

Designing a Conceptual Model for Organizational Stupidity Using a Combination of Grounded Theory and Interpretive Structural Modeling

Samaneh Karimi-Ghartemani¹, Naser Khani^{1*}, Ali Nasr Isfahani²

1. Department of Management, Najafabad Branch, Islamic Azad University, Najafabad, Iran

2. Faculty of Administrative Sciences and Economic, University of Isfahan, Isfahan, Iran

(Received: January 17, 2021; Revised: September 27, 2021; Accepted: October 2, 2021)

Abstract

While concepts such as organizational intelligence and critical thinking are continually studied by different scholars, Organizational Stupidity (OS) has received less attention in academic researches. This conceptual study investigated OS and different characteristics of it to present a model for OS. To this end, a combined method including Grounded Theory (GT) and Interpretive Structural Modeling (ISM) was adopted. The qualitative part was comprised of face-to-face in-depth interviews with 12 respondents who worked in Iran Revenue & Agency (IRA), Isfahan Province Branch. A snowball sampling was employed in which the early participants were asked to introduce other people with information about OS. The data collected from interviews was analyzed using open coding, axial coding, and selective coding, and the conceptual model of OS was proposed using the GT assumptions (i.e., casual conditions, intervening factors, contextual factors, strategies, and consequences of the OS). In the quantitative part, the proposed model was restructured using ISM. For this purpose, two questionnaires were designed, and the experts of senior faculty of academics (including 8 individuals) were asked to answer them. The proposed model shows the main reasons for OS by level of importance, and predicts the strategies for reducing the OS and its consequences. This model can be used to plan strategies for managing and reducing OS in organizations.

Keywords: organizational stupidity, qualitative analysis, quantitative analysis, grounded theory, interpretive structural modeling.

1. Introduction

The concept of the organizational intelligence has been studied extensively in literature (Albrecht, 2008; Alvedari et al., 2018; Freeman et al., 2016; Nachiappan et al., 2014). These studies focus on the importance of creating a smart organization and offer tools for improving and creating intelligent organizations (Alvesson & Spicer, 2012). However, researchers have not been interested in studying the opposite behaviors such as foolishness, ignorance, and stupidity (Alvesson & Spicer, 2012; Bakken & Wiik, 2017; Izak, 2013; Lange, 2016; March, 2006; Roberts, 2018). There is not enough research on the organizational stupidity due to researchers' preference for studying organizational intelligence (Roberts, 2013).

There is no unique, clear, and standard definition of Organizational Stupidity (OS), and it has been defined in various ways by researchers (Albrecht, 2003; Alvesson & Spicer, 2012; Bakken & Wiik, 2017; Doaei, 2012; Paulsen, 2017). There are limited practical studies on the OS and few theoretical researches have been performed on the OS (Alvesson & Spicer, 2012;

* Corresponding Author, Email: naserkhani@phu.iaun.ac.ir

Karimi-Ghartemani et al., 2020; Paulsen, 2017). Defining a clear and detailed framework for the OS is essential for modeling and studying the OS. In this article, the current studies on the OS are reviewed and the OS is defined in clear and detailed framework. Moreover, a conceptual model for the OS is developed to study factors causing the OS and the consequences of OS.

