis, Hermann, and Demirjian, 2021)

The Capitol police chief as well as Washington’s mayor and the governors of Maryland and Virginia all ran into the same roadblock: they needed approval from the Defense Department or the president to deploy National Guard units. That approval was slow to come, despite their pleading that the situation was desperate. As we write, why that happened is lost in a fog of finger pointing. Ultimate authority lay with the president, but he chose not to use it. He was busy watching the event on television, “and the message from those around him—that he needed to call off the angry mob he had egged on just hours earlier, or lives could be lost—was one to which he was not initially receptive” (Parker, Dawsey, and Rucker, 2021).

In any event, it took three hours before the first Guard units arrived. In the meantime, four people died as thousands of rioters assaulted police officers, vandalized the historic building, and forced the vice president and members of Congress hurriedly to seek refuge. In the aftermath of another day that would live in infamy, all the major players defended their own actions and looked for someone else to blame, confirming the adage that success has many parents, but failure is an orphan. One thing was clear: “Poor planning and communication among a constellation of federal, state and local law enforcement agencies hamstrung the response to the rioting” (Mazzetti, Cooper, Steinhauer, Kanno-Youngs, and Broadwater, 2021).

So much talent and experience, yet key decision makers were at sea. They misread available information and failed to act or did the wrong thing. The technical term is *cluelessness*, a pervasive affliction for leaders everywhere. Being clueless simply means that you don’t really know what’s going on and don’t see better options even if they are close at hand. So, you continue down the wrong thoroughfare, hoping in vain that it will get you where you want to go. Your efforts to make things better make them worse, which is often obvious to those around you even if not to you.

How do leaders become clueless? That is what we explore next. Then we introduce reframing—the conceptual core of the book and our basic prescription for escaping the common and debilitating curse of being at sea without any landmarks to indicate whether you are on course. Reframing requires an ability to think about situations from more than one angle so that you can develop alternative diagnoses and strategies. We introduce four

distinct lenses for sizing things up—structural, human resource, political, and symbolic—each logical and powerful in capturing a detailed snapshot. Together, they help to paint a more comprehensive picture of what's going on and what to do.

VIRTUES AND DRAWBACKS OF ORGANIZED ACTIVITY

There was little need for professional managers when individuals mostly managed their own affairs, drawing goods and services from family farms and small local businesses. Since the dawn of the industrial revolution some 200 years ago, explosive technological and social changes have produced a world that is far more interconnected, frantic, and complicated. Humans struggle to avoid drowning in complexity that continually threatens to pull them in over their heads (Kegan, 1998). Forms of management and organization effective a few years ago are now obsolete. Sérieyx (1993) calls it the organizational big bang:

The information revolution, the globalization of economies, the proliferation of events that undermine all our certainties, the collapse of the grand ideologies, the arrival of the CNN society which transforms us into an immense, planetary village—all these shocks have overturned the rudimentary rules of the game and suddenly turned yesterday's organizations into antiques. (pp. 14–15)

The demands on managers' wisdom, imagination, and agility have never been greater, and the impact of organizations on people's well-being and happiness has never been more consequential. The proliferation of complex organizations has made most human activities more formalized than they once were. We grow up in families and then start our own. We work for business, government, or nonprofits. We learn in schools and universities. We worship in churches, mosques, and synagogues. We play sports in teams, franchises, and leagues. We join clubs and associations. Many of us will grow old and die in hospitals or nursing homes. We build these enterprises because of what they can do for us. They offer goods, entertainment, social services, health care, and almost everything else that we use or consume.

All too often, however, we experience a darker side of these enterprises. Organizations frustrate and exploit people. Too many people find that work has so little meaning that jobs offer nothing beyond a paycheck. Too often, products are flawed, families are dysfunctional, students fail to learn, patients get worse, and policies backfire. A cruel irony of the Covid-19 panic was that nursing homes meant to protect and prolong life often became death traps for their residents. If we believe mission statements and public

pronouncements, almost every organization these days aims to nurture its employees and delight its customers. But many miss the mark. Schools are blamed for “mis-educating,” universities are said to close more minds than they open, and government is criticized for corruption, red tape, and rigidity.

The private sector has its own problems. Manufacturers recall faulty cars, defective airplanes, or inflammable cell phones. Producers of food and pharmaceuticals make people sick with tainted products. Software companies deliver bugs and “vaporware.” Industrial accidents pump chemicals, oil, toxic gas, and radioactive materials into the air and water. Corporate greed, incompetence, and insensitivity wreak havoc on communities and individuals. The ill-fated bottom line: we seem hard-pressed to manage organizations so that their virtues exceed their vices. The big question: Why?

Management’s Track Record

Year after year, the best and brightest managers maneuver or meander their way to the apex of enterprises great and small. Then they do really dumb things. How do bright people turn out so dim? One theory is that they’re too smart for their own good. Feinberg and Tarrant (1995) label it the “self-destructive intelligence syndrome.” They argue that smart people often act stupid because of personality flaws—things like pride, arrogance, and an unconscious desire to fail. It’s true that psychological flaws have been apparent in brilliant, self-destructive individuals like Bill Clinton and Donald Trump. But on the whole, the best and brightest have no more psychological problems than everyone else. The primary source of cluelessness is not personality or IQ but a failure to make sense of complex circumstances. If we misread a situation, we’ll do the wrong thing. But if we don’t discern that we’re seeing the wrong picture, we won’t understand why we’re not getting the results we want. So, we insist we’re right even when we’re off track. America endured a two-month version of this drama when Donald Trump erroneously insisted that he had won an election he had lost by seven million votes.

Vaughan (1995), in trying to unravel the causes of the 1986 disaster that destroyed the *Challenger* Space Shuttle and its crew, underscored how hard it is for people to surrender their entrenched conceptions of reality:

They puzzle over contradictory evidence, but usually succeed in pushing it aside—until they come across a piece of evidence too fascinating to ignore, too clear to misperceive, too painful to deny, which makes vivid still other signals they do not want to see, forcing them to alter and surrender the world-view they have so meticulously constructed. (p. 235)

We create our own psychic prisons and then lock ourselves in and toss away the key. This helps explain a number of unsettling reports from the managerial front lines:

- Hogan, Curphy, and Hogan (1994) estimate that the skills of one-half to three-quarters of American managers are inadequate for the demands of their jobs. Gallup (2015) puts the number even higher, estimating that more than 80 percent of American managers lack the capabilities they need. But most probably don't realize it: Kruger and Dunning (1999) found that the less competent people are, the more they overestimate their performance, partly because they don't know good performance when they see it.
- About half of the high-profile senior executives that companies hire fail within two years, according to a 2006 study (Burns and Kiley, 2007).
- Year after year, management miscues cause once highly successful companies to skid into bankruptcy. In 2019, a year of economic expansion and a rising stock market, more than 50 major companies went bankrupt. Among the best known were Pacific Gas and Electric (the California utility giant, which has filed for bankruptcy twice in this century) and Purdue Pharma (brought down by lawsuits over its pushing hundreds of thousands of users into opioid addiction). (The pandemic of 2020 brought a new wave of bankruptcies, but not all of them were necessarily the fault of management.)

Small wonder that so many organizational veterans nod in assent to Scott Adams's admittedly unscientific "Dilbert principle": "the most ineffective workers are systematically moved to the place where they can do the least damage—management" (1996, p. 14).

Strategies for Improving Organizations

We have certainly made a noble, sustained effort to improve organizations, despite our limited ability to understand them. Legions of managers report to work each day hoping to create a better future. Authors and consultants spin out a torrent of promising new ideas and erstwhile solutions. Policymakers develop a bale of laws and regulations to guide or shove organizations on the right path.

The most widespread improvement strategy is upgrading management talent. Modern mythology promises that organizations will work splendidly if well managed. Managers are supposed to see the big picture and look out for their organization's overall well-being. They have not always been equal to the task, even when armed with the full array of modern tools and techniques. They go forth with this rational arsenal to try to tame our wild and primitive workplaces. Yet, in the end, irrational forces too often carry the day.

When managers find problems too hard to solve, they hire consultants. The number and variety of advice givers keep growing exponentially. Most of these modern shamans have a specialty: strategy, technology, quality, finance, marketing, mergers, human resource management, executive search, outplacement, coaching, organization development, planning, and many more. For every managerial challenge, there is a consultant willing to offer assistance—at a price.

For all their sage advice and remarkable fees, confident consultants continue to make little dent in persistent problems plaguing organizations. To compensate, they may blame the clients for failing to implement their profound insights. McKinsey & Co., “the high priest of high-level consulting” (Byrne, 2002, p. 66), worked so closely with Enron that its managing partner (Rajat Gupta, who eventually went to jail for insider trading) sent his chief lawyer to Houston after Enron’s collapse to see if his firm might be in legal trouble. The lawyer reported that McKinsey was safe, and a relieved Gupta insisted bravely, “We stand by all the work we did. Beyond that, we can only empathize with the trouble they are going through. It’s a sad thing to see” (p. 68).

