

Effective Organisations

Eos make ordinary workers productive

Scale + Specialization + Motivation

Motivation: Incentives + Internalization

We understand incentives much better than
internalization

Understanding Organizational Dysfunction

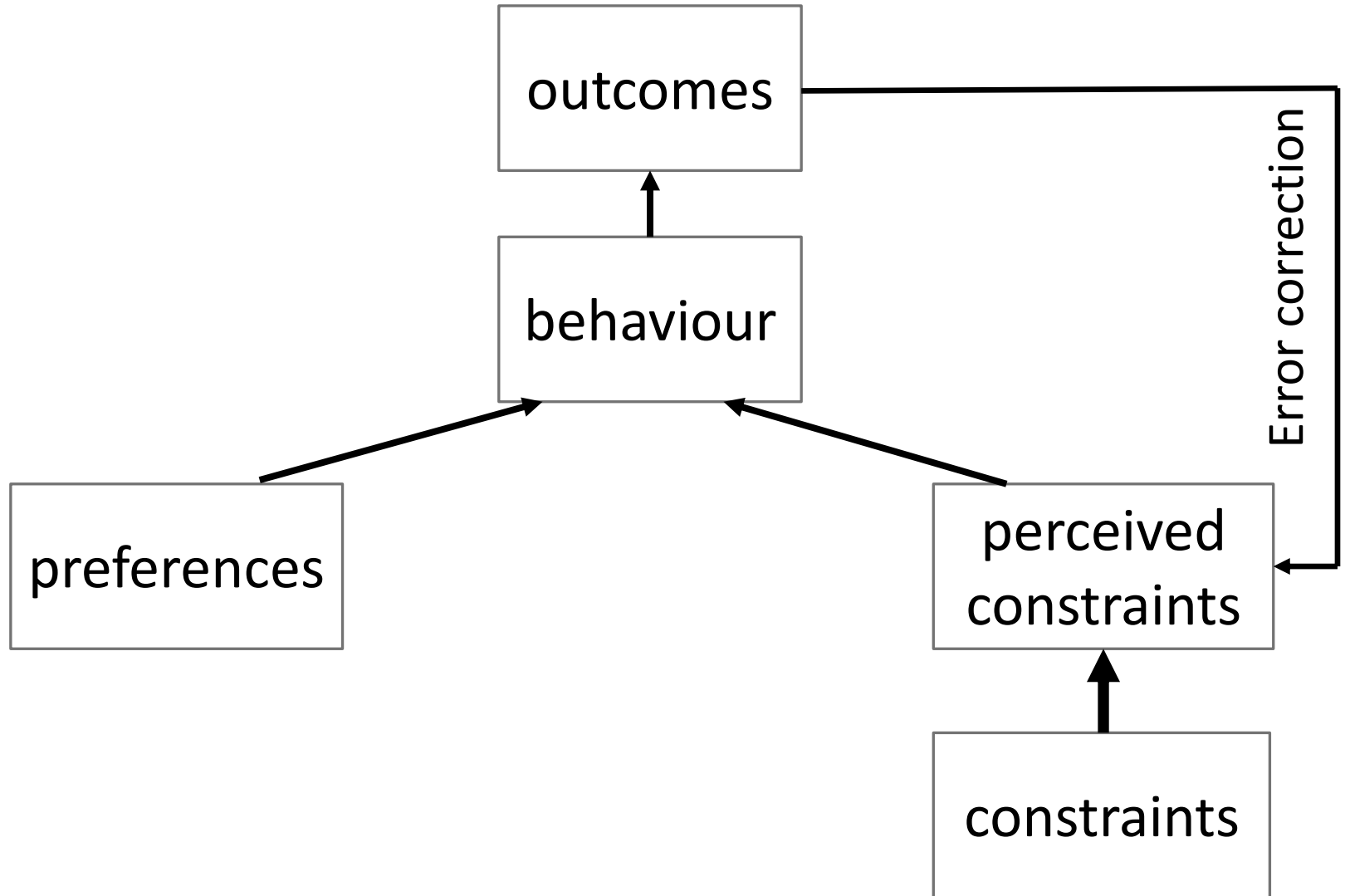
- occurs in pockets (so not due to universal decision biases)
- persistent despite bad outcomes (so locally stable)

“Cultures” are:

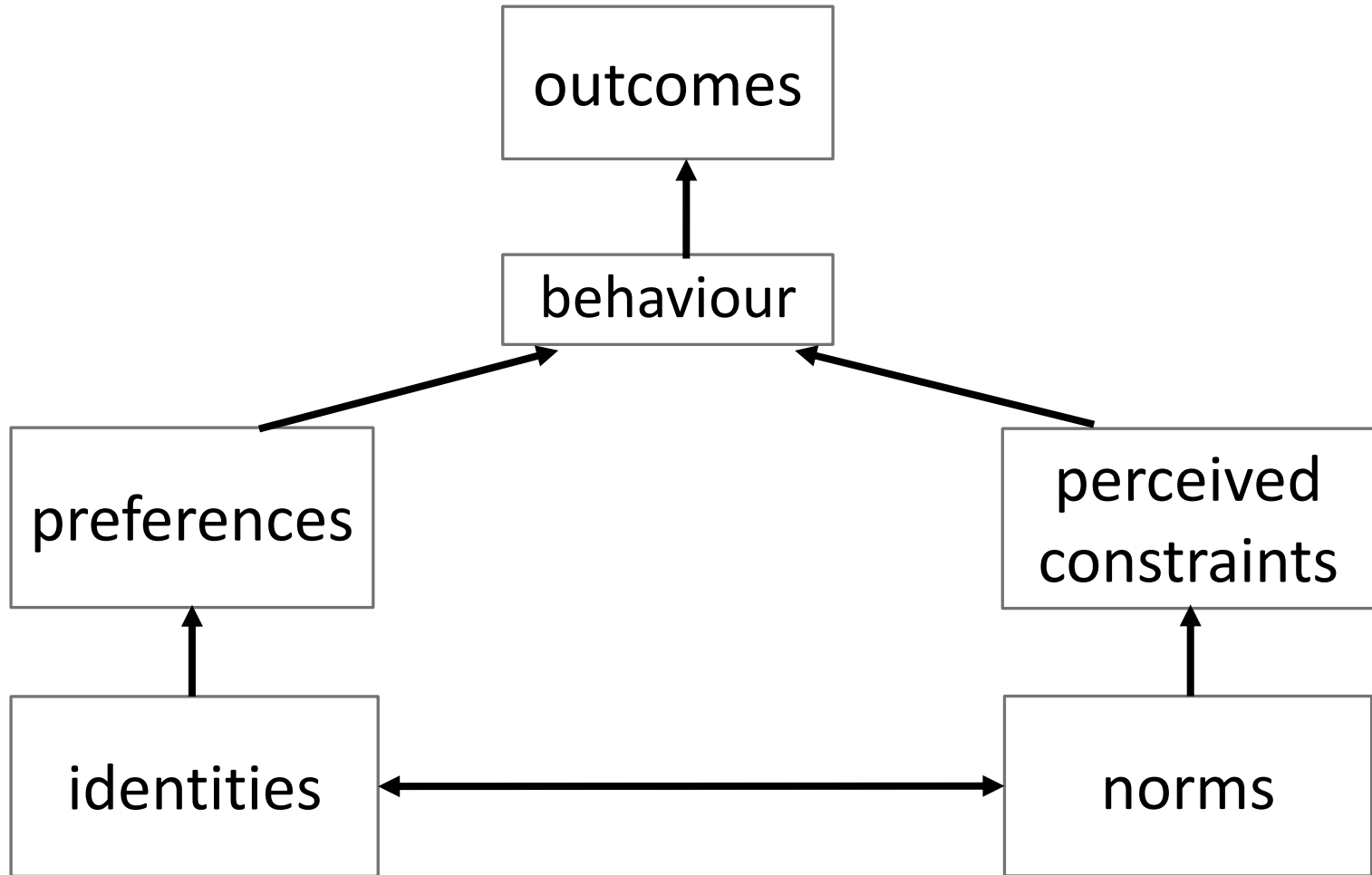
- differentiated
- persistent

But how might they fit into conventional analysis?