The OS can be defined using terms foolishness and ignorance. Foolishness is defined as a logical decision process in which the action is done before thinking (Alvesson & Spicer, 2012). Foolishness occurs in complex organizations with uncertain, unclear goals (March, 2006). Ignorance is considered as the shadow of knowledge by researchers, meaning that the greater the knowledge becomes, the greater the unknown becomes (Bakken & Wiik, 2017; Bernstein 2009; Croissant, 2014; Lange, 2016; Roberts, 2018). Modern knowledge is a knowledge with a large amount of ignorance (Alvesson & Spicer, 2012). People will normally tend to hide ignorance with a shortage of knowledge. Ignorance has two levels. At the first level, it is reflected as a concept equal to unknown knowledge; at the next level, ignorance is against the wisdom and is referred to as the knowledge that is ignored (Ghorashi Bonabi, 2012). The stupidity definition is closer to the second level (Bernstein, 2009), which means knowing the wrong and right but still doing the wrong thing. The stupidity behavior can be observed by the employees of the organizations, the organizations themselves, or people or groups. Thus, the OS (Albrecht, 2003), group stupidity (Erçetin et al., 2007), and functional stupidity (Alvesson & Spicer, 2012) have been formed and are defined in the following lines. OS is an organizational illnesses (Spicer et al., 2009) occurring in an environment where the intelligent people pretend to be ignorant due to the common culture of the organization (Albrecht, 2003). This keeps the employee's talents and skills hidden in the organizations. In these organizations, the organization will move toward a demolition (Erçetin & Bağcı, 2016) due the fact that managers do not explain their goals to their employees. Subsequently, complications, disorders, and inconsistent experiences are shaped in the organization (Paulsen, 2017).

Group stupidity is the unwillingness of intelligent people to work in groups (team work) and their willingness to individually develop their skills to achieve higher-level and better jobs (Erçetin et al., 2007). The unwillingness of the intelligent employees to share their knowledge leads to a decrease in the organizational skill development and a decrease in the total intelligence in the organization (Doaei, 2012). Erçetin et al. (2007) have also called the repetitive techniques of doing jobs and having no creativity as group stupidity.

Functional stupidity is defined as trying to increase discipline, rules, and regulations,; suppressing creativity in the organization; limiting the relationships among the employees; and the lack of knowledge sharing and the innovation in the organization (Alvesson & Spicer, 2012). Managerial stupidity can lead to functional stupidity (Alvesson & Spicer, 2012). Making wrong and unwise decisions in an organization can cause functional stupidity. Employees, managers, and the culture of the organization all can create and expand stupidity in organizations (Alvesson & Spicer, 2012; Karimi-Ghartemani et al., 2020; Paulsen, 2017).

Although the term OS has been introduced recently by academic researchers, it has been used widely among managers (Butler, 2016). The OS is an organizational illness that can lead firms to the end of their lives (Erçetin & Bağcı, 2016). The symptoms for this disease are increasing the number of employees who consider quitting, employees talking about their past achievement in other organizations, lack of interest in employee's new ideas, and lack of sensitivity to the cultural and environmental changes in the organizations (Erçetin & Bağcı, 2016). Stupid organizations have complex and costly methods of doing tasks, constrained managers, and symbolic working (Usmani et al., 2020). OS is having confidence in the existing conditions, rules, regulations, and methods to perform tasks that encourage the

employees to preserve disciplines and the old methods of performing tasks and strengthens them (Alvesson & Spicer, 2012). Organizations with intelligent employees can get trapped in the OS when their bright employees start to do tasks in routine, timely, and old methods because they are discouraged to think and show creativity (Alvesson & Spicer, 2012; Forester, 2003; Paulsen, 2017). In these organizations, the smartest employees are banned to think and silently accept routine tasks (Paulsen, 2017). A main reason for this behavior is the manager of organization who denies reflexivity; does not accept rational reasoning, new ideas, and creativity; and resists to change (Paulsen, 2018). Managers in these organizations control their employee's intellectual capacities which moves their employees to work with no critical thinking and to follow routines (Alvesson & Spicer, 2017). There is no practical research to confirm the relationship between the management behavior and the OS. The conditions and situations that cause employees to perform their job in a stupid and nonreactive manner are vague. The hidden evidences about catastrophes of organizations and their illness can be understood by identifying the causes of stupid decisions made by intelligent employees (Izak, 2013; March, 2006). Thus, studying and finding the reasons for stupidity and developing a model for it is vital for managers and can help them decrease the OS.

OS can be a threat to many corporations in the form of financial collapse, organizational chaos, and technical issues. However, OS can be beneficial for the organization because it offers order and steadiness to the organization (Paulsen, 2018). OS provides a smooth and steady work environment in organizations where jobs are done routinely (Alvesson & Spicer, 2012). At the same time, it can lead to the organization's collapse (Albrecht, 2003; Alvesson & Spicer, 2017; Karimi-Ghartemani et al., 2020; Paulsen, 2017) by minimizing the critical thinking, creativity, and new ideas (Paulsen, 2017).