When managers and consultants fail, government responds with legislation, policies, and regulations. Constituents badger elected officials to “do something” about a variety of ills: pollution, dangerous products, hazardous working conditions, discrimination, and low-performing schools, to name a few. Governing bodies respond by making “policy.” But policymakers don’t always understand the problem well enough to get the solution right. A sizable body of research records a continuing saga of perverse ways in which the execution undermines even good solutions (Bardach, 1977; Elmore, 1978; Freudenberg and Gramling, 1994; Gottfried and Conchas, 2016; Grindle, 2017; Peters, 1999; Pressman and Wildavsky, 1973). Policymakers, for example, have been trying for decades to reform U.S. public schools. Billions of taxpayer dollars have been spent. The result? About as successful as America’s switch to the metric system. In the 1950s, Congress passed legislation mandating the adoption of metric standards and measures. More than six decades later, if you know what a hectare is or can visualize the size of a 300-gram package of crackers, you’re ahead of most Americans. Legislators did not factor into their solution what it would take to get their decision carried out against longstanding custom and tradition.

In short, the difficulties surrounding improvement strategies are well documented. Exemplary intentions produce more costs than benefits. Problems outlast solutions. Still, there are reasons for optimism. Organizations have changed about as much in recent decades as in the preceding century. To survive, they had to. Revolutionary changes in technology, the rise of the global economy, and shortened product life cycles have spawned a flurry of efforts to design faster, more flexible organizational forms. New models flourish in companies, such

as Valve (the *nonhierarchical* video game powerhouse that shuns job titles and organization charts), Wegman's (the mission-driven supermarket chain that consistently ranks among America's best places to work), Google (the global search giant), Airbnb (a new concept of lodging), and Novo-Nordisk (a Danish pharmaceutical company that includes environmental and social metrics in its bottom line). The dispersed collection of enthusiasts and volunteers who provide content for Wikipedia and the far-flung network of software engineers who have developed the Linux operating system provide dramatic examples of possibilities in the digital world. But despite such successes, failures are still too common. The nagging question: How can leaders and managers improve the odds for themselves as well for their organizations?

FRAMING

Goran Carstedt, the talented executive who led the turnaround of Volvo's French division in the 1980s, got to the heart of a challenge managers face every day:

The world simply can't be made sense of, facts can't be organized, unless you have a mental model to begin with. That theory does not have to be the right one, because you can alter it along the way as information comes in. But you can't begin to learn without some concept that gives you expectations or hypotheses. (Hampden-Turner, 1992, p. 167)

Such mental models have many labels—maps, mind-sets, schema, paradigms, heuristics, and cognitive lenses, to name but a few.¹ Following the work of Goffman, Dewey, and others, we have chosen the label *frames*, a term that has received increasing attention in organizational research as scholars give greater attention to how managers make sense of a complicated and turbulent world (see, e.g., Cornelissen and Werner, 2014; Foss and Weber, 2015; Gray, Purdy, and Ansari, 2015; Hahn, Preuss, Pinkse, and Figge, 2014; Maitlis and Christianson, 2014; Seidel, Hannigan, and Phillips, 2020). In describing frames, we deliberately mix metaphors, referring to them as windows, maps, tools, lenses, orientations, prisms, and perspectives, because all these images capture part of the idea we want to convey.

A frame is a mental model—a set of ideas and assumptions—that you carry in your head to help you understand and negotiate a particular “territory.” A good lens makes it easier to know what you are up against and, ultimately, what you can do about it. Mental maps are vital because organizations don't come with computerized navigation systems to guide you turn-by-turn to your destination. Instead, managers need to develop and carry accurate charts in their heads.

Such maps make it possible to register and assemble key bits of perceptual data into a coherent pattern—an image of what’s happening. When framing works fluidly, the process takes the form of “rapid cognition,” the process that Gladwell (2005) examines in his best seller *Blink*. He describes it as a gift that makes it possible to read “deeply into the narrowest slivers of experience. In basketball, the player who can take in and comprehend all that is happening in the moment is said to have ‘court sense’” (p. 44). The military stresses situational awareness to describe the same capacity.

Dane and Pratt (2007) describe four key characteristics of this intuitive “blink” process:

- It is nonconscious—you can do it without thinking about it and without knowing how you did it.
- It is very fast—the process often occurs almost instantly.
- It is holistic—you see a coherent, meaningful pattern.
- It results in “affective judgments”—thought and feeling work together so you feel confident that you know what is going on and what needs to be done.

The essence of this process is matching situational cues with a well-learned mental framework—a “deeply held, nonconscious category or pattern” (Dane and Pratt, 2007, p. 37). This is the key skill that Simon and Chase (1973) found in chess masters—they could instantly recognize more than 50,000 configurations of a chessboard. This ability enables grand masters to play 25 lesser opponents simultaneously, beating all of them while spending only seconds on each move.

The blink process is key to expertise and skill. Kahneman and Klein (2009) argue that it works best for individuals who have developed a deep understanding of a particular domain through experience and deliberate practice with feedback. Skill and expertise come to those who are willing to invest time and effort and learning (Ericsson, 2005). But for nonexperts, fast, intuitive thinking often leads to very bad judgments. Experts typically know when they don’t know, but nonexperts think they know when they don’t (Kahneman and Klein, 2009). “Subjective confidence is therefore an unreliable indication of the validity of intuitive judgments” (p. 524).

Research on human thinking has led to the identification of two distinct modes of cognition that operate in parallel: Type I (intuitive and automatic) and Type II (deliberate and analytic), summarized in Exhibit 1.1. Intuition is faster, requires less cognitive effort, and produces holistic judgments. It works best in the hands of experts dealing with fluid, messy problems, particularly if time is short. Analytic thinking is slower and requires more effort

Exhibit 1.1.
Characteristics of Two Types of Human Thinking.

Type I (Intuitive)	Type II (Deliberate)
Fast	Slow
Nonconscious	Conscious
Automatic	Intentional
Does not rely on working memory	Requires use of working memory
Requires less mental energy	Requires more mental energy
Relies on tacit, implicit knowledge	Relies on explicit knowledge

and conscious attention but can lead to superior judgment and decision in situations with well-structured problems and high-quality evidence (Evans and Stanovich, 2013; Hodgkinson and Sadler-Smith, 2018; Kahneman, 2011; Kahneman and Klein, 2009; Luan, Reb, and Gigerenzer, 2019). Many businesses analyze big data to discover insights and patterns culled from mountains of data far beyond the capacity of any human mind.

In medicine, there is a growing emphasis on “evidence-based medicine”—basing diagnosis and treatment on rules derived from research. Emergency room physicians who treat stroke victims, for example, have a detailed set of guidelines for diagnosis and treatment that are periodically updated as new research comes in. Some scholars have argued that the same idea can also work for managers (Barends and Rousseau, 2018; Martelli and Hayirli, 2018; Pfeffer and Sutton, 2006, 2011), though evidence for the benefits of evidence-based management is still sketchy (Reay, Berta, and Kohn, 2017). Pfeffer and Sutton (2011) cite research showing that incentive pay for teachers is a bad idea but teams work better with stable membership as examples of findings that could help managers make better decisions. Tourish (2019) counters that managers hoping to learn from published research will find that most of it is trivial, unreadable, and disconnected from practice.

The bottom line is that Type I intuitive and Type II reflective thinking are both powerful and vital tools for managers and leaders. Each has advantages and disadvantages compared to the other. The key is knowing how and when to use each. Leaders go astray when their knowledge and judgment are inadequate to deal with the complex and elusive problems they face. The quality of their judgments depends on the information at hand, their mental maps, and how well they have learned to use them. Good maps align with the terrain and provide enough detail to keep you on course. If you’re trying to find your

way around Beijing, a map of Chicago won't help much. In the same way, different circumstances require different approaches.

Even with the right map, getting around will be slow and awkward if you have to stop and study at every intersection. The ultimate goal is fluid expertise, the sort of know-how that lets you think on the fly and navigate organizations as easily as you drive on a familiar route. You can make decisions quickly and automatically because you know at a glance where you are and what you need to do next.

There is no shortcut to developing this kind of expertise. It takes effort, time, practice, and feedback. Some of the effort has to go into learning frames and the ideas behind them. Equally important is putting the ideas to use. Experience, one often hears, is the best teacher, but that is true only if one learns from it. McCall, Lombardo, and Morrison (1988, p. 122) found that a distinguishing quality among successful executives was that they were great learners, displaying an “extraordinary tenacity in extracting something worthwhile from their experience and in seeking experiences rich in opportunities for growth.”

