

Smart organizations should also be stupid, according to new theory

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Critical reflection and shrewdness can help companies to avoid crises, but sometimes good old-fashioned stupidity can serve an important function in raising the efficiency of an organization, claims Mats Alvesson, Professor of Organisation Studies at the School of Economics and Management, Lund University, Sweden, in a new theory of 'functional stupidity' that has been published in the *Journal of Management Studies*.

"We see functional stupidity as the absence of critical reflection. It is a state of unity and consensus that makes employees in an organisation avoid questioning decisions, structures and visions", says Mats Alvesson. "Paradoxically, this sometimes helps to raise productivity in an organisation."

Together with colleague André Spicer, Mats Alvesson has written an article entitled 'A Stupidity-Based Theory of Organisations', which was recently published in the renowned [Journal of Management Studies](#) and has been featured in the [Financial Times](#). In the article, he expounds the logic behind 'functional stupidity'.

"It is a double-edged sword. It is functional because it has some advantages and makes people concentrate enthusiastically on the task in hand. It is stupid because risks and problems may arise when people do not pose critical questions about what they and the organisation are doing."

The state is partly a consequence of a kind of 'stupidity [management](#)', which suppresses and marginalises doubt and blocks [open communication](#) within the organisation. The parallels with some companies' sudden financial crashes in recent years are clear.

"Short-term use of intellectual resources, consensus and an absence of disquieting questions about decisions and structures may oil the organisational machinery and contribute to harmony and increased productivity in a company. However, it may also be its downfall."

According to the researchers, some industries are more stupid than others. Organisations that make a virtue of their staff's wisdom and sell intangible services or branded products, such as parts of the mass media, the fashion industry and consultancy firms, are highlighted as being particularly disposed to develop functional stupidity.

"Functional stupidity is prominent in economies that are dominated by persuasion using images and symbolic manipulation. It is preferable that people have an enthusiastic belief in an activity which may not necessarily fulfil a need. New management may be required to manage the fine balance and possible pitfalls of functional stupidity", says Mats Alvesson.

More information: Link to article: 'A Stupidity-Based Theory of Organisations', published in the *Journal of Management Studies*: [onlinelibrary.wiley.com/doi/10 ... 012.01072.x/abstract](http://onlinelibrary.wiley.com/doi/10.1111/j.1468-2370.2012.01072.x/abstract)

Link to Andrew Hill's column 'The Quest for the Right Kind of Stupidity' in the *Financial Times*: [www.ft.com/cms/s/0/2cefbab2-5b ... a.html#axzz2Ib7RPT95](http://www.ft.com/cms/s/0/2cefbab2-5b...a.html#axzz2Ib7RPT95)

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