This article aims to analyze conditions and factors causing OS, propose strategies to prevent it, and study consequences of it. The goal of this paper is to develop a conceptual model for the OS using Grounded Theory (GT) and Interpretive Structural Modeling (ISM). GT has been used for this modeling study because it has excellent ability to interpret complicated phenomena and behaviors (Jones & Alony, 2011). In other words, GT seeks to produce propositions called new concepts. However, ISM approach is a good way to analyze the relationship and impact of one element on another. This approach has been introduced as a tool to overcome the complexity between the elements (Omidvar et al., 2016). GT, in three stages of open coding, axial coding, and selective coding, provides the preconditions for the production of theory, but in the stage of theory building, it suddenly loses its previous clarity in extracting key points and conceptualization (Aslipour & Zargar, 2018). The ISM approach, however, provides a clear pattern in identifying relationships and constructing a conceptual model, but does not enter into the extraction of concepts (Aslipour & Zargar, 2018). In other words, if we divide the research process into two stages, namely "extracting concepts" and "analyzing the relationship among concepts to building a model or theory," GT in the first stage is more practical than the ISM method. In ISM method, the interpretation in the second stage of selective coding is clearer than the analysis of results of GT. The simultaneous use of these two methods together increases the richness of research output and is considered as an innovation in research (Aslipour & Zargar, 2018). Therefore, a comprehensive model for OS is presented in this study with the help of GT and ISM methods.

In the following section of this article, the research methodology is explained. In the third section, the research environment, the sampling methods, and sampling size are explained. Then, the GT model is presented. In the last section, the ISM approach is explained and the model is structured.

2. Research Methodology for GT

In order to gain a clearer understanding of the concept of Organizational Stupidity (OS) in the Isfahan provincial branch of Iran Revenue Agency (IRA), a series of semi-structured, face-to-face interviews were carried out with managers and deputies of each tax unit. A stupid organization has characteristics such as poisonous and noncreative environment (Paulsen, 2017) that can be seen in IRA. A demonstrative sample of 12 units was selected based on the tax offices locations in the Isfahan Province, Iran. The data in this part of the study was collected through personal interviews over a one-month period. Each semi-structured interview was done in a formal manner, starting with general questions about educational background, age, and years of work in IRA as a warm up. A summary of informant demographics is shown in Table 1.

Then, the interview questions were started. For the first interview, the initial factors related to OS were derived from theoretical literature. The questions of this questionnaire are given in Table 2.

Table 1. Demographic Characteristics of the Interviewees

Unit	Education	Age	Years of service
1	PhD Student	49	25
2	M.A.	52	28
3	M.Sc.	56	31
4	Bachelor	51	21
5	PhD Student	36	10
6	M.Sc.	57	30
7	M.A.	48	23
8	Bachelor	53	26
9	M.A.	49	22
10	PhD Student	31	5
11	M.A.	54	28
12	M.A.	41	15

Table 2. The Questionnaire Questions (Questionnaire Guideline)

Number	Concept	Definition
1	Organizational compliance	Institutionalizing and severely following organizational rules and procedures, even when no one controls individual actions (Paulsen, 2017).
2	Stupidity self-management	Limiting employee's cognitive capacities by their own. It occurs when they put aside doubts, critique, and other reflexive concerns and focus on the more positive aspects of organization (Alvesson & Spicer, 2012).
3	Organizational agility	The ability of replying to organizational change (Yang & Lin, 2012).
4	Economy of persuasion	Organizations appear which produce products that do not have spontaneous demand. Thus, they attempt to create request for their goods by promoting expectations, producing images, and influencing desires (Alvesson & Spicer, 2012).
5	Symbolic manipulation	The hollow status that employees progressively use such as fake titles, impressive policies, and other magnificent demonstrations (Alvesson & Spicer, 2012).
6	Stupidity management	Prevention of cognitive capacities of employees by managers in order to manage the consciousness and understanding of employees (Alvesson & Spicer, 2012).
7	Organizational miasma	It is the situation that leaders consider as the mind of organization, which is present everywhere and watches the employees. Employees are items that have no passionate for work (Gabriel, 2012).
8	Unconscious loyalty	The unconscious loyal person is one with self-deception about the organization. He believes that the products he has bought are the best, even if they have faults (Paulsen, 2017).