Reframing

Frames define the questions we ask and solutions we consider (Berger, 2014). John Dewey defined freedom as the power to choose among known alternatives. In *The Art of War*, Sun Tzu made a similar point 2,500 years ago: “Many options bring victory, few options bring defeat, no options at all spell disaster” (Sun, 2012). When managers don't see options, they make mistakes but often fail to understand why.

Take a simple question: “What is the sum of 5 plus 5?” The only right answer is “10.” Ask a different way, “What two numbers add up to ten?” Now the number of solutions is infinite (once you include fractions and negative numbers). The two questions differ in how they are framed. Albert Einstein once observed: “If I had a problem to solve and my whole life depended on the solution, I would spend the first fifty-five minutes determining the question to ask, for once I know the proper question, I could solve the problem in five minutes” (Seelig, 2015, p. 19).

Asking the right question helps to break frames. Why do that? A news story from the summer of 2007 illustrates. Imagine yourself among a group of friends enjoying dinner on the patio of a Washington, D.C., home. An armed, hooded intruder suddenly appears and points a gun at the head of a 14-year-old guest. “Give me your money,” he says, “or I'll start shooting.” If you're at that table, what do you do? You could faint. Or freeze. You could try a heroic frontal attack. You might try to run. Or you could try to break the frame and redefine the situation by asking an unexpected question. That's exactly what Cristina “Cha Cha” Rowan did.

“We were just finishing dinner,” [she] told the man. “Why don’t you have a glass of wine with us?”

The intruder had a sip of their Chateau Malescot St-Exupéry and said, “Damn, that’s good wine.”

The girl’s father . . . told the intruder to take the whole glass, and Rowan offered him the bottle.

The robber, with his hood down, took another sip and a bite of Camembert cheese. He put the gun in his sweatpants . . .

“I think I may have come to the wrong house,” the intruder said before apologizing. “Can I get a hug?”

Rowan . . . stood up and wrapped her arms around the would-be robber. The other guests followed.

“Can we have a group hug?” the man asked. The five adults complied.

The man walked away a few moments later with a filled crystal wine glass, but nothing was stolen, and no one was hurt. Police were called to the scene and found the empty wine glass unbroken on the ground in an alley behind the house. (Hagey, 2007)

In one stroke, Cha Cha Rowan recast the situation from a robbery—“we might all be killed”—to a social occasion—“let’s offer our guest some wine and include him in our party.” Like her, artistic managers frame and reframe experience fluidly, sometimes with extraordinary results. A critic once commented to Cézanne, “That doesn’t look anything like a sunset.” Pondering his painting, Cézanne responded, “Then you don’t see sunsets the way I do.” The critic tacitly assumed that his was the correct way to see sunsets. Like Cézanne and Rowan, leaders have to find ways of asking the right question to shift points of view when needed. This is not easy, which is why “most of us passively accept decision problems as they are framed, and therefore rarely have an opportunity to discover the extent to which our preferences are *frame-bound* rather than *reality-bound*” (Kahneman, 2011, p. 367).

Caldicott (2014) sees reframing as vital for leadership:

One distinguishing difference between leaders that succeed at driving collaboration and innovation versus those that fail is their ability to grasp complexity. This skill set involves framing difficult concepts quickly, synthesizing data in a way that drives new insight, and building teams that can generate future scenarios different from the world they see today.

A growing body of psychological research shows that reframing can improve performance across a range of tasks. Autin and Croizet (2012) gave students a difficult task on which they all struggled. Some students were taught to reframe the struggle as a normal sign of learning. That intervention increased confidence, working memory, and reading comprehension on subsequent tasks. Jamieson and others (2010) found that they could improve scores on the Graduate Record Exam by reframing anxiety as an aid to performance. The old song lyric, “accentuate the positive and eliminate the negative,” is powerful advice.

Like maps, frames are both windows on a terrain and tools for navigating its contours. Every tool has distinctive strengths and limitations. The right tool makes a job easier; the wrong one gets in the way. Tools thus become useful only when a situation is sized up accurately. Furthermore, one or two tools may suffice for simple jobs but not for more complex undertakings. Managers who master the hammer and expect all problems to behave like nails find life at work confusing and frustrating. The wise manager, like a skilled carpenter, wants a diverse collection of high-quality implements at hand. Experienced managers also understand the difference between possessing a tool and knowing when and how to use it. Only experience and practice foster the skill and wisdom to take stock of a situation and use suitable tools with confidence and skill.

The Four Frames

Only in the past 100 years or so have social scientists devoted much time or attention to developing ideas about how organizations work, how they should work, or why they often fail. In the social sciences, several major schools of thought have evolved. Each has its own concepts, assumptions, and evidence espousing a particular view of how to bring social collectives under control. Each tradition claims a scientific foundation. But a theory can easily become a theology that preaches a single, parochial scripture. Modern managers must sort through a cacophony of voices and visions for help.

Sifting through competing voices is one of our goals in this book. We are not seeking or advocating the one best way. Rather, we consolidate major schools of organizational thought and research into a comprehensive framework encompassing four perspectives. Our goal is usable knowledge. We have sought ideas powerful enough to capture the subtlety and complexity of life in organizations yet simple enough to be useful. Our distillation has drawn much from the social sciences—particularly sociology, psychology, political science, and anthropology. Thousands of managers and scores of organizations have helped us sift through social science research to identify ideas that work in practice. We have sorted insights from both research and practice into four major frames—structural, human

resource, political, and symbolic (Bolman and Deal, 1984). Each is used by academics and practitioners alike and can be found, usually independently, on the shelves of libraries and bookstores.

Four Frames: As Near as Your Local Bookstore

Imagine a harried executive browsing online or at her local bookseller on a brisk winter day in 2021. She worries about her company's flagging performance and wonders if her own job might soon disappear. She spots the gray cover of *[Re]Creating the Organization You Really Want: Leadership and Organization Design for Sustainable Excellence*.² Flipping through the table of contents, she notes topics like "Compelling Directive," "Focused Strategy," and "Comprehensive Scorecard." She is drawn to phrases such as "Leaders today face many challenges that require the design or redesign of organizational structures, systems, and processes to achieve and sustain high performance." (p. 35). "This stuff may be good," the executive tells herself, "but it seems a little dry."

Next, she finds *Lead with LUV: A Different Way to Create Real Success*.³ Glancing inside, she reads,

Many of our officers handwrite several thousand notes each year. Besides being loving, we know this is meaningful to our People because we hear from them if we miss something significant in their lives like the high school graduation of one of their kids. We just believe in accentuating the positive and celebrating People's successes. (p. 7)

"Sounds nice," she mumbles, "but a little too touchy-feely. Let's look for something more down to earth."

Continuing her search, she looks at *Power: Why Some People Have It and Others Don't*.⁴ She reads, "You can compete and triumph in organizations of all types . . . if you understand the principles of power and are willing to use them. Your task is to know how to prevail in the political battles you will face" (p. 5). She wonders, "Does it really all come down to politics? It seems so cynical and scheming. How about something more uplifting?"

She spots *Tribal Leadership: Leveraging Natural Groups to Build a Thriving Organization*.⁵ She ponders its message: "Tribal leaders focus their efforts on building the tribe, or, more precisely, upgrading the tribal culture. If they are successful, the tribe recognizes them as leaders, giving them top effort, cult-like loyalty, and a track record of success" (p. 4). "Fascinating," she concludes, "but maybe a little too primitive and nebulous for modern organizations."

In her book excursion, our worried executive has rediscovered the four perspectives at the heart of this book. Four distinct metaphors capture the essence of each of the books she examined: organizations as factories, families, jungles, and temples or carnivals. But she leaves more confused than ever. Some titles seemed to register with her way of thinking. Others fell outside her zone of comfort. Where should she go next? How can she put it all together?

Factories

The first book she stumbled across, *[Re]Create the Organization You Really Want*, provides counsel on finding the right structure for your situation. It extends a long tradition that treats an organization as a factory. Drawing from sociology, economics, and management science, the structural frame depicts a rational world and emphasizes organizational architecture, including planning, strategy, goals, structure, technology, specialized roles, coordination, formal relationships, metrics, and rubrics. Structures—commonly depicted by organization charts—are designed to fit an organization's environment and technology. Organizations allocate responsibilities ("division of labor"). They then create rules, policies, procedures, systems, and hierarchies to coordinate diverse activities into a unified effort. Objective indicators measure progress. Problems arise when structure doesn't line up well with current circumstances or when performance sags. At that point, some form of reorganization or redesign is needed to remedy the mismatch.