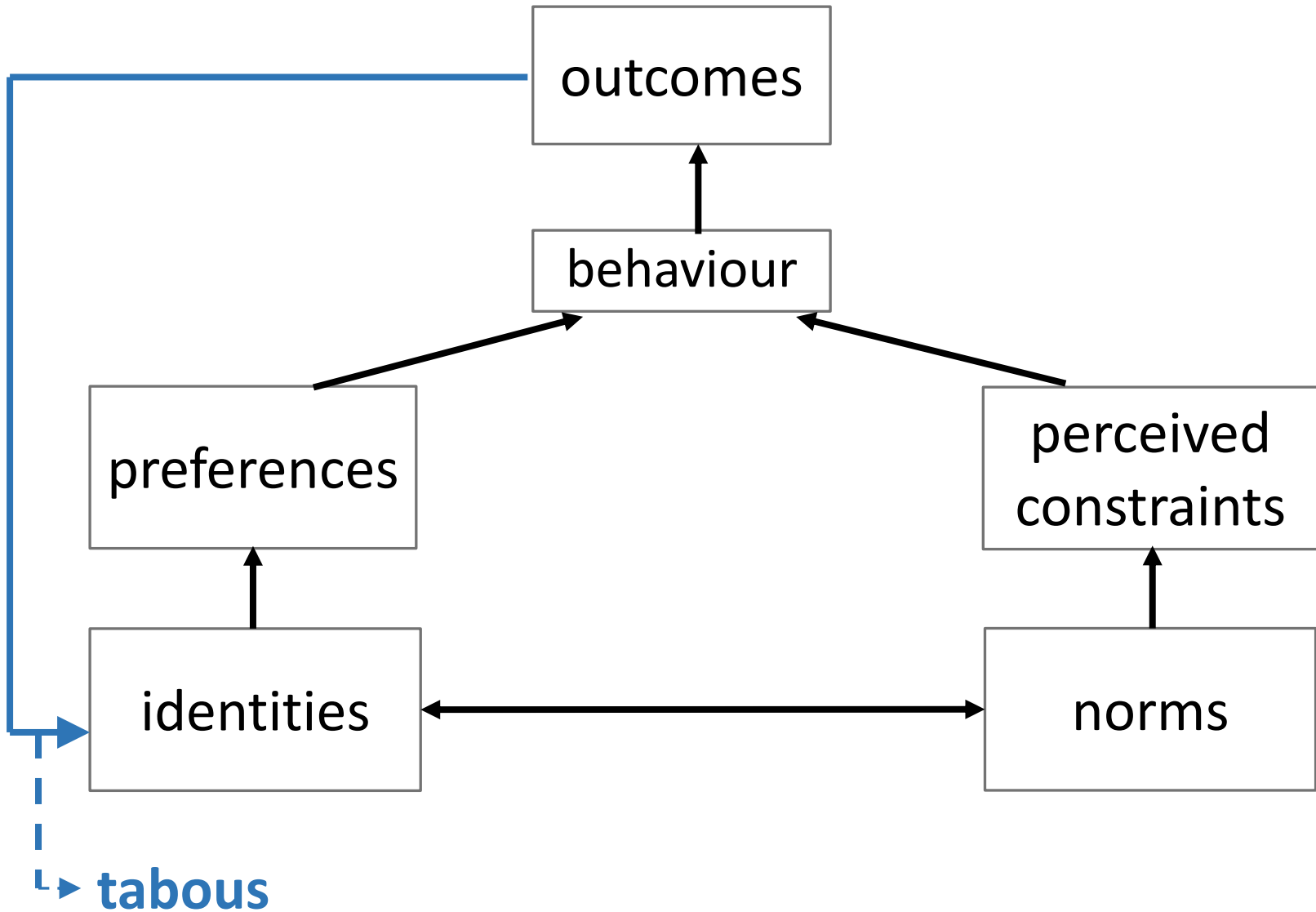
What I was taught



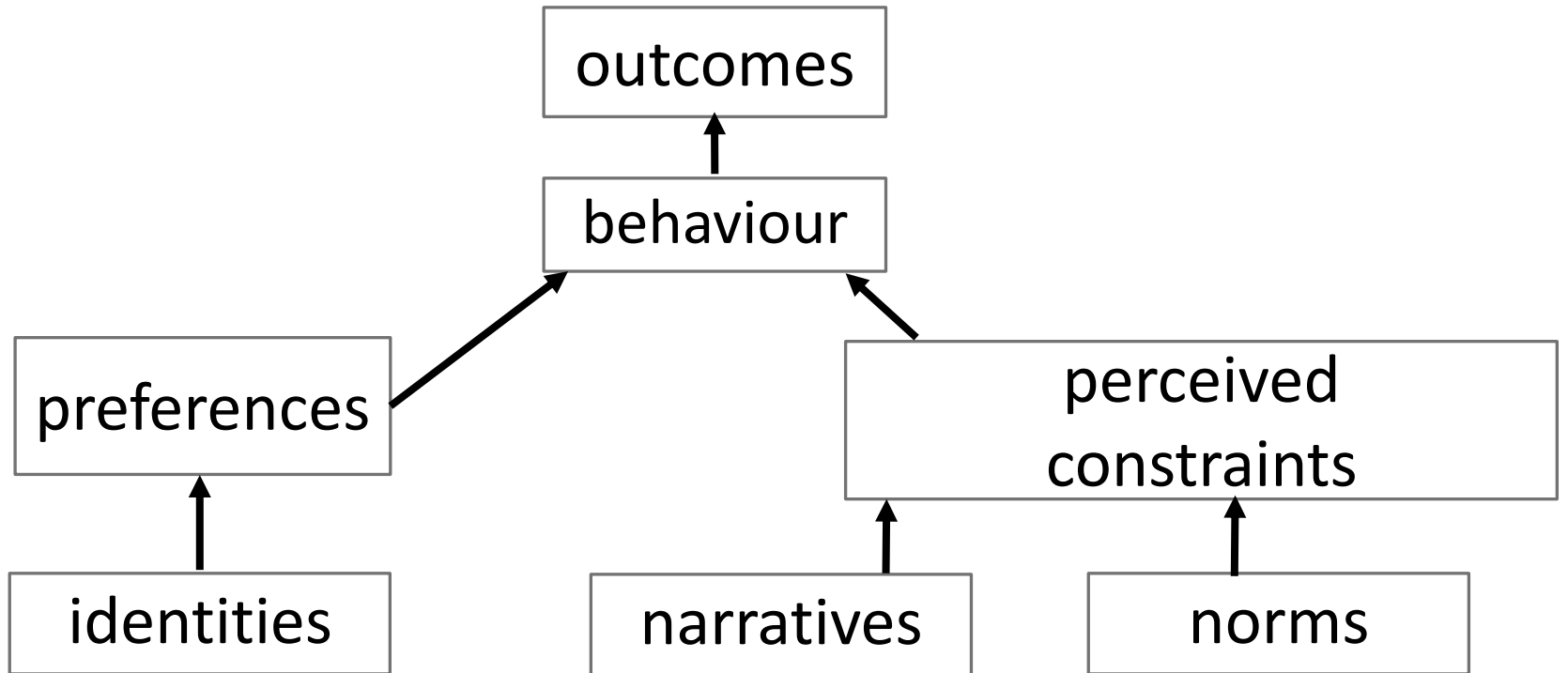
Akerlof 1



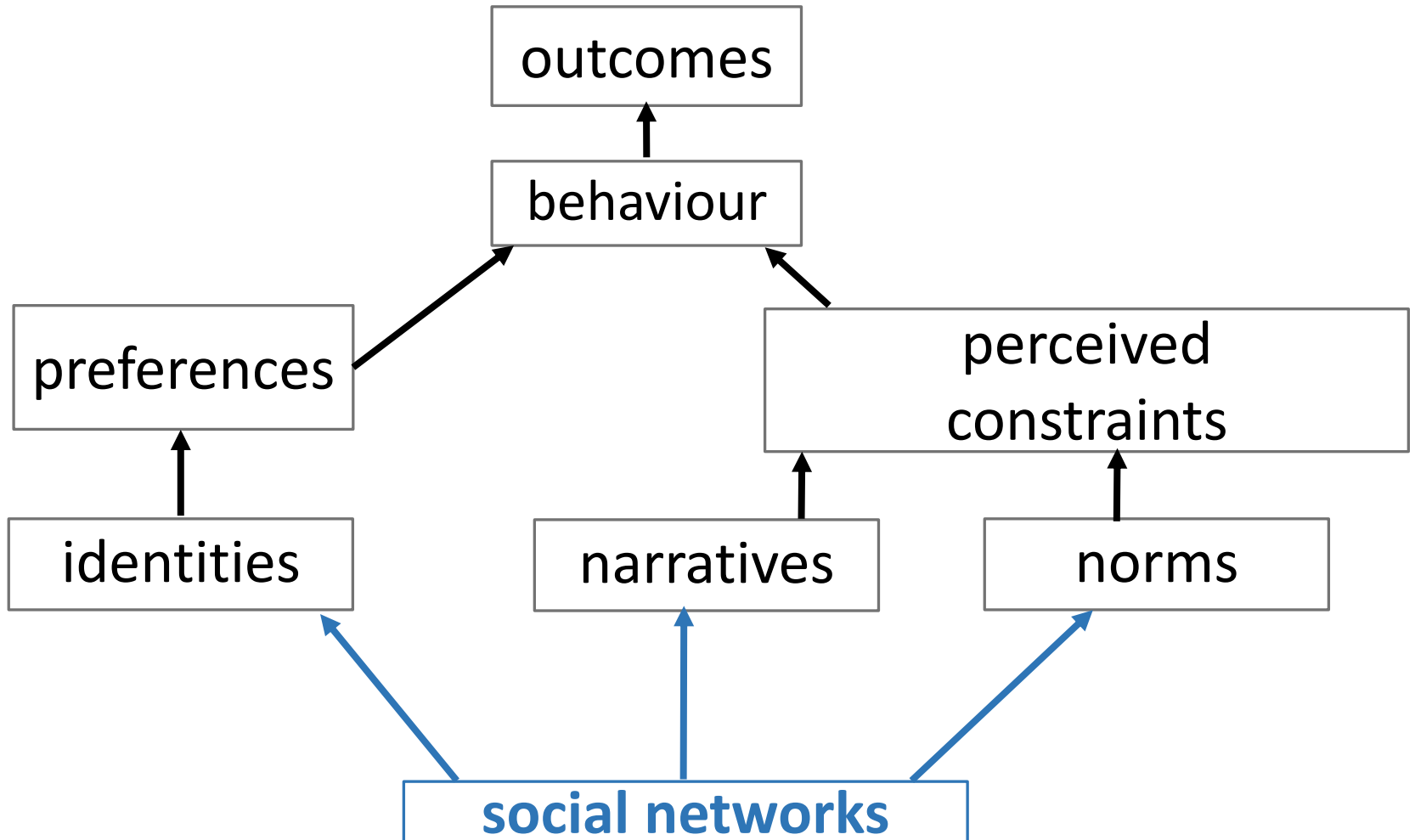
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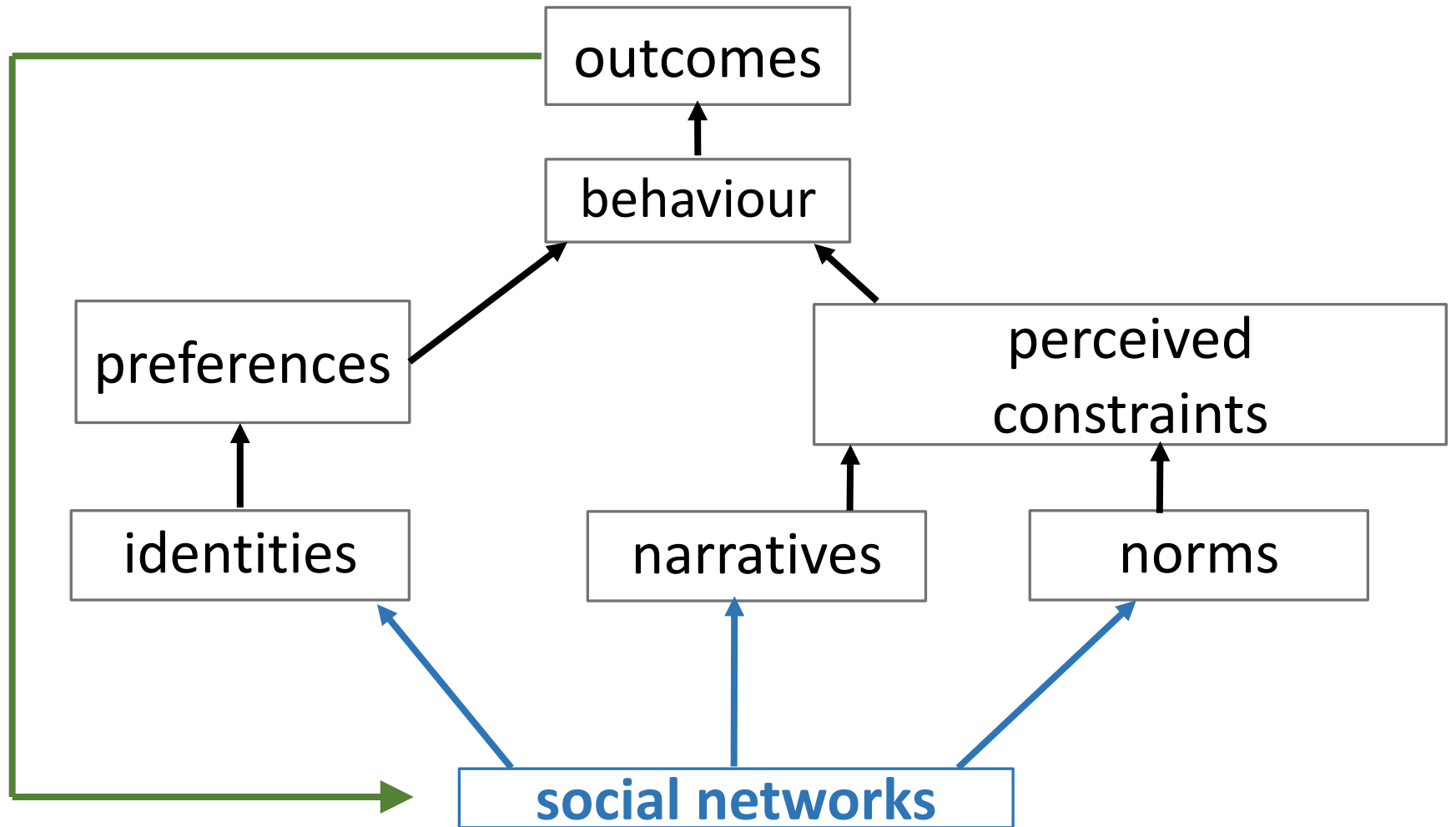
Akerlof - Collier