Due to the point that no one likes to be considered as a person who works in a stupid company, the snowball sampling (Tajeddin & Trueman, 2011) was adopted in which the initial participants are asked to introduce other people with information about OS. To analyze the data obtained from interviews, the GT approach was employed because of the unique benefits of this approach in interpreting complex phenomena (Jones & Alony, 2011) and discovering new phenomena (Farhadi Nejad et al., 2014). Due to the lack of previous studies on OS, GT was a respectable method for analyzing this concept. To this end, we provided a semi-structured protocol (Table 2) and started interviews within our statistical sample. This protocol was changed and grown during the interviewing process when new concepts were found.

All interviews were digitally recorded for information accuracy. All these interviews were transcribed and entered into MAXQDA software for content analysis. When the first interview was documented in detail, special attention was paid to extract the key elements that demonstrated different characteristics of OS, then documents were immediately transcribed into cods and factors were extracted for maximum comparability (Tajeddini & Mueller, 2012), and based on the new characters extracted during the first interview, the next one started. This thematic analysis was achieved in the transcripts of interviews to understand the main factors of OS of each person. The interviews ranged in length from 30 to 90 minutes and were conducted over a one-month period. In the next section, the steps of the data collection and coding using GT are presented.

3. Paradigmatic Model for OS Using Grounded Theory

To develop a model for the OS, the paradigmatic modeling approach (Malakouti & Talebi, 2018) was used. In this section, some example quotes from the employees of IRA are given in Table 3.

Table 3. Examples of Interviewer's Ideas About OS

Main categories	Example of quotes	Codes	Interview number
Casual conditions	Inspector came and reprimanded everyone for a specific violation, and the staff did not accept responsibility for the violation, citing that the task was not clear and it was not clear whose duty it was.	Ambiguity in dividing the duties	Interview No. 5
	Another argument is that the employees compare their organization to the other organizations and say that if we worked in another organization, it would be better and other organizations are better than ours.	Desire to leave the organization	Interview No. 3
	We may complain to our superiors, but our superiors say "Now go and leave this problem for a later time." Then this person gets retired and another superior official comes and repeats the same thing and this has been how we have never been able to get our words heard by the higher officials. We have come to the conclusion that we should do our job and not say anything. Well, we want to protest, but our words do not have many listeners; The boss may hear; But he hears our words from one ear and lets them out from the other.	Not hearing the voice of employees	Interview No. 13
	Unfortunately, previous managers caused an accumulation of works in the IRA. Thus, the next manager not only cannot move forward; but also, they work only to reimburse for those backwardness	Managers try to prevent destruction instead of progress	Interview No. 2
	Payments are not normal in this office and it is very one-sided. This has made some people totally indifferent. Because they resisted and complained against some cases and after they did not see any results, they turned out to be careless and indifferent.	Indifference to the organization	Interview No. 12

Table 3.