Families

Our executive next encountered *Lead with LUV: A Different Way to Create Real Success*, with its focus on people and relationships. The human resource perspective, rooted in psychology, sees an organization as an extended family, made up of individuals with needs, feelings, prejudices, skills, and limitations. From a human resource view, the key challenge is to tailor organizations to individuals—finding ways for people to get the job done while feeling good about themselves and their work. When basic needs for security and trust are unfulfilled, people withdraw from an organization, join unions, go on strike, sabotage, or quit. Psychologically healthy organizations provide adequate wages and benefits and make sure employees have the skills, support, and resources to do their jobs.

Jungles

Power: Why Some People Have It and Others Don't is a contemporary application of the political frame, rooted in the work of political scientists. This view sees organizations as

arenas, contests, or jungles. Parochial interests compete for power and scarce resources. Conflict is rampant because of enduring differences in needs, perspectives, and lifestyles among contending individuals and groups. Bargaining, negotiation, coercion, and compromise are a normal part of everyday life. Coalitions form around specific interests and change as issues come and go. Problems arise when power is concentrated in the wrong places or is so widely dispersed that nothing gets done. Solutions arise from political skill and acumen—as Machiavelli suggested five hundred years ago in *The Prince* (1961).

Temples and Carnivals

Finally, our executive encountered *Tribal Leadership: Leveraging Natural Groups to Build a Thriving Organization*, with its emphasis on culture, symbols, and spirit as keys to organizational success. The symbolic lens, drawing on social and cultural anthropology, treats organizations as temples, tribes, theaters, or carnivals. It stresses meaning, tempers the assumptions of rationality prominent in other frames and depicts organizations as cultures, propelled by rituals, ceremonies, stories, heroes, history, and myths rather than by rules, policies, and managerial authority. Organization is also theater: actors play their roles in an ongoing drama while audiences form impressions from what they see on stage. Problems arise when actors blow their parts, symbols lose their meaning, or ceremonies and rituals lose their potency. We rekindle the expressive or spiritual side of organizations through the use of symbol, myth, and magic.

The FBI and the CIA: A Four-Frame Story

A saga of two squabbling agencies illustrates how the four frames provide different views of the same situation. Riebling (2002) documents the long history of head-butting between America's two major intelligence agencies, the Federal Bureau of Investigation (FBI) and the Central Intelligence Agency (CIA). Both are charged with combating espionage and terrorism, but the FBI operates primarily within the United States, while the CIA's mandate covers everywhere else. Structurally, the two agencies have always been disconnected. The FBI is housed in the Department of Justice and reports to the attorney general. The CIA reported through the Director of Central Intelligence to the president until 2004, when reorganization put it under a new director of national intelligence.

At a number of major junctures in American history (including the assassination of President John F. Kennedy, the Iran-Contra scandal, and the 9/11 terrorist attacks), each agency held pieces of a larger puzzle, but coordination snafus made it hard for anyone to see all the pieces, much less put them together. After 9/11, both agencies came under heavy criticism, and each blamed the other for lapses. The FBI complained that the CIA had failed

to tell them that two of the terrorists had entered the United States and had been living for two years in California (Seper, 2005). But an internal Justice Department investigation concluded that the FBI didn't do very well with the information it did have. Key signals were never "documented by the bureau or placed in any system from which they could be retrieved by agents investigating terrorist threats" (Seper, 2005, p. 1).

Structural barriers between the FBI and the CIA were exacerbated by the enmity between the two agencies' patron saints, J. Edgar Hoover and "Wild Bill" Donovan. When Hoover first became FBI director in the 1920s, he reported to Donovan, who didn't trust him and tried unsuccessfully to get him fired. When World War II broke out, Hoover lobbied to get the FBI identified as the nation's worldwide intelligence agency. He fumed when President Franklin D. Roosevelt instead created a new agency and made Donovan its director. As often happens, cooperation between two units was chronically hampered by a rocky personal relationship between two top dogs who never liked one another.

Politically, the relationship between the FBI and CIA was born in turf conflict because of Roosevelt's decision to give responsibility for foreign intelligence to Donovan instead of to Hoover. The friction persisted over the decades as both agencies vied for turf and funding from Congress and the White House.

Symbolically, different histories and missions led to very distinct cultures. The FBI, which built its image with the dramatic capture or killing of notorious gang leaders, bank robbers, and foreign agents, liked to generate headlines by pouncing on suspects quickly and publicly. The CIA preferred to work in the shadows, believing that patience and secrecy were vital to its task of collecting intelligence and rooting out foreign spies.

Senior U.S. officials have known for years that tension between the FBI and CIA damages U.S. security. But most initiatives to improve the relationship have been partial and ephemeral, falling well short of addressing the full range of issues. Ten years after 9/11, Graff (2012) concluded that, "Problems persist and will probably never be fully overcome."

Multi-Frame Thinking

The overview of the four-frame model in Exhibit 1.2 shows that each of the frames has its own image of reality. You may be drawn to some and put off by others. One perspective may seem straightforward, while another seems puzzling or alien. But learning to apply all four deepens your appreciation and understanding of organizations. When Galileo devised the first telescope, he found that each lens he added contributed to a more accurate image of the heavens. Successful managers take advantage of the same truth. Like physicians, they reframe, consciously or intuitively, until they understand the situation at hand. They use more than one lens to develop a diagnosis of what they are up against and how to move forward.

Exhibit 1.2.
Overview of the Four-Frame Model.

	Frame			
	Structural	Human Resource	Political	Symbolic
Metaphor for organization	Factory or machine	Family	Jungle	Carnival, temple, theater
Supporting disciplines	Sociology, management science, economics	Psychology	Political science	Anthropology, dramaturgy, institutional theory
Central concepts	Roles, goals, strategies, policies, technology, environment	Needs, skills, relationships	Power, conflict, competition, politics	Culture, myth, meaning, metaphor, ritual, ceremony, stories, heroes
Image of leadership	Social architecture	Empowerment	Advocacy and political savvy	Inspiration
Basic leadership challenge	Attune structure to task, technology, environment	Align organizational and human needs	Develop agenda and power base	Create faith, belief, beauty, meaning

This claim about the advantages of multiple perspectives has stimulated a growing body of research. Dunford and Palmer (1995) discovered that management courses teaching multiple frames had significant positive effects over both the short and long term—in fact, 98 percent of their respondents rated reframing as helpful or very helpful, and about 90 percent felt it gave them a competitive advantage. Other studies have shown that the ability to use multiple frames is associated with greater effectiveness for managers and leaders (Bensimon, 1989, 1990; Birnbaum, 1992; Bolman and Deal, 1991, 1992a, 1992b; Heimovics, Herman, and Jurkiewicz Coughlin, 1993, 1995; Wimpelberg, 1987). Similarly, Pitt and Tepper (2012) found that double-majoring helped college students develop both creative and integrative thinking. As one student put it, “I’m never stuck in one frame of mind because

I'm always switching back and forth between the two" (p. 40). Multi-frame thinking requires moving beyond narrow, mechanical approaches for understanding organizations. We cannot count the number of times managers have told us that they handled some problem the "only way" it could be done. That was United Airline's initial defense in April, 2017, when video of a bloodied doctor being dragged off a plane went viral. United's CEO wrote that "our agents were left with no choice" because the 69-year-old physician had refused to give up his seat. After a few days in public relations hell, United announced that the only choice was a bad one, and they would never do it again. It may be comforting to think that failure was unavoidable and we did all we could. But it can be liberating to realize there is always more than one way to respond to any problem or dilemma. Those who master reframing report a liberating sense of choice and power.

Akira Kurosawa's classic film *Rashomon* recounts the same event through the eyes of several witnesses. Each tells a different story. Similarly, organizations are filled with people who have divergent interpretations of what is and should be happening. Each version contains glimmers of truth, but each is a product of the prejudices and blind spots of its maker. Each frame tells a different story (Gottschall, 2012), but no single story is comprehensive enough to make an organization fully understandable or manageable. Effective managers need frames to generate multiple stories, the skill to sort through the alternatives, and the wisdom to match the right story to the situation.⁶

Lack of imagination—Langer (1989) calls it "mindlessness"—is a major cause of the shortfall between the reach and the grasp of so many organizations—the empty chasm between noble aspirations and disappointing results. The gap is painfully acute in a world where organizations dominate so much of our lives. Taleb (2007) depicts events like the Covid-19 pandemic or the 9/11 attacks as "black swans"—novel events that are unexpected because we have never seen them before. If every swan we've observed is white, we expect the same in the future. But fateful, make-or-break events are more likely to fall outside previous experience and catch us flat-footed, as was true of the 2020 pandemic. Imagination and mindfulness offer our best chance for being ready when a black swan sails into view, and multi-frame thinking is a powerful stimulus to the broad, creative mind-set imagination requires.

