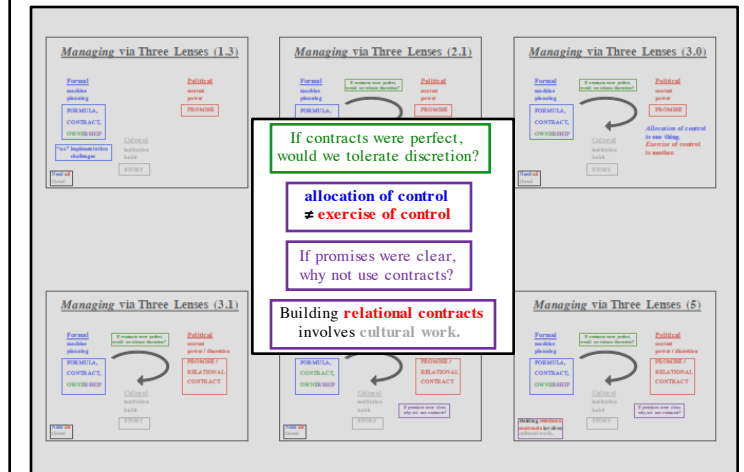


## Framework 3: *Managing via 3 Lenses*



## Three Lenses on Org. Processes

### Design

Organizations are machines

An organization is a mechanical system crafted to achieve a defined goal. Parts must fit well together and match the demands of the environment.

Action comes through planning.

### Political

Organizations are contests

An organization is a social system encompassing diverse, and sometimes contradictory, interests and goals. Competition for resources is expected.

Action comes through power.

### Cultural

Organizations are institutions

An organization is a symbolic system of meanings, artifacts, values, and routines. Informal norms and traditions exert a strong influence on behavior.

Action comes through habit.

Need all three!

Ancona et. al. 99

## Managing via Three Lenses (1.0)

Formal  
machine  
planning

FORMULA,

Political  
contest  
power

PROMISE

Cultural  
institution  
habit

STORY

Need all three!

- Can't have two views of a formula
- Might have two views of a promise
- Then need "cultural" work towards shared understanding

One economist's view of part of grey!

### Managing via Three Lenses (1.1)

Formal  
machine  
planning

FORMULA,  
CONTRACT

Political  
contest  
power

PROMISE

Cultural  
institution  
habit

STORY

Need all  
three!

### Managing via Three Lenses (1.2)

Formal  
machine  
planning

FORMULA,  
CONTRACT,  
OWNERSHIP

Political  
contest  
power

PROMISE

Cultural  
institution  
habit

STORY

Need all  
three!

### Managing via Three Lenses (1.3)

Formal  
machine  
planning

FORMULA,  
CONTRACT,  
OWNERSHIP

'no" implementation  
challenges

Political  
contest  
power

PROMISE

Cultural  
institution  
habit

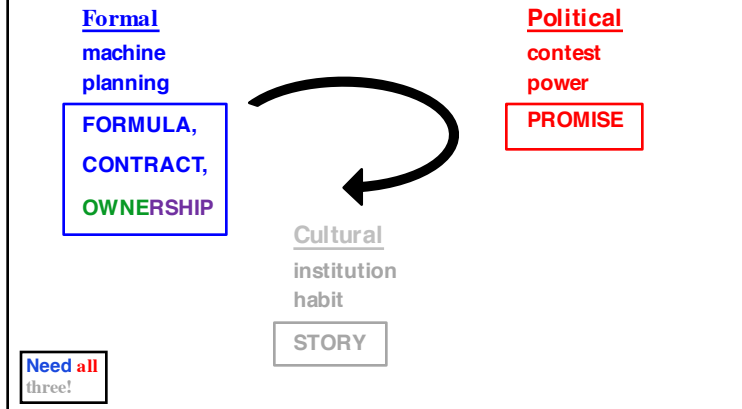
STORY

Need all  
three!

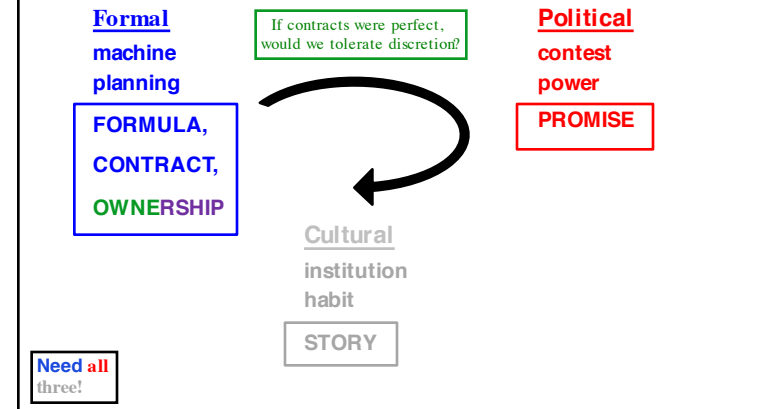
### Lessons

1. If the organizations you observe seem less efficient than the markets you observe, consider that they may be handling different problems
2. If a contract will handle your problem well, why use a boss?
3. If a contract would do poorly, you face a hard problem, so a boss might do better but still not be perfect.
4. Problems where formal instruments (alone) do poorly are hard.