Main categories	Example of quotes	Codes	Interview number
Contextual conditions	Teamwork in this organization is very low, because our organization is a role-oriented and employee-oriented organization, and the employee himself must organize the work. This work cannot be completed by a team.	Person-oriented organizational activities	Interview No. 10
Intervening conditions	Inside the organization, if someone says something against the higher management or speaks against high-ranking managers, he/she will quickly be dismissed or will be forced to retire. On the other hand, if a high-ranking manager likes a person and his/her performance, he/she will promote quickly to higher positions. We do not care at all whether this is a good thing or a bad thing.	Negative impact of decisions by external officials on the employee's career future	Interview No. 8
Phenomenon	One day I saw a friend in another office who dressed very formally. He was near to receive a promotion and had to pretend like this to promote to his new position.	Performing dramatic works	Interview No. 1
	The individual is not robust enough to leave the organization and is not able to say "I want to start from the beginning."	Taking decision-making power off from the individual	Interview No. 8
	Employees themselves like to do repetitive tasks. They like to repeat even a simple form and do not seek change.	Employee willingness to do routine and repetitive tasks	Interview No. 8
	During the management period of our previous boss, if you said your notion and this idea was better than the boss's idea, he would immediately disagree with you.	Manager suppressing constructive suggestions	Interview No. 5
Strategies	In my opinion, when the employee distinguishes that his/her creativeness is being seen by managers and his/her voice is heard, he/she becomes more creative. We must change our managers so that they reflect employee's ideas. It will lead to the change in the existing methods and procedures.	A talent-based strategy	Interview No. 10
	Encourage employees through motivational packages to share their knowledge with others and to train inexperienced staff.	Sharing knowledge with employees	Interview No. 9
Consequences	Issues such as employees leaving work earlier, arriving later, and being absent from work will be decreased as a result of growing work attachment.	Increasing work attachment	Interview No. 14

In the next section, the extracted codes for the GT are shown in detail for each factor. The results of every interview were analyzed using GT in three main stages (i.e., open coding, axial coding, and selective coding).

3.1. Causal Conditions

The causal conditions are positions that lead to the occurrence or growth of core phenomena (Corbin & Strauss, 2015). The coding of the causal conditions is shown in Table 4.

Table 4. Axial and Selective Coding and Qualitative Data Analysis

Main categories (paradigm)	Main concepts	Codes
Causal conditions	Existence of informal organization (shadow organization)	Creating informal working relationships Establishing informal groups Existence of conflicts between nature of work and what employees do Forming change-resistant groups
	Existence of organizational ambiguities	Ambiguity in the bases of rewards Ambiguity in performance evaluation Ambiguity in the division of tasks
	Existence of alienation from work	Having a desire to leave the organization Alienation from work Intellectual separation from the organization while working due to many problems Unwillingness to do work
	Humiliation of employee personality in the organization	Humiliation of the employee's personality Trampling the employee's self-esteem and identity Creating a sense of distrust in the employee
	Existence of organizational silence	Employee concluding that the complaint is useless Employee's silence to maintain the job position Manager not hearing the voice of employees
	Empty organization and false magnification	Organization magnifying in pretending to be a justice-oriented organization Organization magnifying Hollow organization Gaining a false social status
	Organizational freezing	Unwillingness to learn and progress due to the uniformity of the work process Managers trying to prevent destruction rather than trying to progress Organizational silence and passivity Recession and decline in organizational performance
	Existence of contaminated and poisonous atmosphere	Existence of a suffocating atmosphere Spreading employee's deviant behaviors to other colleagues Striving for a higher position in any situation Extreme conservatism False respect for job position Managers facilitating prevalent deviations and immoral behaviors
	Organizational indifference	Low enthusiasm and doing work with apathy Loss of sense of belonging to the organization Reluctance to do work Indifference to the organization
	Lack of organizational agility	Resistance to change among experienced employees Lack of infrastructure to make a difference Employees not welcoming the changes Employees' unwillingness to be creative
	Deviant behaviors	Normalization of some deviations with labels such as individual ingenuity Jealousy in the workplace Spreading snitch Spreading rumors Prevalence of lying Unhealthy working environment

The results of this study show that the causal factors affecting the OS are existence of informal organization (shadow organization), existence of organizational ambiguities, existence of alienation from work, humiliation of employee personality in the organization, existence of organizational silence, empty organization and false magnification, organizational freezing, existence of contaminated and poisonous atmosphere, organizational indifference, lack of organizational agility, and deviant behaviors.

3.2. Contextual Conditions

Contextual conditions are special conditions that indirectly influence the presented strategy and provide a suitable, more effective condition (Corbin & Strauss, 2015). The coding of the contextual conditions is shown in Table 5.