Engineering and Art

Exhibit 1.3 presents two contrasting approaches to management and leadership. One is a rational-technical mind-set emphasizing certainty and control. The other is an expressive, artistic conception encouraging flexibility, creativity, and interpretation. The first portrays managers as technicians; the second sees them as artists.

Exhibit 1.3. Expanding Managerial Thinking.

How Managers Often Think	How Managers Might Think
Oversimplify reality (for example, blame problems on individuals' flaws and errors)	Think holistically about a full range of significant issues: people, power, structure, and symbols
Regardless of the problems at hand, rely on facts, logic, restructuring	Use feeling and intuition as well as logic, bargaining as well as training, celebration as well as reorganization
Cling to certainty, rationality, and control while fearing ambiguity, paradox, and "going with the flow"	Develop creativity, risk taking, and playfulness in response to life's dilemmas and paradoxes, and focus as much on finding the right question as the right answer, on finding meaning and faith amid clutter and confusion
Rely on the "one right answer" and the "one best way"	Show passionate, unwavering commitment to principle, combined with flexibility in understanding and responding to events

Artists interpret experience and express it in forms that can be felt, understood, and appreciated by others. Art embraces emotion, subtlety, ambiguity. An artist reframes the world so others can see new possibilities. Modern organizations often rely too much on engineering and too little on art in searching for quality, commitment, and creativity. Art is not a replacement for engineering but an enhancement and a powerful partner. Artistic leaders and managers help us look and probe beyond today's reality to new forms that release untapped individual energies and improve collective performance. The leader as artist relies on abstract images as well as memos, poetry as well as policy, reflection as well as command, and reframing as well as refitting.

CONCLUSION

As organizations have become pervasive and dominant, they have also become harder to understand and manage. The result is that managers are often nearly as clueless as their subordinates (the Dilberts of the world) think they are. The consequences of myopic management

and leadership show up every day, sometimes in small and subtle ways, sometimes in large and blatant catastrophes. Think of the enormous differences in levels of suffering and death between the relatively few countries that contained the Covid-19 pandemic effectively, and the many that did not. Our basic premise is that a primary cause of managerial failure is faulty thinking rooted in inadequate ideas and truncated possibilities. Managers and those who try to help them too often rely on narrow models that capture only part of organizational life.

Learning multiple perspectives, or frames, is a defense against thrashing around without a clue about what you are doing or why. Frames serve multiple functions. They are sources of new questions, filters for sorting essence from trivia, maps that aid navigation, and tools for solving problems and getting things done. This book is organized around four frames rooted in both managerial wisdom and social science knowledge. The structural approach focuses on the architecture of organization—the design of units and subunits, rules and roles, goals and policies. The human resource lens emphasizes understanding people—their strengths and foibles, reason and emotion, desires and fears. The political view sees organizations as competitive arenas of scarce resources, competing interests, and struggles for power and advantage. Finally, the symbolic frame focuses on issues of meaning and faith. It puts ritual, ceremony, story, play, and culture at the heart of organizational life.

Each of the frames is powerful and coherent. Collectively, they make it possible to reframe, looking at the same thing from multiple lenses or points of view. When the world seems hopelessly confusing and nothing is working, reframing is a powerful tool for gaining clarity, regaining balance, generating new questions, and finding options that actually make a difference.

Notes

1. Among the possible ways of talking about frames are schemata or schema theory (Fiedler, 1982; Fiske and Dyer, 1985; Lord and Foti, 1986), representations (Frensch and Sternberg, 1991; Lesgold and Lajoie, 1991; Voss, Wolfe, Lawrence, and Engle, 1991), cognitive maps (Weick and Bougon, 1986), paradigms (Gregory, 1983; Kuhn, 1970), social categorizations (Cronshaw, 1987), implicit theories (Brief and Downey, 1983), mental models (Senge, 1990), definitions of the situation, and root metaphors.
2. J. R. Latham, *[Re]Create the Organization You Really Want!: Leadership and Organization Design for Sustainable Excellence* (Colorado Springs, CO: Organization Design Studio, Ltd., 2016).
3. Ken Blanchard and Colleen Barrett, *Lead with LUV: A Different Way to Create Real Success* (Upper Saddle River, NJ: FT Press, 2010), p. 7.
4. Jeffrey Pfeffer, *Power: Why Some People Have It—and Others Don't* (New York: Harper Business, 2010), p. 5.

5. Dave Logan, John King, and Halee Fischer-Wright, *Tribal Leadership: Leveraging Natural Groups to Build a Thriving Organization* (New York: Harper, 2011), p. 4.
6. A number of scholars (including Allison, 1971; Bergquist, 1992; Birnbaum, 1988; Elmore, 1978; Morgan, 1986; Perrow, 1986; Quinn, 1988; Quinn, Faerman, Thompson, and McGrath, 1996; and Scott, 1981) have made similar arguments for multi-frame approaches to groups and social collectives.

Simple Ideas, Complex Organizations

The alarm system was ready. Scarred by the SARS epidemic that erupted in 2002, China had created an infectious disease reporting system that officials said was world-class: fast, thorough and, just as important, immune from meddling. Hospitals could input patients' details into a computer and instantly notify government health authorities in Beijing, where officers are trained to spot and smother contagious outbreaks before they spread. It didn't work.

(Myers, 2020)

On December 30, 2019, Dr. Ai Fen, the director of an intensive care unit in Wuhan, China, broke into a cold sweat as she stared at one phrase in a lab report: “SARS coronavirus” (Kuo, 2020). SARS (severe acute respiratory syndrome), an often-deadly disease, had appeared in China in late 2002. It spread rapidly after it was first identified, but SARS patients showed symptoms *before* they became infectious. That allowed officials in China and elsewhere to limit it to only 8,000 cases worldwide. The United States saw fewer than 30 cases and no deaths. The new coronavirus turned out to be much more dangerous.

The emerging evidence that frightened Dr. Ai came from one of a few dozen patients with new and puzzling respiratory symptoms who were starting to appear in Wuhan. Many

became very sick, and some died. Dr. Ai copied the alarming report to a colleague and within hours the news was spreading through Wuhan medical circles. It should also have been entered into China's "fail-safe" reporting system. Only a few weeks earlier, the deputy director of the provincial center for disease control had given a pep talk urging local officials to make the area number one in China in the quality of its infectious disease reporting (Myers, 2020).

The rules were clear. Why weren't they followed? The answer takes us to a very familiar story of leadership and life in organizations. Around the world managers and officials look up the chain of command for signals about what they are and aren't supposed to do. They often believe that keeping bosses happy is one of the surest routes to survival and success. Nowhere is this truer than in China, where leaders in every organization answer to the Communist Party, which has created the world's most sweeping system for suppressing news or opinions that could make the government or the Party look bad. That's why local officials in Guangdong had tried to cover up the SARS outbreak in 2003. Seventeen years later, officials in Wuhan followed the same playbook (Cook, 2020). A twenty-first-century reporting system fell victim to ancient human impulses. Instead of being recognized for her diligence, Dr. Ai was reprimanded "harshly" by her hospital for not following the unspoken rules (Chheda, 2020; Kuo, 2020).

Despite the cover-up, online reports were quickly leaked. The news reached Beijing, setting off alarm bells. On December 31, China's National Health Commission ordered Wuhan to make a public announcement about the new illness and to inform the World Health Organization that China was seeing a cluster of suspicious pneumonia cases. That was when the world first heard about the new virus, but the information was spotty and only a few infectious disease experts immediately recognized the risk of a pandemic. Meanwhile, disease control specialists from Beijing raced to Wuhan. There they were greeted with warm welcomes and reassurance that the new illness was nothing to worry about—not much different from seasonal influenza.

Privately, however, Wuhan officials scrambled to hide a grimmer reality (Myers, 2020). Local police rounded up eight doctors on January 1, sending a clear message to the local medical community to stay silent. When one of them, Li Wenliang, died from Covid-19 a few weeks later, the Chinese public made him a posthumous hero rather than a luckless victim (Buckley, 2020).

For a few critical weeks in January, Wuhan officials continued to suppress the case count, instructing doctors not to report cases without official clearance (Myer, 2020; Shih, Rauhala, and Sun, 2020). Officials apparently hoped to get the new illness under control and make it slither away. But events were racing beyond their control, dooming any efforts

to keep the lid on. Wuhan, with a population of 11 million, is a major air and rail hub, and travelers were already beginning to carry the new disease well beyond its birthplace.