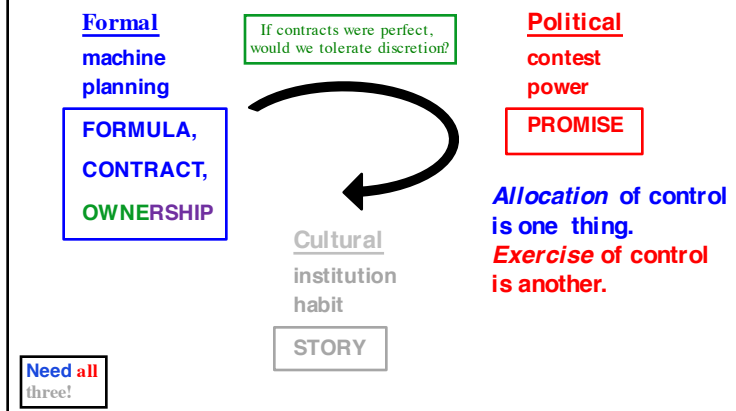
## Managing via Three Lenses (2.0)



## Managing via Three Lenses (2.1)



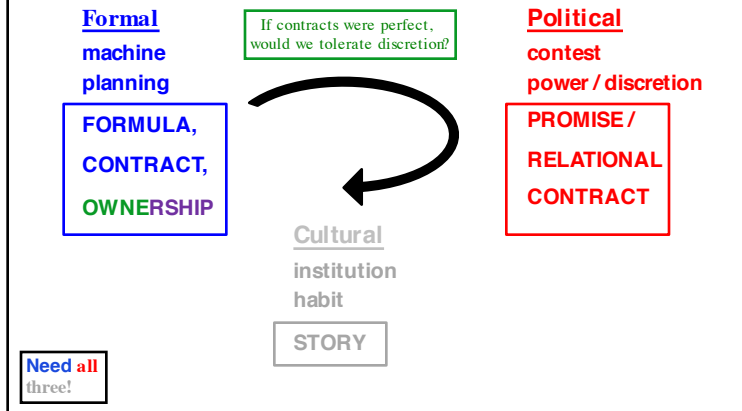
## Managing via Three Lenses (3.0)



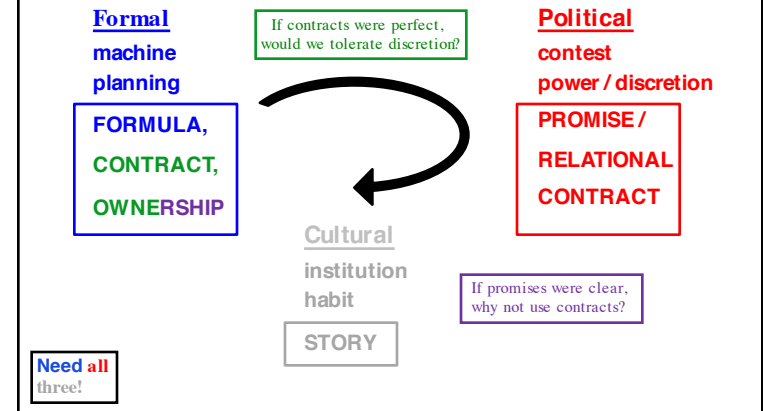
## Lessons

1. If the organizations you observe seem less efficient than the markets you observe, consider that they may be handling different problems
2. If a contract will handle your problem well, why use a boss?
3. If a contract would do poorly, you face a hard problem, so a boss might do better but still not be perfect.
4. Problems where formal instruments (alone) do poorly are hard.
5. Discretion may help in hard problems?

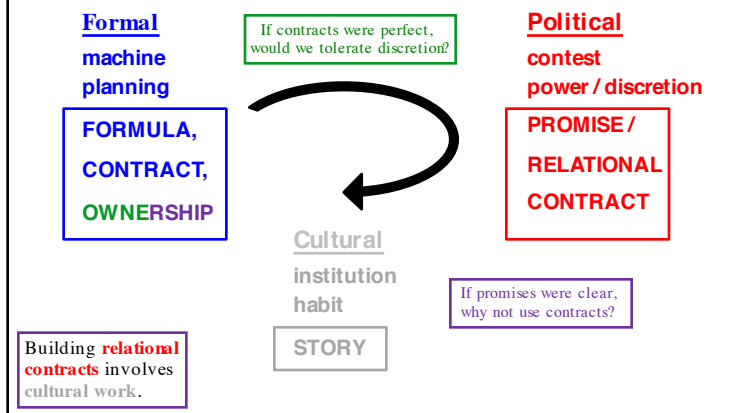
### Managing via Three Lenses (3.1)



### Managing via Three Lenses (4)



### Managing via Three Lenses (5)



### Lessons

1. If the organizations you observe seem less efficient than the markets you observe, consider that they may be handling different problems
2. If a contract will handle your problem well, why use a boss?
3. If a contract would do poorly, you face a hard problem, so a boss might do better but still not be perfect.
4. Problems where formal instruments (alone) do poorly are hard.
5. Discretion may help in hard problems?
6. Culture's role in making discretion help?