Table 5. Main Concepts and Codes for Contextual Conditions

Main categories (paradigm)	Main concepts	Codes
Contextual factors	Family factors	More need to clinical care among highly experienced staff Education Family responsibilities Low opportunity to learn
	Job flexibility	Creating conditions for internal and external movement Issuance of necessary permits for telecommuting Recruitment planning
	Lack of attention to teamwork	Lack of cooperation among employees Weakening the spirit of cooperation Promoting individual monopoly Person-oriented organizational activities Duality of rules and regulations in encouraging employees to work in a team

The results of our surveys and modeling showed that the underlying contextual factors of OS are family factors, job flexibility, and lack of attention to team working.

3.3. Intervening Conditions

Intervening conditions are known as mediator factors that influence strategies to achieve the phenomenon (Corbin & Strauss, 2015). The coding of intervening conditions is shown in Table 6.

Table 6. Main Concepts and Codes of Intervening Conditions

Main categories (paradigm)	Main concepts	Codes
Intervening factors	Cultural factors	Existence of flattery culture in society Existence of the landlord view
	Economic factors	Transition from traditional to industrial society Using the welfare facilities of other organizations in increasing the welfare of employees
	Political factors and powers out of organization	Government interference with organizations' decisions instead of supervising them Lack of conscientiousness of senior managers Selecting managers through the opinions of out of organization powers Selecting inappropriate software due to the opinions of external powers Selecting inappropriate managers in order to achieve the goals of external powers Negative impact of external forces on the employee's career future Blind obedience to higher authorities out of organization

The results showed that the interviewed participants categorized the intervening factors into three groups, namely cultural factors, economic factors, and political factors and powers out of organization.

3.4. Phenomenon

Main phenomenon appears permanently in interviews. Phenomenon is the event, idea, thought or the situation that is under study and all other major categories can relate to it (Corbin & Strauss, 2015). The coding of the phenomenon is shown in Table 7.

Table 7. Main Concept and Codes of Phenomena

Main categories (paradigm)	Main concepts	Codes
Phenomena	Performing symbolic and theatrical work	Promoting one's personal image at work Connecting to power sources for benefits Performing dramatic works Managers paying more attention to the appearance of work instead of its quality Holding dramatic training courses
	Organizational cynicism	Suspicion and pessimism towards the organization Feeling of not being seen in organization Tendency to leave the organization Seeing job positions outside the organization with less anxiety and worry Delay in arrival and haste in departure
	Monopolizing knowledge	Monopolizing knowledge to gain leverage from upper position Lack of transferring knowledge due to the spirit of monopoly in staff Lack of cooperation Lack of synergy
	Loss of creativity in the organization	Lack of creativity and innovation Employees' unwillingness to be creative Employees' willingness to do routine and repetitive tasks Lack of managers' attention to creativity, innovation, and new ideas
	Suppressing criticism	Suppression of constructive suggestions by manager Staff's criticism not being heard Breaking the individual's resistance power Inability of compassionate employees to correct the affairs Taking decision-making power off from the individual Suppression of people reporting abuse
	Restriction of information transferring and communication	Structural communication Inefficiency of theoretical training in teaching practical aspects of work Lack of staff awareness of organizational changes and relocations Lack of access to sufficient information resources Lack of sufficient information and ambiguity in information sources
	Disregarding intelligent individuals	Lack of attention and planning for human capital Lack of specialization Not using organizational specialists Lack of attention to the smart and talented capital of the organization Lack of attention to the excellence of the person in assigning tasks Organization slowing down the talented people
	Disappointment	Disappointment due to discrimination in staff promotion Lack of motivation that causes frustration in employees Depression Failure to meet employee expectations Feeling distrust toward the organization Feeling that past is better than present

3.5. Strategies

Strategies are identified as actions for controlling and managing the main phenomenon under existing environmental conditions (Corbin & Strauss, 2015). The coding of strategies is shown in Table 8.