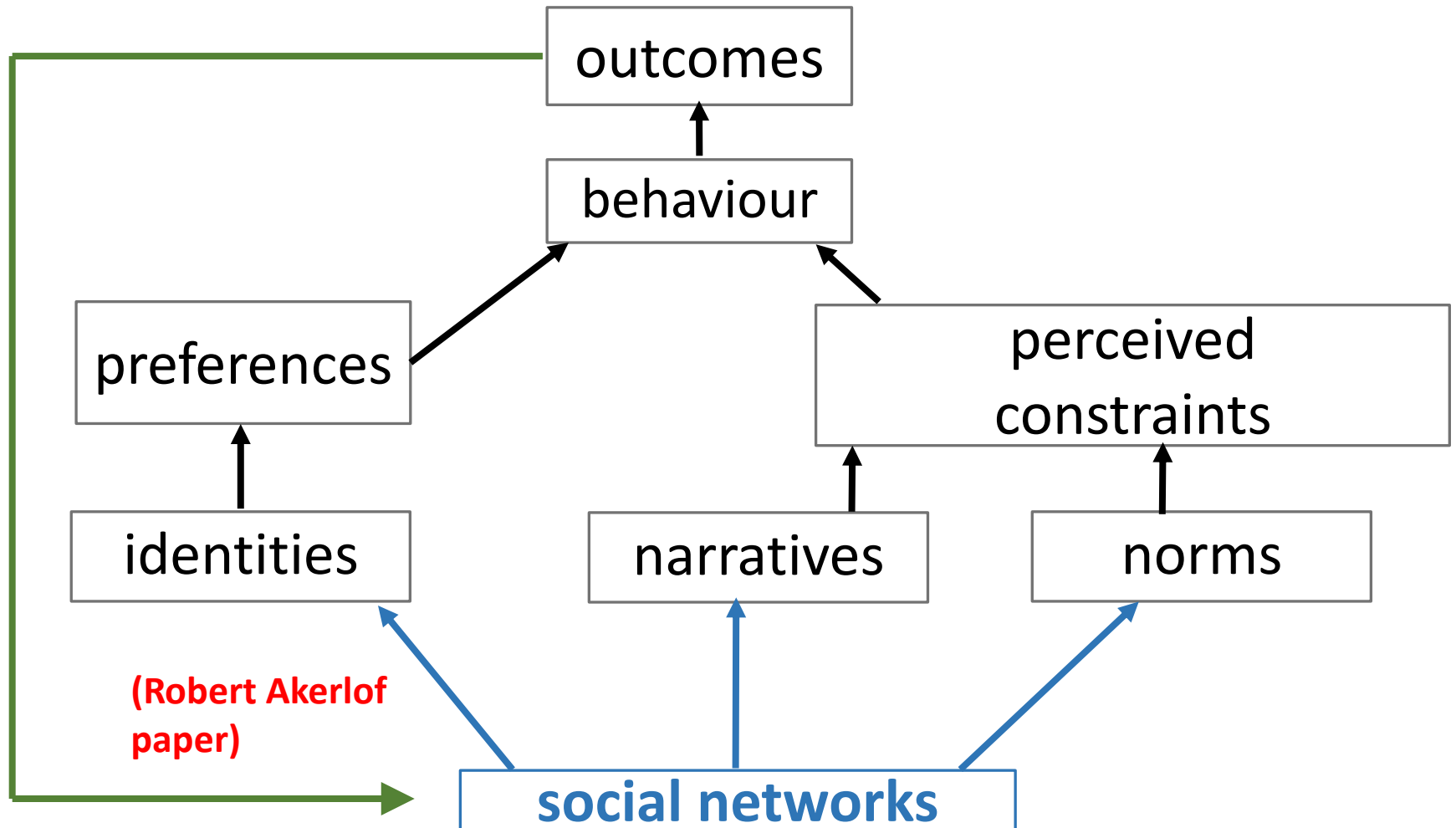
Akerlof - Collier



Akerlof - Collier

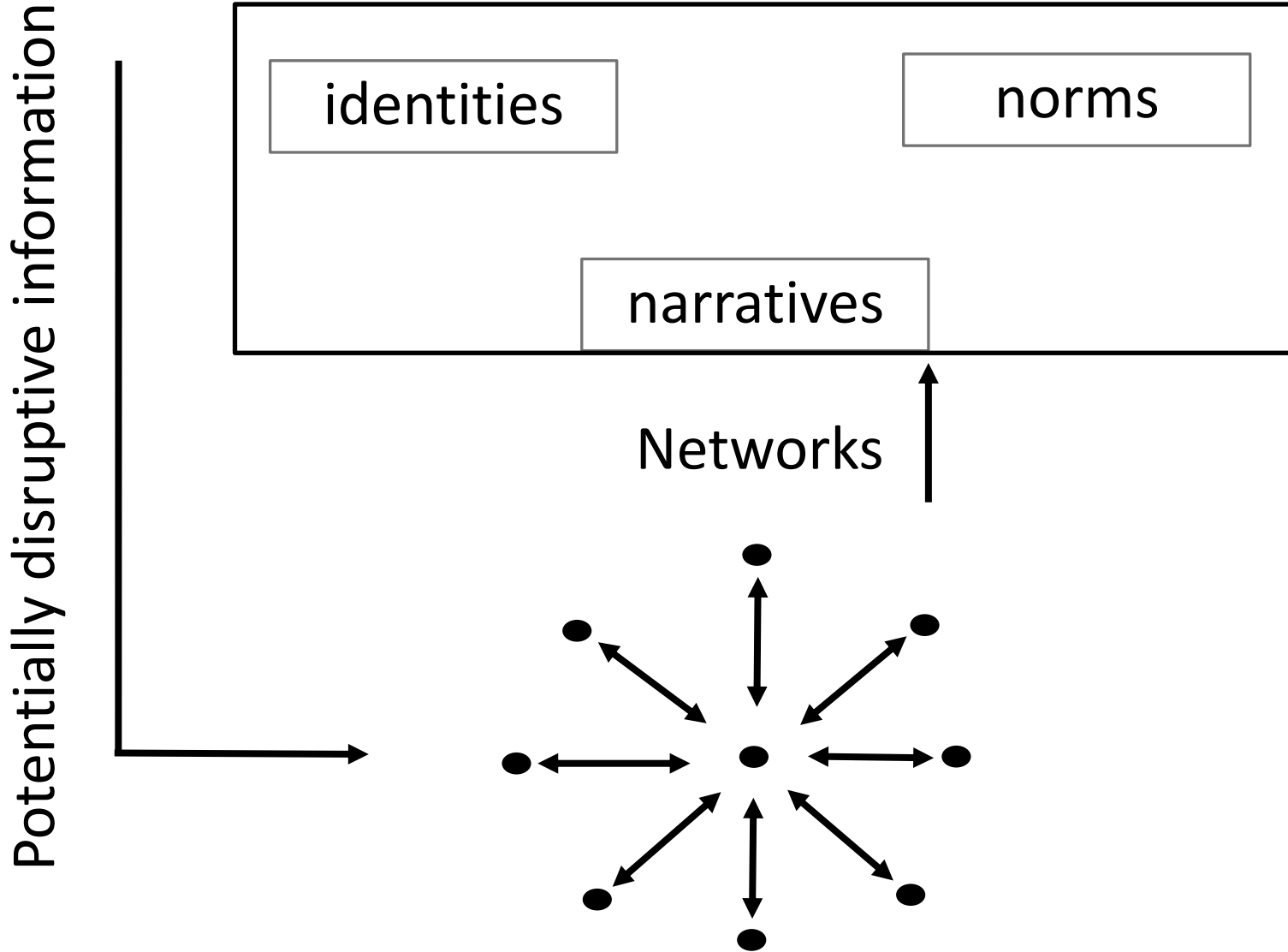


Akerlof - Collier

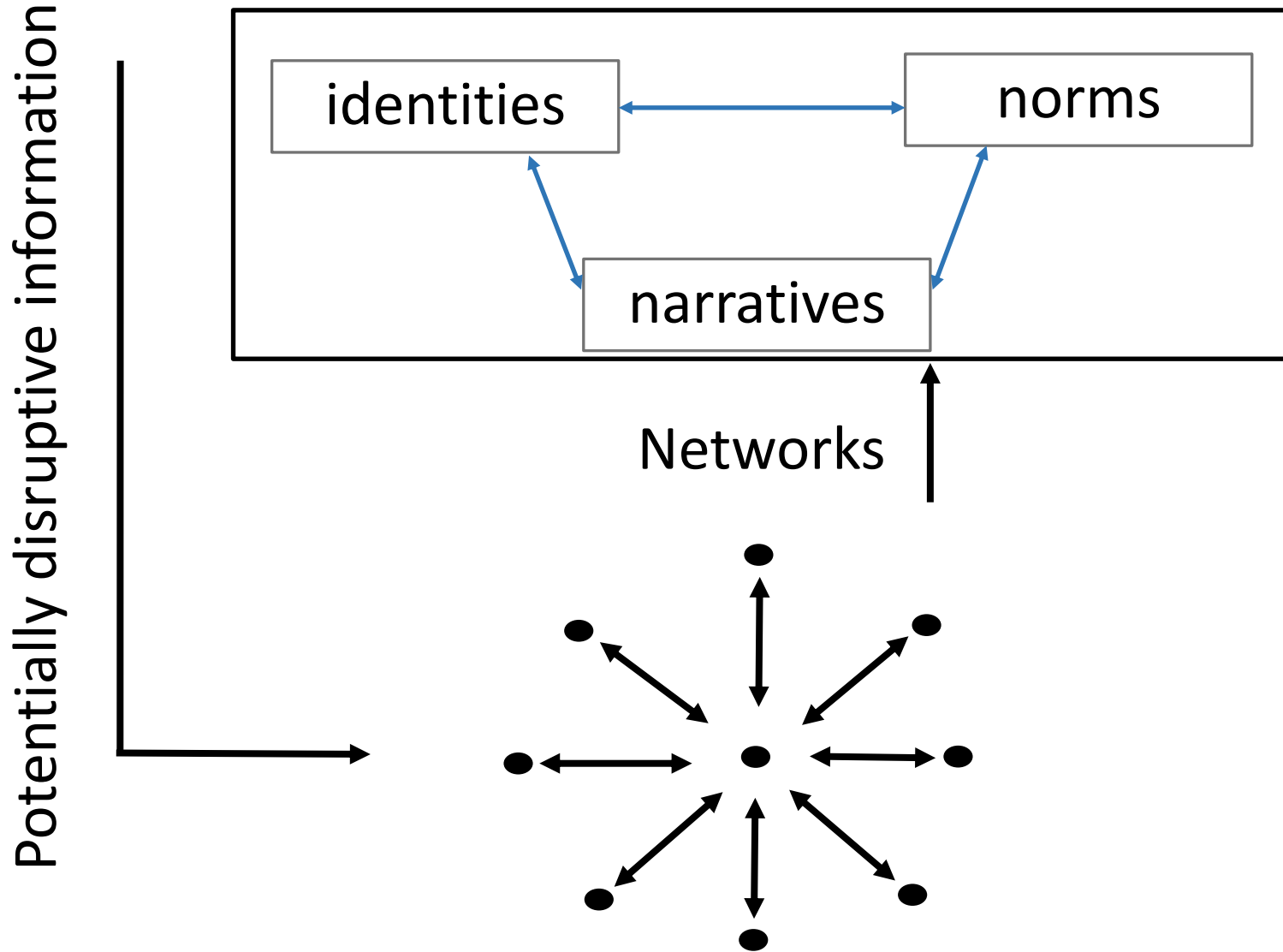


Local Stability

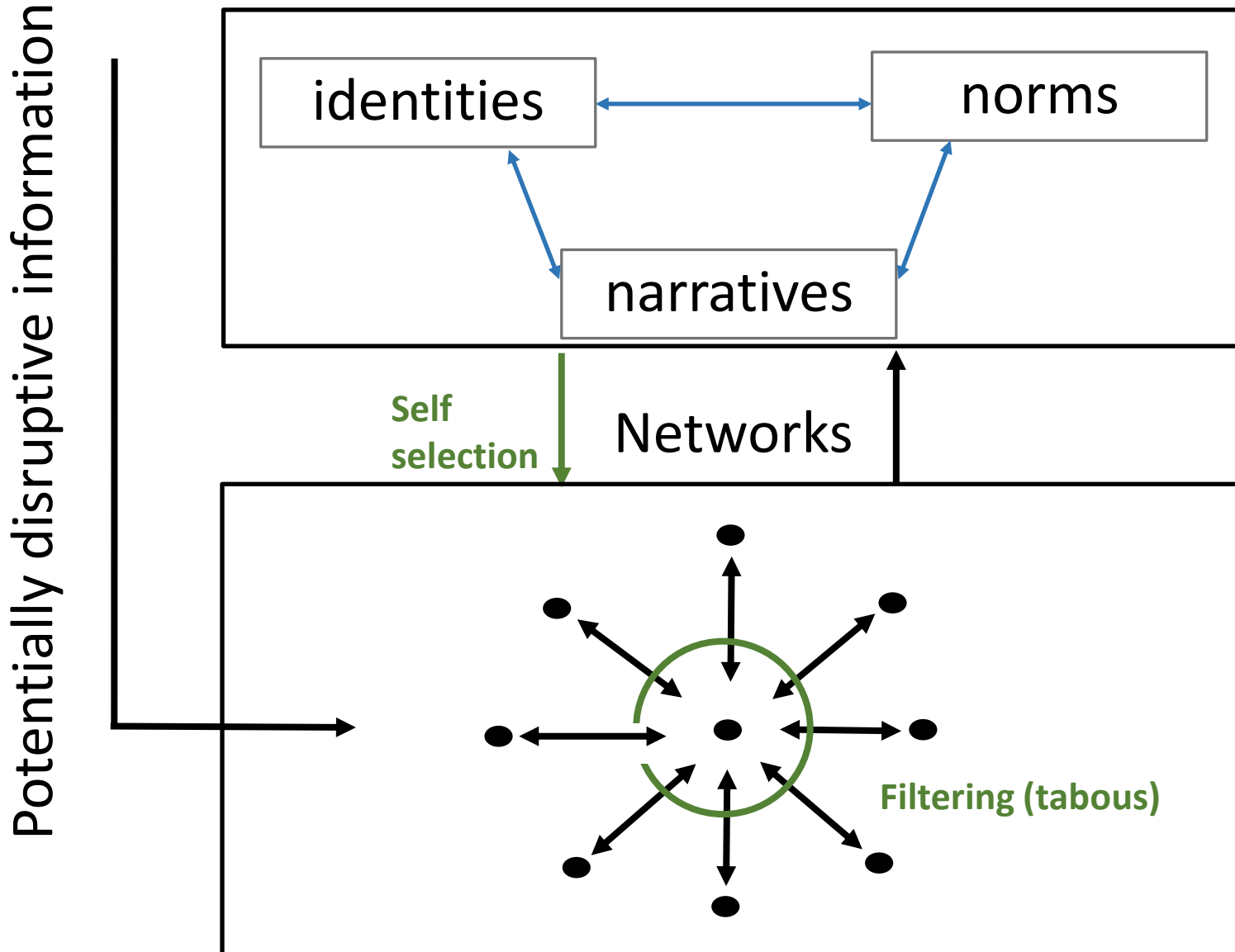
Mental Constructs