After trying to minimize the seriousness of the outbreak, Chinese doctors confirmed on January 20th that the virus was spreading rapidly from person-to-person. Three days later, Wuhan went into lockdown. Aggressive action earlier in January had been the world's best chance to avert a pandemic. Now it was too late. Scattered cases of Covid-19 were showing up across China and around the globe. Some of those infections arrived with the almost 400,000 travelers, including thousands from Wuhan, who flew from China to the United States in January (Eder, Fountain, Keller, Xiao, and Stevenson, 2020). Thousands more carried the virus to Europe, where outbreaks soon became devastating. From Europe, the virus traveled to the U.S East Coast, triggering massive outbreaks.

China had missed the first and best chance to stop the pandemic in its tracks. The failure was catastrophic; the cover-up criminal. But the cause of the cover-up was dismayingly ordinary. Regardless of country or sector, leaders routinely try to protect themselves and their organization by suppressing problems in the hope of fixing them before anyone notices (Lee, 1993; Gallos and Bolman, 2021). Officials in Wuhan accordingly unleashed a global disaster while trying to avoid local embarrassment. They failed to anticipate that their decisions would be catastrophic for themselves, their constituents, and the globe. But once the disease was off and running, the responsibility for battling this illness fell to leaders in other nations.

A few who were well-prepared saw the challenge and moved quickly to devise and launch smart and effective containment strategies. Most leaders were unprepared and misjudged the challenge. They failed to grasp the dynamics of exponential curves, waited for things to get bad, and then tried to play catch-up. Was this a black swan that no one could have predicted? In fact, some countries expected it and were prepared, including many of those closest to China. A year into the pandemic, the U.S. infection rate ran more than 2,000 times higher than Taiwan's, and more than 4,000 times higher than Vietnam's. Vietnam shares a 900-mile border with China. Taiwan, an island state, is Chinese in language and culture and only 81 miles offshore from China. Taiwan and Vietnam had both been scarred in the past by epidemics originating in China, and both had established epidemic control centers that swung into action at the first word of a new viral illness (Fulton, 2020; Piper, 2020; Shapiro, 2020). On December 31, 2019, the same day that China first announced the existence of a new virus, Taiwan officials started boarding planes to test passengers arriving from Wuhan. In January, Taiwan and Vietnam both began testing for Covid-19, quarantined anyone who tested positive, and did contact tracing. Both countries implemented mask mandates and quarantined travelers from places where Covid-19 had

been identified (Chung, 2020). A combination of experience, expertise, and infrastructure spawned aggressive strategies that helped both countries maintain very low rates of Covid-19 infections and deaths.

Events like 9/11, Hurricane Katrina, and Covid-19 make bold headlines, but less dramatic errors and failures happen every day. Most don't make front-page news, but they are very familiar to people who work in today's organizations. In the remainder of this chapter, we discuss how organizational complexity intersects with fallacies of human thinking to obscure what's really going on and leads us astray. We spell out some of the peculiarities of organizations that make them so difficult to decode and manage. Finally, we explore how our deeply held and well-guarded mental models cause us to fail—and, most important, how to avoid becoming ensnared in that trap.

COMMON FALLACIES IN EXPLAINING ORGANIZATIONAL PROBLEMS

Albert Einstein once said that a thing should be made as simple as possible, but no simpler. When we ask students and managers to analyze cases like the Covid-19 pandemic, they often make things simpler than they really are. They do this by relying on one of three misleading and distorted explanations.

The first and most common is *blaming people*. This approach casts every failure as a product of individual blunders. Problems result from egotism, bad attitudes, abrasive personalities, neurotic tendencies, stupidity, or incompetence. It's too easy as a way to explain anything that goes wrong. After every catastrophe, the hunt is on for someone to blame. As children, we learned it was important to assign blame for every broken toy, stained carpet, or wounded sibling. Pinpointing the culprit is comforting. Assigning blame resolves ambiguity, explains mystery, and makes it obvious what to do next: punish the guilty. Disasters and scandals often have their share of culpable individuals, who may suffer public ignominy, lose their jobs or, in extreme cases, go to jail or lose their lives. But there is almost always a larger and more important story about the organizational and social context that sets the stage for individual malfeasance. In China, as in other authoritarian regimes, for example, corruption is an inevitable product of a system that protects the powerful from scrutiny. The only fundamental solution is changing the system, but that is not what the rulers want. So they try to appease the populace by throwing the book at occasional unlucky offenders, while the corruption continues and deepens. Targeting individuals while ignoring larger system failures oversimplifies the problem and does little to prevent its recurrence.

Greatest Hits from Organization Studies

Hit Number 8: James G. March and Herbert A. Simon, *Organizations* (New York: Wiley, 1958)

March and Simon's pioneering 1958 book *Organizations* sought to define an emerging field by offering a structure and language for studying organizations. It was part of the body of work that helped Simon earn the 1978 Nobel Prize for economics.

March and Simon offered a cognitive, social-psychological view of organizational behavior, with an emphasis on thinking, information processing, and decision making. The book begins with a model of behavior that presents humans as continually seeking to satisfy motives based on their aspirations. Aspirations at any given time are a function of individuals' history and environment. When aspirations are unsatisfied, people search until they find better options. Organizations influence individuals primarily by managing the information and options, or "decision premises," that they consider.

March and Simon followed Simon's earlier work (1947) in critiquing the economic view of "rational man," who maximizes utility by considering all available options and choosing the best. Instead, they argue that both individuals and organizations have limited information and limited capacity to process what they do have. They never know all the options. Instead, they gradually alter their aspirations as they search for alternatives. Home buyers often start with a dream house in mind, but gradually adapt to the realities of what's available and what they can afford. Instead of looking for the best option—"maximizing"—individuals and organizations instead "satisfice," choosing the first option that seems good enough.

Organizational decision making is additionally complicated because the environment is complex. Resources (time, attention, money, and so on) are scarce, and conflict among individuals and groups is constant. Organizational design happens through piecemeal bargaining that holds no guarantee of optimal rationality. Organizations simplify the environment to reduce the demands on limited information-processing and decision-making capacities. They simplify by developing "programs"—standardized routines for performing repetitive tasks. Once a program is in place, the incentive is to stay with it as long as the results are marginally satisfactory. Otherwise, the organization is forced to expend time and energy to innovate. Routine tends to drive out innovation because individuals find it easier and less taxing to stick to programmed tasks (which are automatic, well-practiced, and more certain of success). Thus, a student facing a term-paper deadline may find it easier to "fritter"—make tea, straighten the desk, text friends, or browse the Web—than write a good opening paragraph. Managers may find it easier to sacrifice quality than change a familiar routine.

March and Simon's book falls primarily within the structural and human resource views. But their discussions of scarce resources, power, conflict, and bargaining recognize the reality of organizational politics. They emphasize framing, even though they do not use the word. Decision making, they argue, is always based on a simplified model of the world. Organizations develop unique vocabulary and classification schemes, which determine what people notice and respond to. Things that don't fit an organization's mind-set are likely to be ignored or reframed into familiar terms the organization can understand.

When it becomes difficult to identify a promising suspect, a second popular option is to *blame the bureaucracy*. Things go haywire because organizations are stifled by rules and red tape or, as in the Trump White House, the opposite—chaos resulting from a lack of clear goals, authority, roles, and rules. The solution, then, is either to tighten up, loosen up . . . or pay the price.

By this reasoning, tighter financial controls could have prevented the subprime mortgage meltdown of 2008. The tragedy of 9/11 could have been thwarted if agencies had had better protocols for spotting such a terrorist attack. But piling on rules and regulations is a direct route to bureaucratic rigidity. Rules can inhibit freedom and flexibility, stifle initiative, and generate reams of red tape. The Commission probing the causes of 9/11 concluded: “Imagination is not a gift associated with bureaucracy.” When things become too tight, the solution is to “free up” the system so red tape and rigid rules don’t stifle creativity and bog things down. An enduring storyline in popular films is the free spirit who triumphs in the end over silly rules and mindless bureaucrats (examples include the cult classics *Office Space* and *The Big Lebowski*). But many organizations vacillate endlessly between too loose and too tight.

A third fallacy attributes problems to *thirsting for power*. Enron collapsed, you could say, because key executives were more interested in getting rich and expanding their turf than in advancing the company’s best interests. This view sees organizations as jungles teeming with predators and prey. Victory goes to the more adroit, or the more treacherous. You need to play the game better than your opponents—and watch your back.

Each of these three perspectives contains a kernel of truth but oversimplifies a knottier reality. Blaming people points to the perennial importance of individual responsibility. People who are rigid, lazy, bumbling, or greedy do contribute to some of the problems we see in organizations. But condemning individuals often distracts us from seeing system weaknesses and offers few workable options. If, for example, the problem is someone’s abrasive or pathological personality, what do we do? Even psychiatrists find it hard to alter deeply entrenched character disorders, and firing everyone with a less-than-ideal personality is rarely a viable option. Training can go only so far in ensuring semi-flawless individual performance.

