Framework 2: Managing via 3 Lenses

In hard problems, Formal Is Flawed. Relational is Required. Build an Equilibrium.

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.

Managing via Three Lenses (1.0)

Formal
machine
planning
PROMISE

Political
contest
power

Cultural
institution
habit
STORY

Need all three!

Ancona et al. 99

If contracts were perfect, would we tolerate discretion?
allocation of control ≠ exercise of control
If promises were clear, why not use contracts?
Building relational contracts involves cultural work.
• Can’t have two views of a formula
• Might have two views of a promise
• Then need “cultural” work towards shared understanding

Managing via Three Lenses (1.1)

Managing via Three Lenses (1.2)

Managing via Three Lenses (1.3)
Managing via Three Lenses (2.0)

Formal machine planning
FORMULA, CONTRACT, OWNERSHIP

Political contest power
PROMISE

Cultural institution habit
STORY

Need all three?

Managing via Three Lenses (2.1)

Formal machine planning
FORMULA, CONTRACT, OWNERSHIP

Political contest power
PROMISE

Cultural institution habit
STORY

If contracts were perfect, would we tolerate discretion?

Managing via Three Lenses (3.0)

Formal machine planning
FORMULA, CONTRACT, OWNERSHIP

If contracts were perfect, would we tolerate discretion?

Political contest power
PROMISE

Cultural institution habit
STORY

Having discretion is one thing, exercising it is another.

Managing via Three Lenses (3.1)

Formal machine planning
FORMULA, CONTRACT, OWNERSHIP

If contracts were perfect, would we tolerate discretion?

Political contest power
PROMISE

Cultural institution habit
STORY

If contracts were perfect, would we tolerate discretion?

PROMISE, RELATIONAL CONTRACT
Managing via Three Lenses (3.2)

Formal machine planning

If contracts were perfect, would we tolerate discretion?

If promises were clear, why not use contracts?

Managing via Three Lenses (4.0)

Formal machine planning

If contracts were perfect, would we tolerate discretion?

If promises were clear, why not use contracts?

Building relational contracts involves cultural work.