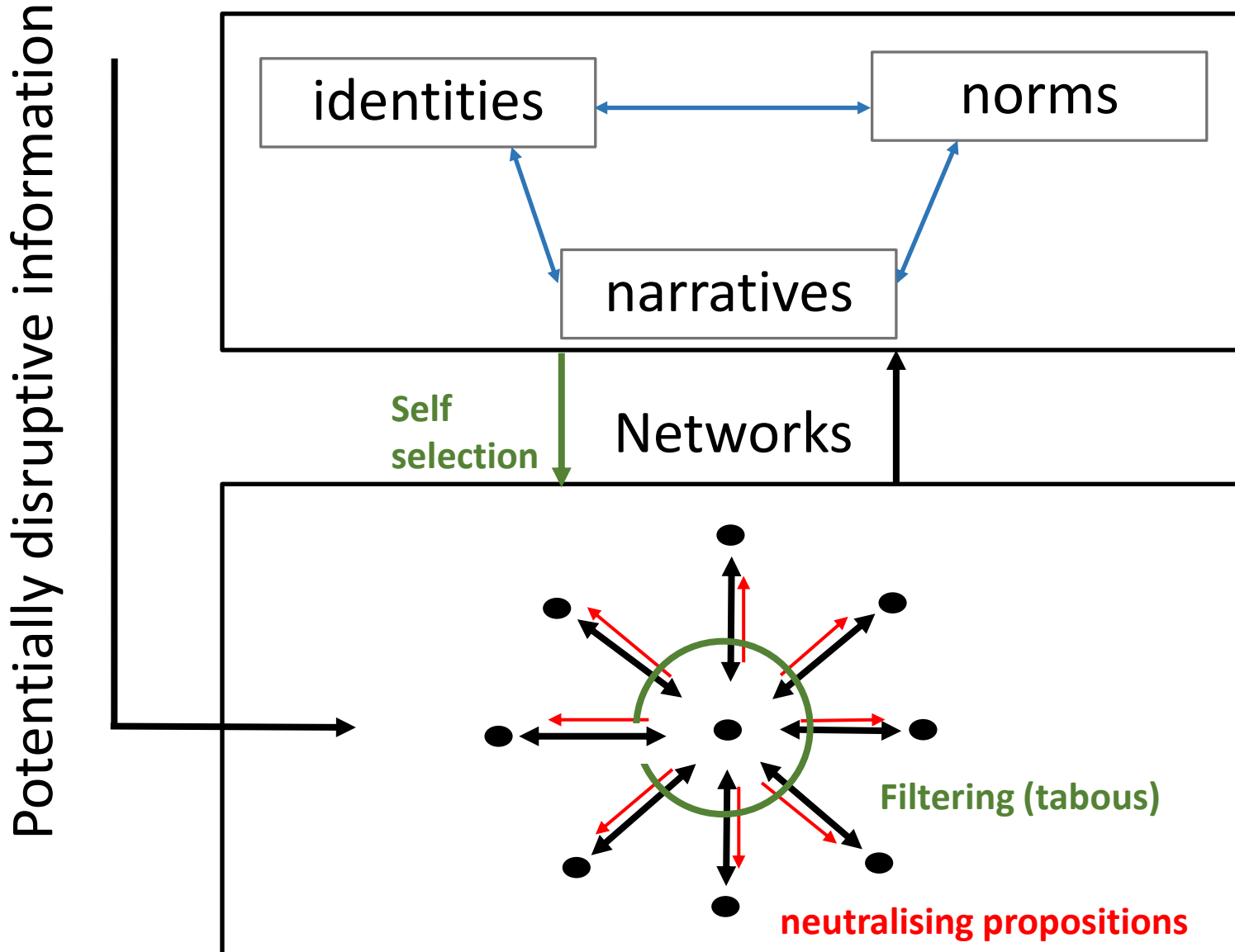
Local Stability Mental Constructs



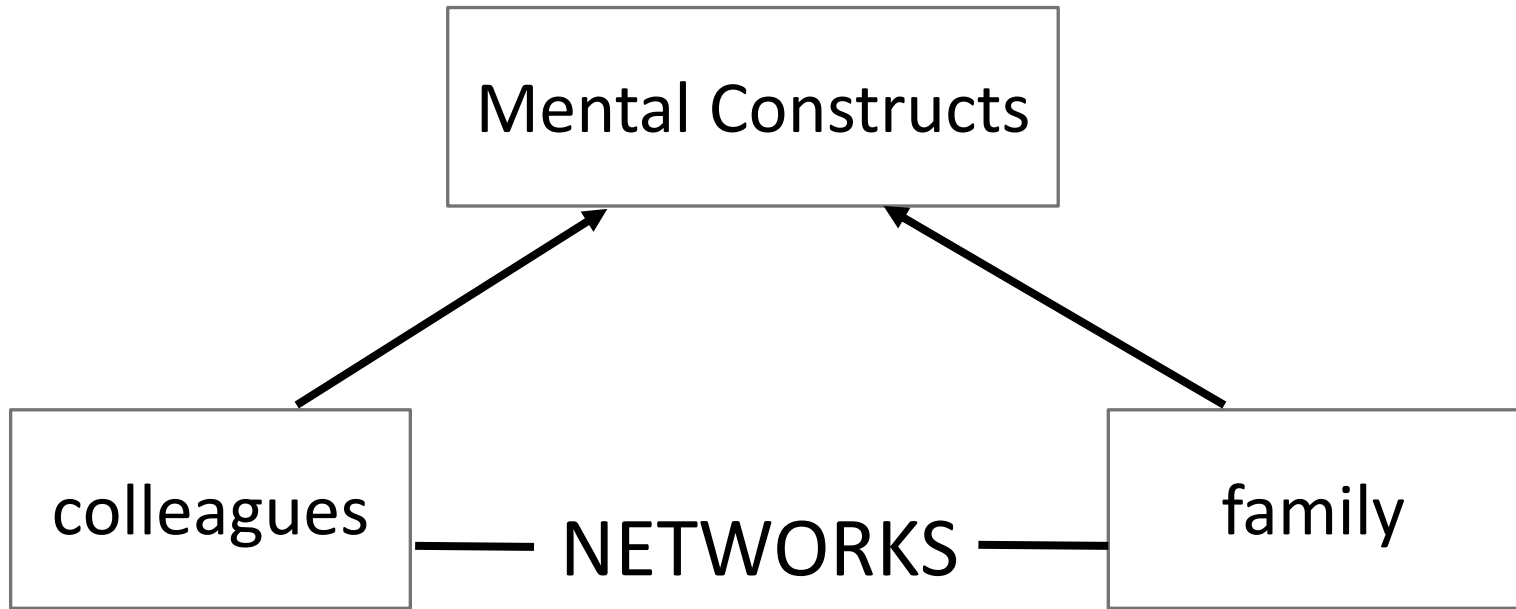
Local Stability Mental Constructs

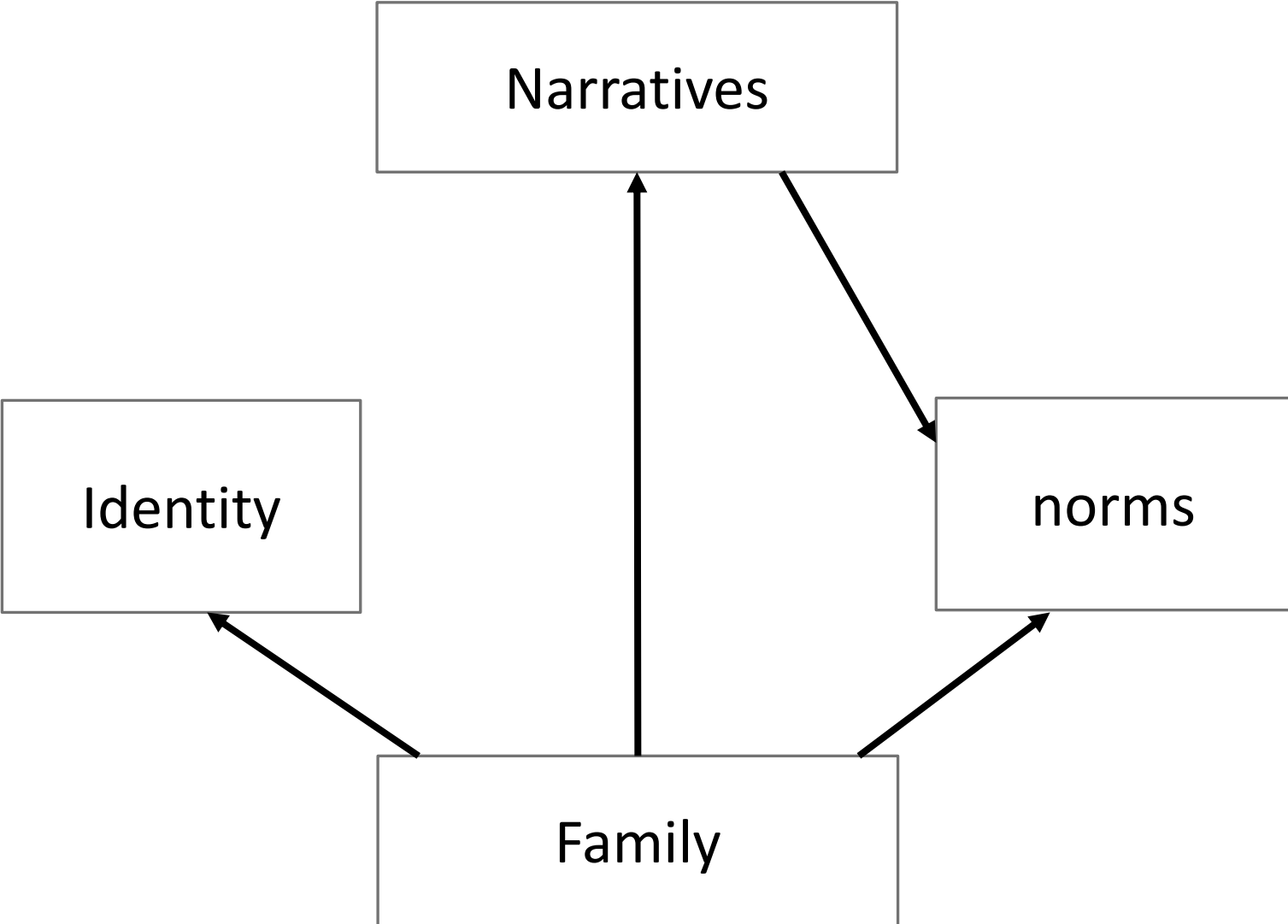


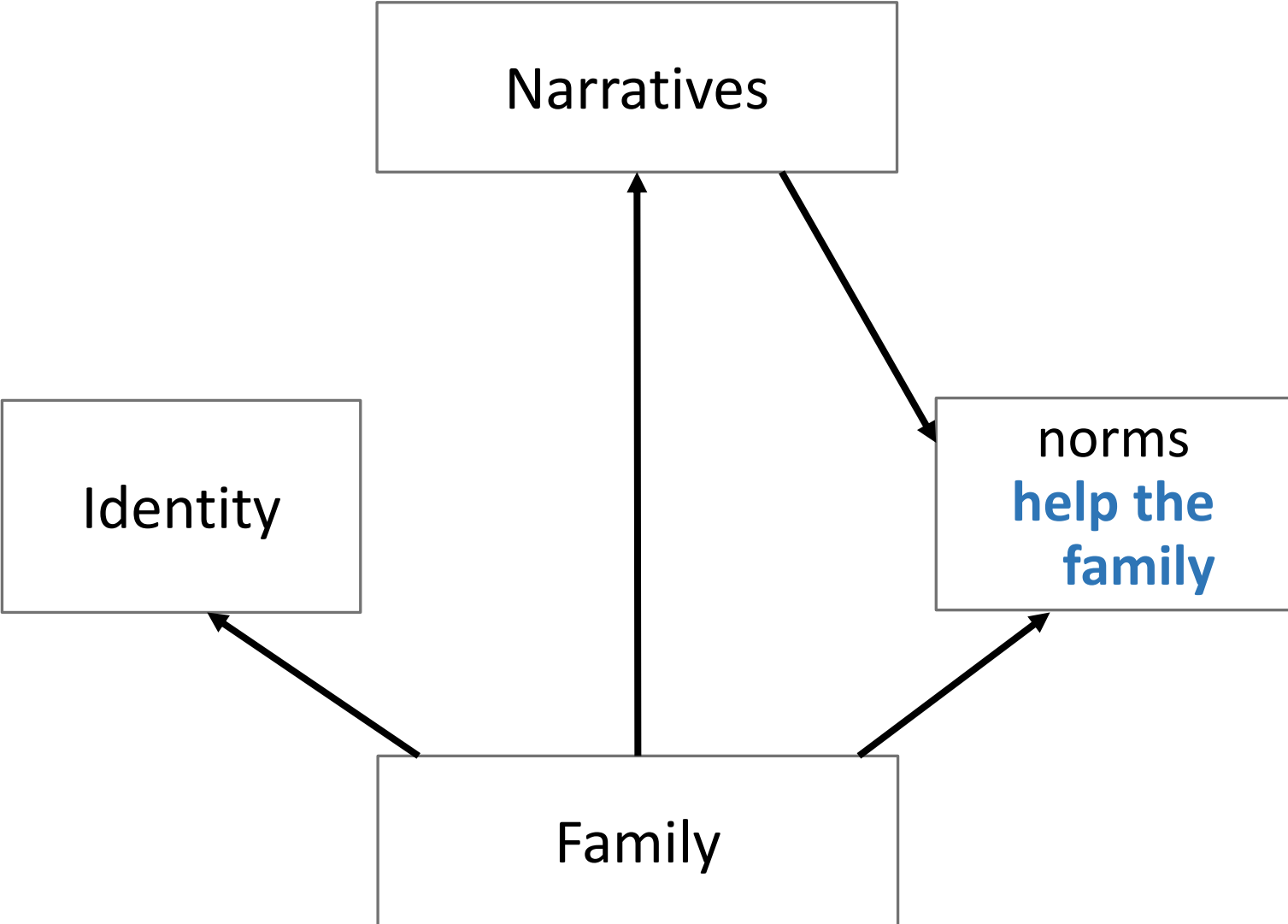
Local Stability Mental Constructs