The blame-the-bureaucracy perspective starts from a reasonable premise: organizations exist to achieve specific goals. They usually work better when strategies, goals, and policies are clear (but not excessive), jobs are well defined (but not constricting), control systems are in place (but not oppressive), and employees behave prudently (but not callously). If organizations always operated that way, they would presumably work a lot better than most do. This perspective is better at explaining how organizations should work than why they often fall short. Managers who cling to logic and procedures become discouraged and frustrated when confronted by intractable irrational forces. Year after year, we witness the introduction

of new control systems, hear of new ways to reorganize, and are dazzled by emerging management strategies, methods, and gurus. Yet, as in the case of the Wuhan cover-up, old problems persist, seemingly immune to every rational cure we devise. As March and Simon point out, subterranean features of organizations become salient when threatened. Like blaming individuals, dog-eat-dog logic offers a plausible analysis of almost anything that goes wrong. People both seek and despise power, but find it a convenient way to explain problems. Within hours of the 9/11 terror attacks, a senior FBI official called Richard Clarke, America's counterterrorism czar, to tell him that many of the terrorists were known members of Al Qaeda.

"How the fuck did they get on board then?" Clarke exploded.

"Hey, don't shoot the messenger. CIA forgot to tell us about them."

In the context of its chronic battles with the CIA, the FBI was happy to throw a rival under the bus: "We could have stopped the terrorists if CIA had done their job."

The tendency to blame what goes wrong on people, bureaucracy, or thirst for power is part of our deeply embedded mental wiring. They provide quick and easy explanations that enable us to feel we understand when we don't. There's much more to understanding a complex situation than assigning blame. Certain universal peculiarities of organizations make them especially difficult to understand or decipher.

PECULIARITIES OF ORGANIZATIONS

Human organizations can be exciting and challenging places. That's how they are often depicted in management texts, corporate annual reports, and fanciful management thinking. But, as many people find, they can also be deceptive, confusing, and demoralizing. It is a mistake to assume that organizations are either snake pits or rose gardens (Schwartz, 1986). Managers need to recognize characteristics of life at work that create opportunities for the wise as well as hidden traps for the unwary. A case from the public sector provides a typical example:

When Bosses Rush In

Helen Demarco arrived in her office to discover a news item from the local paper. The headline read, "Osborne Announces Plan." Paul Osborne had arrived two months earlier as Amtran's new chief executive. His mandate was to "revitalize, cut costs, and improve efficiency."

After 20 years, Demarco had achieved a senior management position at the agency. She had little contact with Osborne, but her boss reported to him. Demarco and her colleagues

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had been waiting to learn what the new chief had in mind. She was startled as she read the newspaper account. Osborne's plan made technical assumptions directly related to her area of expertise. "He might be a change agent," she thought, "but he doesn't know much about our technology." She immediately saw the new plan's fatal flaws. "If he tries to implement this, it'll be the worst management mistake since the Edsel."

Two days later, Demarco and her colleagues received a memo instructing them to form a task force to work on the revitalization plan. When the group convened, everyone agreed the new proposal was, at best, crazy.

"What do we do?" someone asked.

"Why don't we just tell him it won't work?" said one hopeful soul.

"He's already gone public! You want to tell him his new baby is ugly?"

"Not me. Besides, I've heard, he already thinks a lot of us are deadwood. If we tell him it's no good, he'll just think we're defensive."

"Well, we can't go ahead with it. It'll never work and we'd be throwing away money."

"That's true," said Demarco thoughtfully. "But what if we tell him we're conducting a study of how to implement his plan?"

Demarco's innovative suggestion produced smiles around the room and received overwhelming approval. The group informed a delighted Osborne that they were moving ahead on the "implementation study" and expected excellent results. They got a substantial budget to support their "research." They did not mention their real purpose—to buy time and find a way to minimize the damage without alienating the boss.

Over time, the group assembled a lengthy technical report, filled with graphs, tables, and nearly impenetrable administrative jargon. The report offered two options. Option A, Osborne's original plan, was presented as technically challenging and well beyond anything Amtran could afford. Option B, billed as a "modest descaling" of the original plan, was projected as a more cost-effective alternative.

When Osborne pressed the group on the huge dollar disparity between the two proposals, he received a barrage of complicated cost-benefit projections and inscrutable technical terms. Hidden in a dense fog was the reality that even Option B offered few benefits at a very high price. Osborne argued and pressed for more information. But given the apparent facts, he agreed to proceed with Option B. The "Osborne plan" was announced with fanfare and widely heralded as another instance of Paul Osborne's talent for revitalizing ailing bureaucracies. Osborne had moved on to work his management magic on another organization by the time the plan came online, leaving his successor to defend the underwhelming results.

Helen Demarco came away with deep feelings of frustration and failure. The Osborne plan, in her view, was a wasteful mistake, and she had knowingly participated in a charade. But she rationalized to herself that she had no other choice. Osborne was adamant. It would have been career suicide to try to stop him.

Helen Demarco's case is not unique. Note that her story mirrors the story of the coronavirus cover-up in Wuhan. It is also easy to find similar stories in corporations. At the Geneva International Motor Show in 2012, Volkswagen CEO Martin Winterkorn proclaimed that by 2015 the company would cut its vehicles' carbon dioxide emissions by 30 percent from 2006 levels. It was a tremendously ambitious goal that would have beat the targets set by European regulators to combat global warming. But just like Paul Osborne, Winterkorn had set the bar too high. The engineers saw no way to meet the boss's goals, but no one wanted to tell him it couldn't be done. So, they cheated instead. There was a precedent because VW had already begun cheating on diesel emissions several years earlier, and observers reported that "an ingrained fear of delivering bad news to superiors" (Ewing, 2015, p. B3) was a feature of VW's culture. VW incurred huge financial and reputational costs when the cover-ups became a global news item.

Like Helen Demarco, Wuhan officials and VW engineers had other options but couldn't see them. Paul Osborne and Martin Winterkorn both thought they were providing bold leadership to vault their organizations forward. They were tripped up in part by human fallibility but also by how hard it can be to know what's really going on in any organization. Managerial wisdom and artistry require a well-honed understanding of four key characteristics of organizations.

First, *organizations are complex*. The behavior of the people who populate them is notoriously hard to predict. Large organizations in particular sport a bewildering array of people, departments, technologies, strategies, and goals. Moreover, organizations are open systems dealing with a changing, challenging, and erratic environment. Things can get even messier across multiple organizations. The 9/11 disaster and the 2021 invasion of the U.S. Capitol resulted from a chain of events that involved several separate autonomous systems. Almost anything can affect everything else in collective activity, generating causal knots that are hard to untangle. After an exhaustive investigation, our picture of 9/11 is woven from sundry evidence, conflicting testimony, and conjecture. Historians and scientists will spend years trying to untangle who should have done what to minimize global damage from the pandemic of 2020.

Second, *organizations are surprising*. What you expect is often not what you get. Paul Osborne saw his plan as a bold leap forward; Helen and her group deemed it an expensive albatross. In their view, Osborne was going to make matters worse by trying to improve them. He might have achieved better results by spending more time with his family and letting his organization take care of itself. Martin Winterkorn was stunned when the hidden cheating blew up in his face, costing him his job and hitting VW with devastating financial and reputational damage.

The solution to yesterday's problems often creates tomorrow's obstacles. A friend of ours headed a retail chain. In the firm's early years, he had a problem with two sisters who worked in the same store. To prevent this from recurring, he established a nepotism policy prohibiting members of the same family from working for the company. Years later, two talented employees met at work, fell in love, and began to live together. The president was startled when they asked if they could get married without being fired. Taking action in a cooperative venture is like shooting a wobbly cue ball into a scattered array of self-directed billiard balls. Balls bounce in so many directions that it is impossible to know how things will eventually sort out.

Third, *organizations are deceptive*. They camouflage mistakes and surprises. Helen Demarco and her colleagues disguised obfuscation as technical analysis. After 9/11, America's homeland defense organizations tried to conceal their confusion and lack of preparedness for fear of revealing strategic weaknesses. Volkswagen engineers developed software whose only purpose was to cheat on emissions tests, hoping that no one would ever see through their deception. Officials in Wuhan, China, tried to cover up the seriousness of the coronavirus outbreak for a few critical weeks with devastating consequences for the world.

It is tempting to blame deceit on individual weakness. Yet Helen Demarco disliked fraud and regretted cheating—she simply believed it was her best option. Sophisticated managers know that what happened to Paul Osborne happens all the time. When a quality initiative fails or a promising product tanks, subordinates often clam up or cover up. They fear that the boss will not listen or will kill the messenger. A friend in a senior position in a large government agency put it simply: "Communications in organizations are rarely candid, open, or timely."