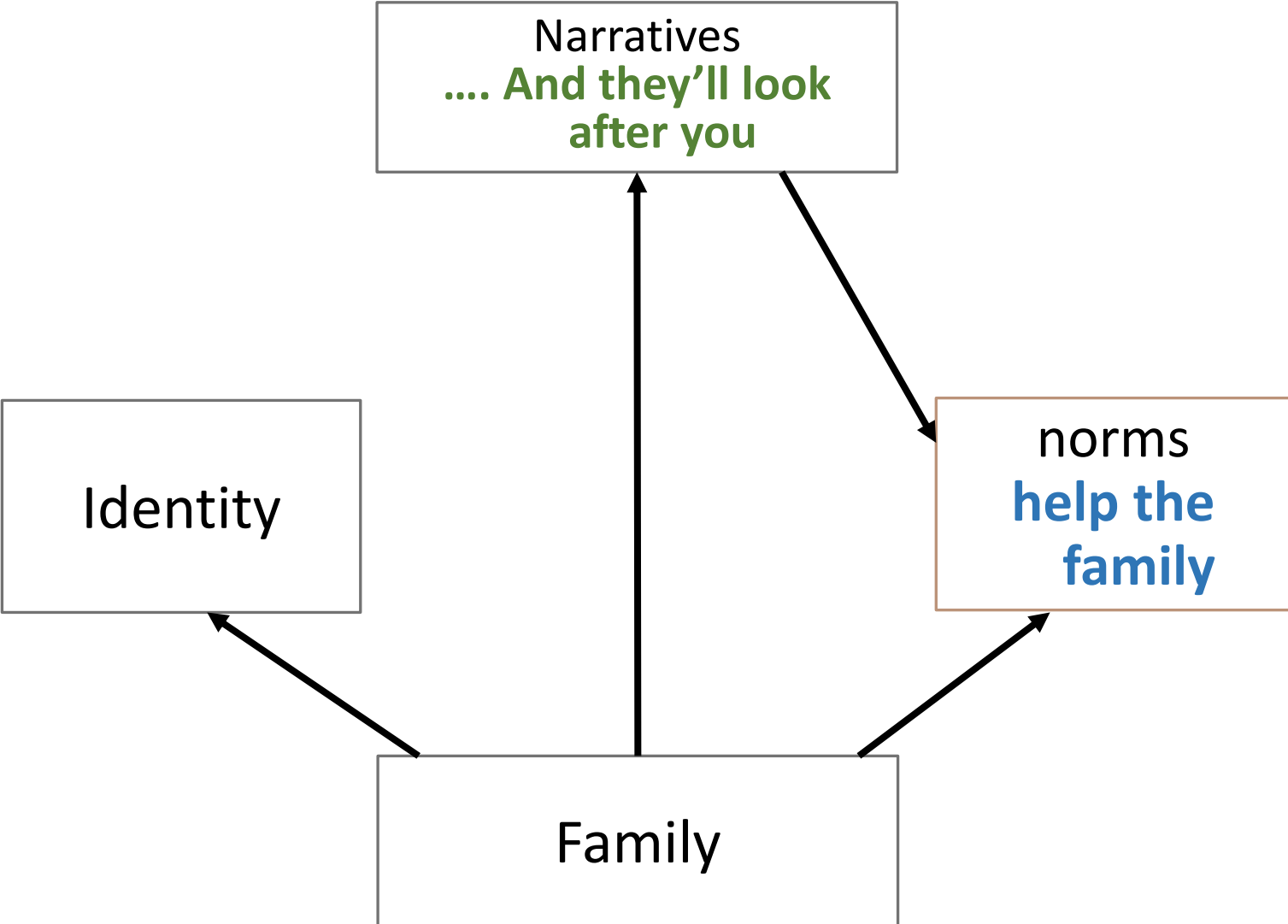


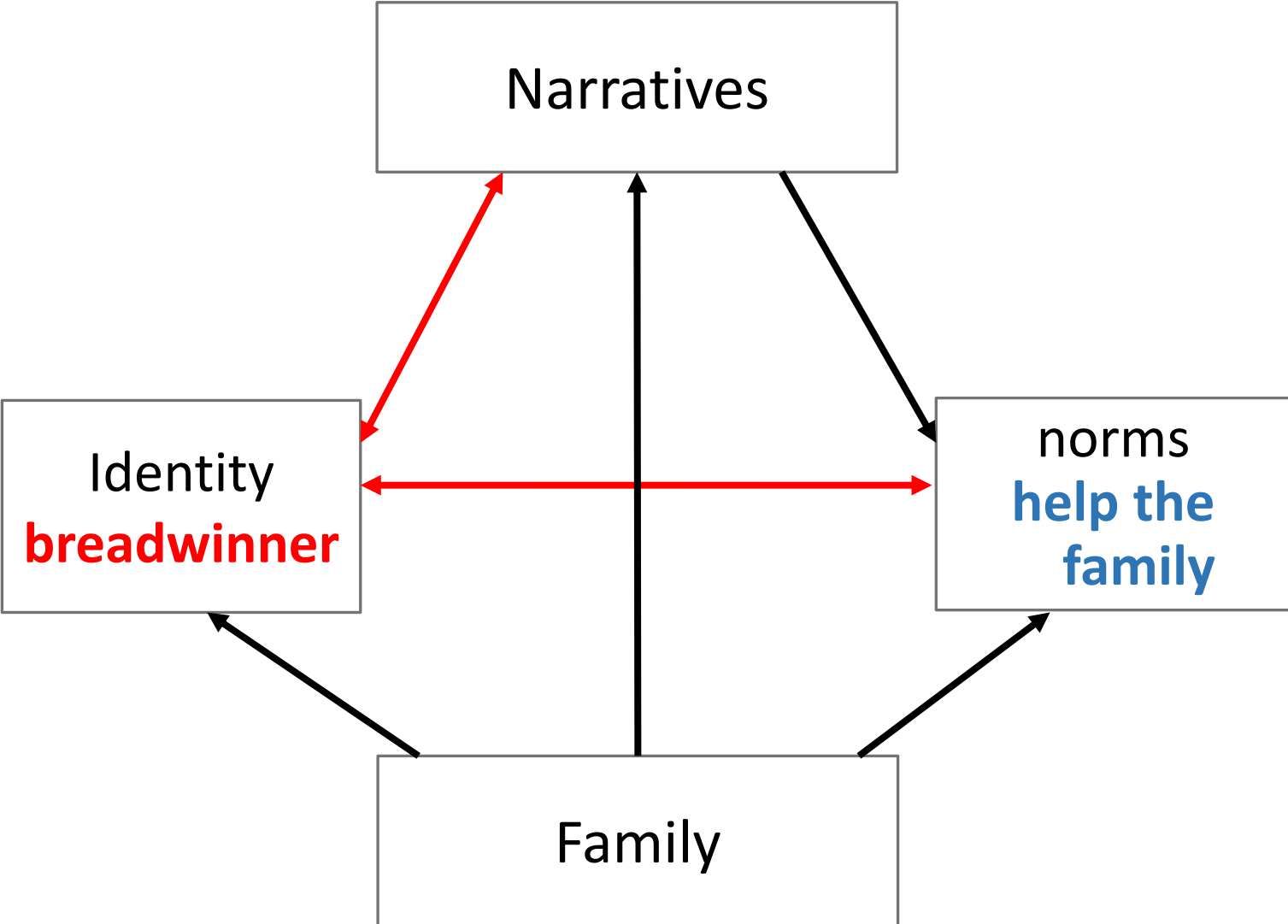
An Example: Tax Collectors in DRC

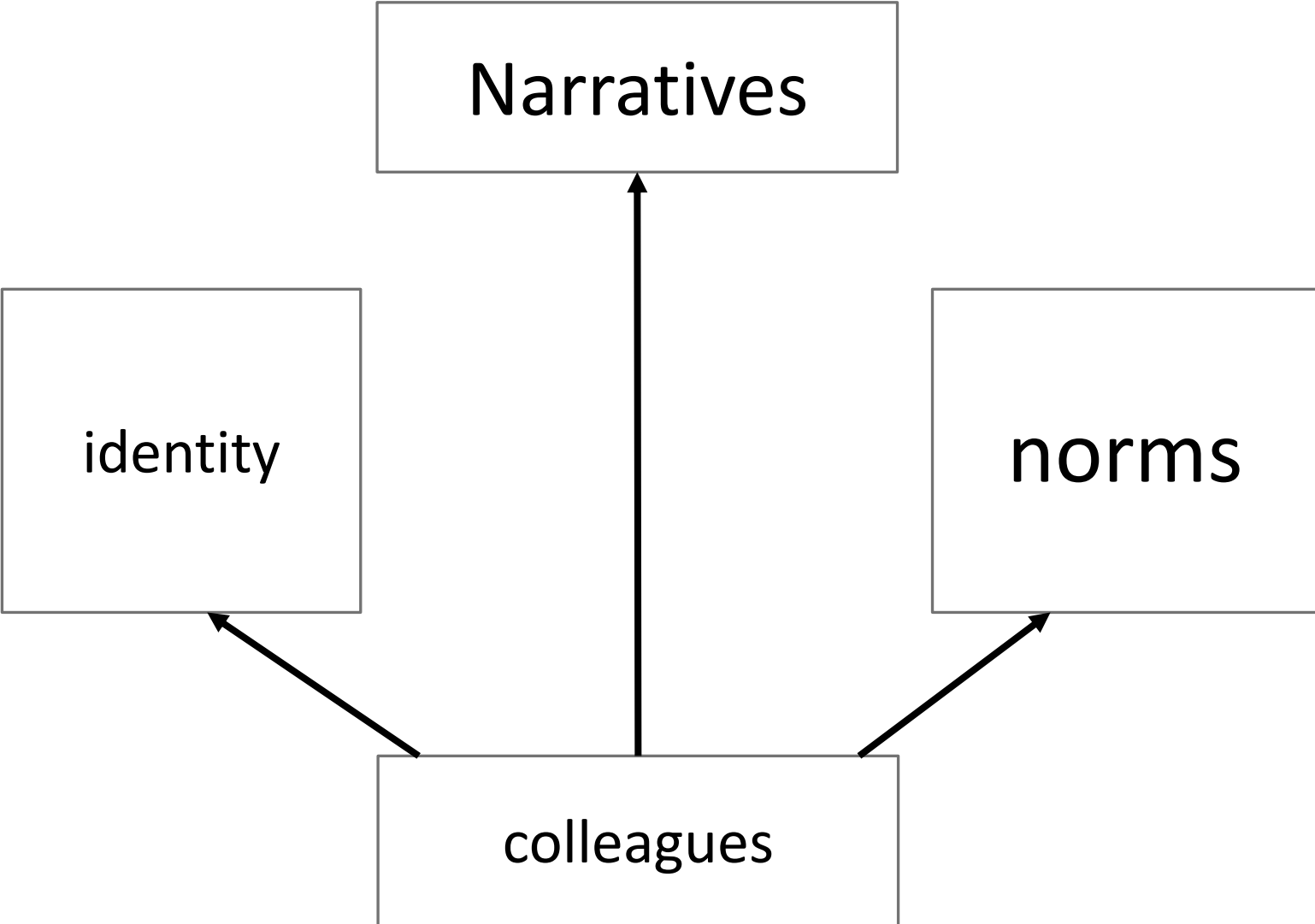


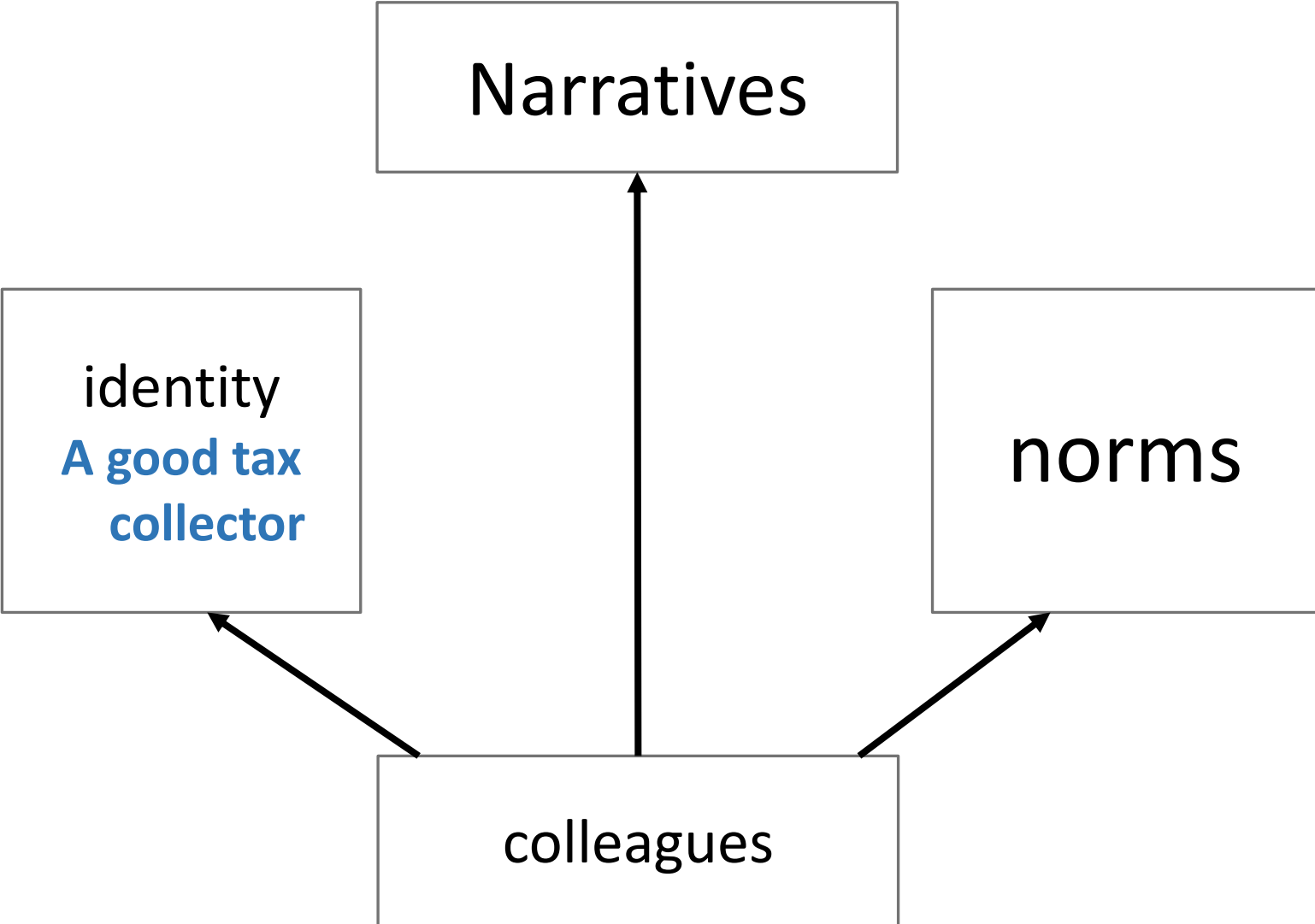


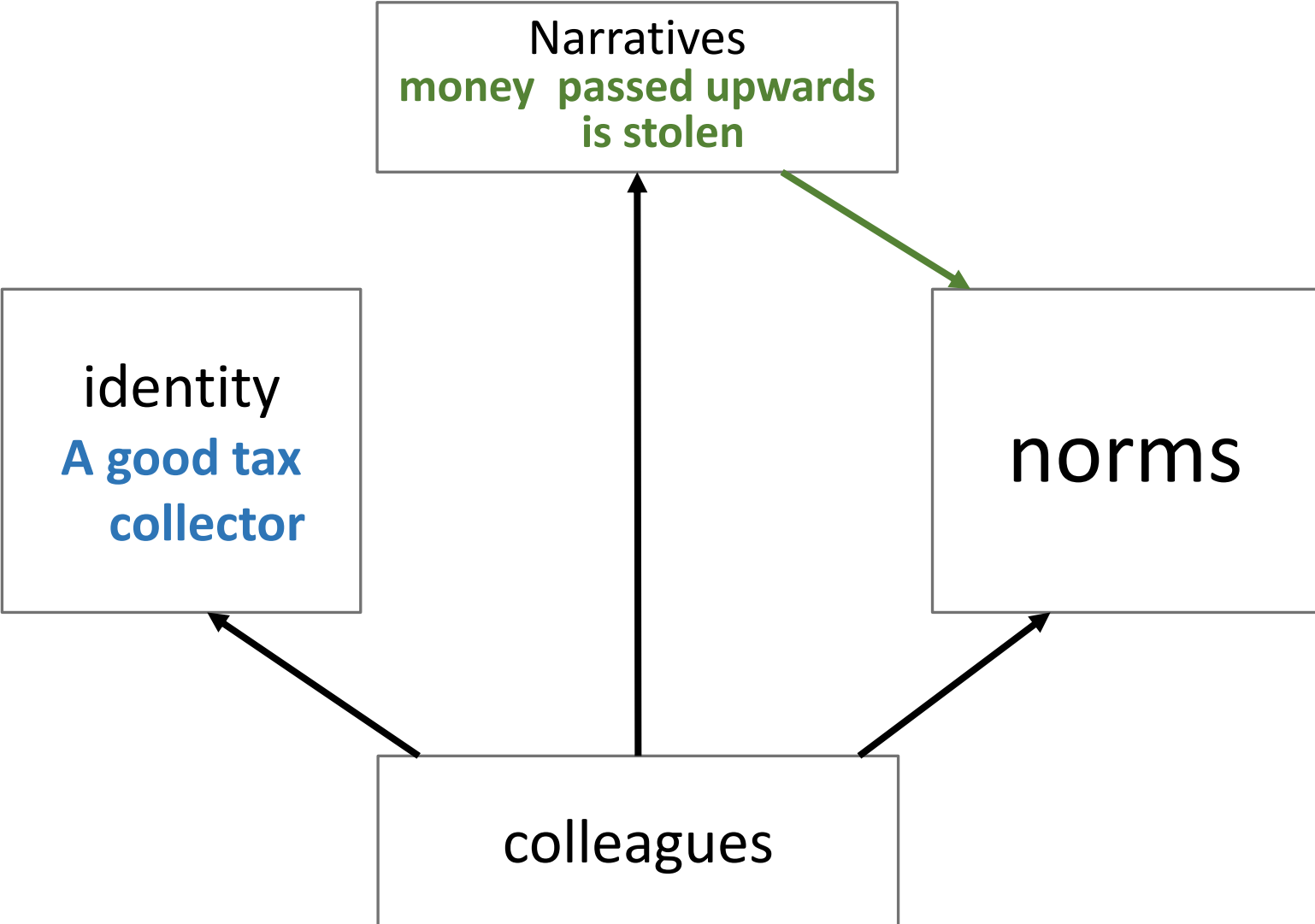


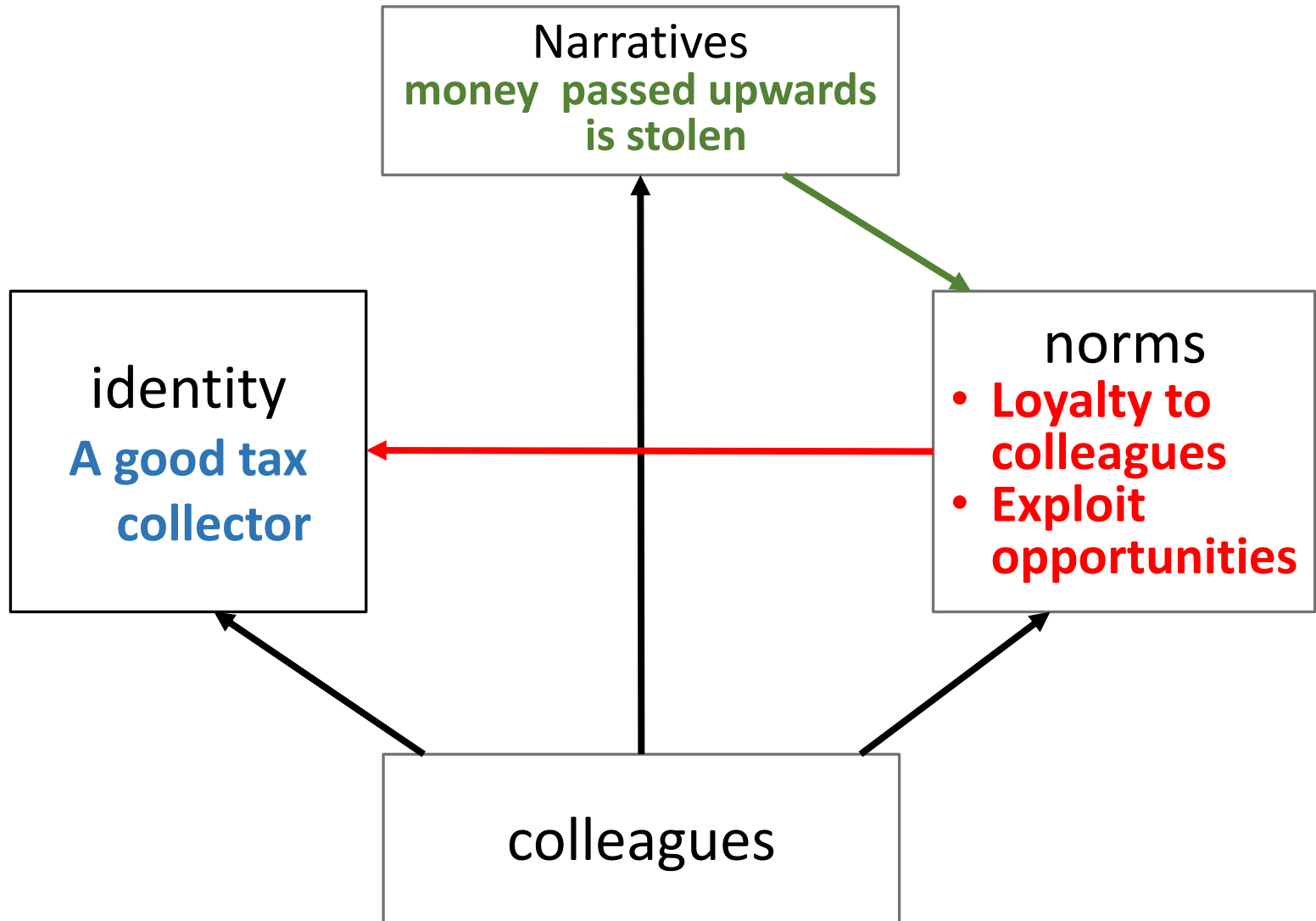












So, to administer VAT correctly

- breaches family identity
- Breaches family norm
- will be costly according to family narrative
- will breach colleagues norms
- will be stupid according to colleagues narratives

Whereas to exploit the opportunity will not
breach professional identity

Changing Dysfunctional Cultures

- Difficult because locally stable: → ‘big push’, not incremental?
- Co-ordinated change through common knowledge
- Potential control variables:
 - new narratives of nodal actors
 - change nodal actors
 - change role models
 - change network participation

Four Parts in a Research Agenda

1. How is behaviour influenced by mental constructs?
2. How are mental constructs influenced by social networks?
3. Which control variables are effective?
4. How do they interact with the use of incentives?