Fourth, *organizations are ambiguous*. Complexity, unpredictability, and deception generate rampant ambiguity, a dense fog that shrouds what happens from day to day. It is hard to get the facts and even harder to know what they mean or what to do about them. Helen Demarco never knew how Paul Osborne really felt, how receptive he was to other points of view, or how open he was to compromise. She and her peers piled on more mystery by conspiring to keep him in the dark.

Ambiguity has many sources. Sometimes available information is incomplete or vague. That was a huge problem for decision makers in the early days of the Covid-19 pandemic. Little was known about a novel virus that attacked people in complex and puzzling ways. Emergency room doctors around the world struggled to understand what they were dealing with and what to do about it.

In addition, different people may interpret the identical information in a variety of ways, depending on mind-sets and organizational doctrines. During the pandemic in the

United States, wearing masks and the value of ingesting hydrochloroquine became politicized, with supporters and opponents of President Trump interpreting available information in very different ways. At other times, ambiguity is intentionally manufactured as a smoke screen to conceal problems or avoid conflict. Much of the time, events and processes are so intricate, scattered, and uncoordinated that no one can fully understand—let alone control—the reality. Exhibit 2.1 lists some of the most important sources of organizational uncertainty.

ORGANIZATIONAL LEARNING

How can valid lessons be extracted from surroundings that are complex, surprising, deceptive, and ambiguous? It isn't easy, as many who tried have found out. Decades ago, scholars debated whether the idea of organizational learning made sense: Could organizations actually learn, or was learning inherently individual? That debate lapsed as experience verified instances in which individuals learned and organizations didn't, or vice versa. Complex firms such as Amazon, Apple, and Southwest Airlines have “learned” capabilities far beyond individual knowledge. Lessons are enshrined in protocols, policies, technologies, and shared cultural codes and traditions. At the same time, individuals often learn even when systems cannot.

Perspectives on organizational learning are exemplified in the work of Argote and Miron-Spector (2011), Peter Senge (1990), Barry Oshry (1995), and Chris Argyris and

Exhibit 2.1. Sources of Ambiguity.

- We are not sure what the problem is.
- We are not sure what is really happening.
- We are not sure what we want.
- We do not have the resources we need.
- We are not sure who is supposed to do what.
- We are not sure how to get what we want.
- We are not sure how to determine if we have succeeded.

Source: Adapted from McCaskey (1982).

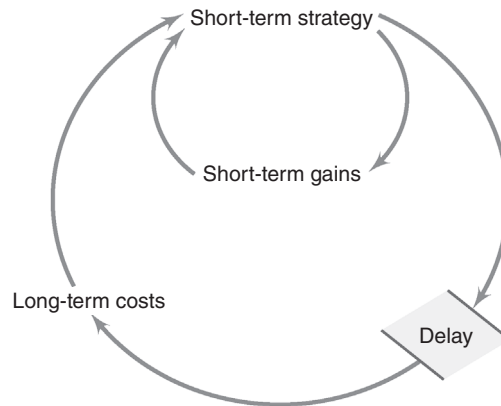
Donald Schön (1978, 1996). Argote and Miron-Spector review the literature on organizational learning and offer a rational perspective in which as organizational members use organizational tools to perform tasks, they acquire experience that leads to knowledge which is then embedded in the organizational context, including its culture. Changes in the context feed back to influence subsequent experience, completing the causal circle. Argote and Miron-Spector acknowledge that knowledge can be ambiguous and difficult to verify, but devote little attention to barriers to learning. Senge, on the other hand, sees a core-learning dilemma: “We learn best from our experience, but we never directly experience the consequences of many of our decisions” (p. 23). Learning is relatively easy when the link between cause and effect is clear. But complex systems often sever that connection: causes remote from effects, solutions detached from problems, and feedback absent, delayed, or misleading (Cyert and March, 1963; Senge, 1990).

Senge emphasizes the value of “system maps” that clarify how a system works. Consider the system dynamics of Covid-19. In February, 2020, while America’s attention was focused on the risk of the coronavirus invading from China, it arrived in New York among some two million travelers from Europe. The virus then spread quietly at a time when testing capacity was severely limited. Residents in a city of eight million continued to do all the things they usually did – including riding crowded subways, eating at restaurants, attending large conferences, and going to concerts and the theater. Without realizing it, they were engaging in very risky behavior. But, in the short term, they got no feedback, and saw no visible signs saying: “Warning! You have just been exposed to a deadly virus!” The lag between infection and symptoms was compounded by asymptomatic carriers and delays in testing. By the time very sick patients began to show up in emergency rooms, the virus was out of control.

Covid-19 is one of many examples of actions or strategies that look good until long-term costs become apparent. A corresponding systems model might look like Exhibit 2.2. The strategy might be cutting training to improve short-term profitability, drinking martinis to relieve stress, offering rebates to entice customers, borrowing from a loan shark to cover gambling debts, or carelessly attending an unmasked “super-spreader” event during a viral pandemic. In each case, the initial results seem fine, and the costs only emerge further down the road.

Oshry (1995) agrees that system blindness is widespread but highlights causes rooted in troubled relationships between groups that have little grasp of what’s going on outside their own locality. Top managers feel overwhelmed by complexity, responsibility, and overwork. They are chronically dissatisfied with subordinates’ lack of initiative and creativity. Middle managers, meanwhile, feel trapped between contradictory signals and pressures. The top tells them to take initiative but then punishes mistakes. Their subordinates expect them to

Exhibit 2.2. Systems Model with Delay.



intervene with the boss and improve working conditions. Top and bottom tug in opposite directions, causing those in the middle to feel pulled apart, confused, and weak. At the bottom, workers feel powerless, unacknowledged, and demoralized. “They give us bad jobs, lousy pay, and lots of orders but never tell us what’s really going on. Then they wonder why we don’t love our work.” Unless you can step back and see how system dynamics create these patterns, you muddle along blindly, unaware of better options.

Both Oshry and Senge argue that our failure to read system dynamics traps us in cycles of blaming and self-defense. Problems are always someone else’s fault. Unlike Senge, who sees gaps between cause and effect as primary barriers to learning, Argyris and Schön (1978, 1996) emphasize managers’ fears and defenses. As a result, “the actions we take to promote productive organizational learning actually inhibit deeper learning” (Argyris and Schön, 1996, p. 281).

According to Argyris and Schön, our behavior obstructs learning because we avoid undiscussable, verboten issues and carefully tiptoe around organizational taboos. That helps us avoid immediate conflict and discomfort in the moment, but in doing so we create a double bind. We can’t solve problems without dealing with issues we have tried to hide. Yet discussing them would expose our cover-up. Facing that double bind, Volkswagen engineers and Wuhan officials hid their cover-up until outsiders caught on. Desperate maneuvers to hide the truth and delay the inevitable made the day of reckoning more catastrophic.

MAKING SENSE OF AMBIGUITY AND COMPLEXITY

Organizations try to cope with complexity and uncertainty by getting smarter or making their worlds simpler. One approach to getting smarter is developing better systems and technology to collect and process data. Another is to hire or develop professionals with sophisticated expertise in handling thorny problems. To simplify their environment, organizations often break complex issues into smaller chunks and assign slices to specialized individuals or units. These and other methods are often helpful but not always sufficient. Despite the best efforts, as we have seen or experienced, surprising—and sometimes appalling—events still happen. We need better ways to anticipate problems and wrestle with them once they arrive.

In trying to make sense of complicated and ambiguous situations, humans are often in over their heads, their brains too taxed to decode all the complexity around them. At best, managers can hope to achieve “bounded rationality,” which Foss and Weber (2016) describe in terms of three dimensions:

1. *Processing capacity*: Limits of time, memory, attention, and computing speed mean that the brain can only process a fraction of the information that might be relevant in each situation.
2. *Cognitive economizing*: Cognitive limits force human decision makers to use shortcuts—rules of thumb, mental models, or frames—in order to trim complexity and messiness down to manageable size.
3. *Cognitive biases*: Humans tend to interpret incoming information to confirm their existing beliefs, expectations, and values. They often welcome confirming information while ignoring or rejecting disconfirming signals.

Benson (2016) frames cognitive biases in terms of four broad tendencies that create a self-reinforcing cycle (see Exhibit 2.3). To cope with information overload, we filter out most data and take in only what seems important and consistent with our current mind-set. That gives us an incomplete picture, but we fill in the gaps to make everything fit with our current beliefs. Then, in order to act quickly instead of getting lost in thought, we favor the easy and obvious over the complex or difficult. We then code our experience into memory by discarding specifics and retaining generalities or by using a few specifics to represent a larger whole. This reinforces our current mental models, which then shape how we process experience in the future.