Table 8. Main Concept and Codes of Strategies

Main categories (paradigm)	Main concepts	Codes
Strategies	Talent management strategy	Designing a talent-based strategy Software support for new ideas Providing conditions for presenting new ideas Job assignment based on individual experiences, not randomly
	Creating a participatory environment	Managers delegating authority to their deputies Employees participating in decision making Interaction between managers and employees Strengthening teamwork
	Improving organizational learning	Implementing succession and transferring experience to newcomers Providing appropriate training about new work processes Encouraging employees to share knowledge
	Individual changing and increasing self-acceptance	Self-initiated changing (beginning changes from ourselves) Increasing the spirit of development and progress in the employee Strengthening self-acceptance in the individual Providing organizational support to reduce individual stress
	Improving manager-employee relationship	Changing the relationship between manager and employee Selecting flexible managers Changing the attitude of managers to provide welfare facilities Managers having commitment to the covenant
	Improving the culture of the organization	Changing organizational culture by increasing enthusiasm to work Spreading the culture of work doing with no top-down view Changing the culture of unhealthy competition to competition - friendship Strengthening spirituality in the workplace Implementing cultural programs in order to create an atmosphere of intimacy among colleagues
	Improving the physical and mental health of the employee	Creating vitality and freshness in the workplace by holding sports programs Providing insurance to reduce complications caused by inadvertent mistakes Providing the employee with job- and non-job-related advices Paying attention to a person's physical health
	Providing training tailored to the organization	Providing managers and employees with appropriate training Holding training courses to strengthen empathy between employees Holding training courses to reduce work stress and straining holding educational courses

3.6. Consequences

Consequences are the outcomes of using the aforementioned strategies to deal with the phenomenon or to manage and control the phenomenon (Corbin & Strauss, 2015). In the present study, the consequences are divided into three general categories, namely individual consequences, organizational consequences, and extra-organizational and social consequences. These categories are displayed in Table 9.

Table 9. Coding the Ways to Reduce Negative OS Consequences

Main categories (paradigm)	Main concepts	Codes
Consequences	Individual consequences	Increasing work attachment Maintaining the dignity of the individuals in the organization Increasing work commitment Increasing individual motivation Reducing stress Creating a sense of importance in the person Increasing employee creativity Increasing desire for change
	Organizational consequences	Reducing conflict in the organization Disseminating honesty and purity in the system Reducing cynicisms Establishing a positive organizational atmosphere Reducing waste of time and reworking Reducing immoral behaviors such as jealousy, destruction, and pessimism Creating an atmosphere of cooperation between the boss and employees Breaking the monopoly of knowledgeable employees
	Extra-organizational and social consequences	Dissemination of honesty and purity in society Customer satisfaction Increasing organizational social popularity Spreading a positive view about organization into the outside environment Increasing the social status of the organization Promoting organizational acceptability Increasing the public trust in the organization

All the consequences in this part of the research are positive consequences that lead to the improvement of organization and are the result of reducing the OS.

4. Paradigmatic Model Based on GT

Based on the above results, a paradigmatic model for OS is given in Figure 1. This model is obtained by analyzing the interviewee's comments and ideas and extracting the casual conditions, intervening factors, contextual factors, main phenomenon, strategies, and consequences of OS in IRA. This model is designed based on GT assumptions.

First of all, the conditions that cause stupidity in organization are listed, for instance false magnification, organizational freezing, poisonous atmosphere, and deviant behaviors. These factors have clues in organization that we might call them as the "main phenomenon." On the other hand, someone can trace the casual conditions by evidences such as loss of creativity in the organization, performing symbolic and theatrical work by employees, the prevalence of organizational cynicism, and monopolization of knowledge. To control and reduce the casual conditions of OS and consequently decrease its clues in organization, a list of strategies is presented such as using a talent management strategy, improving organizational learning, individual changing and increasing self-acceptance, and improving manager-employee relationship. These strategies also need contexts such as job flexibility and attention to team working. Some intervening factors are also recognized that influence these strategies, including cultural factors, economic factors, political factors, and powers outside the organization. This comprehensive model contains all aspects of OS, from factors that lead to the OS to the consequences of reducing these factors and controlling them.

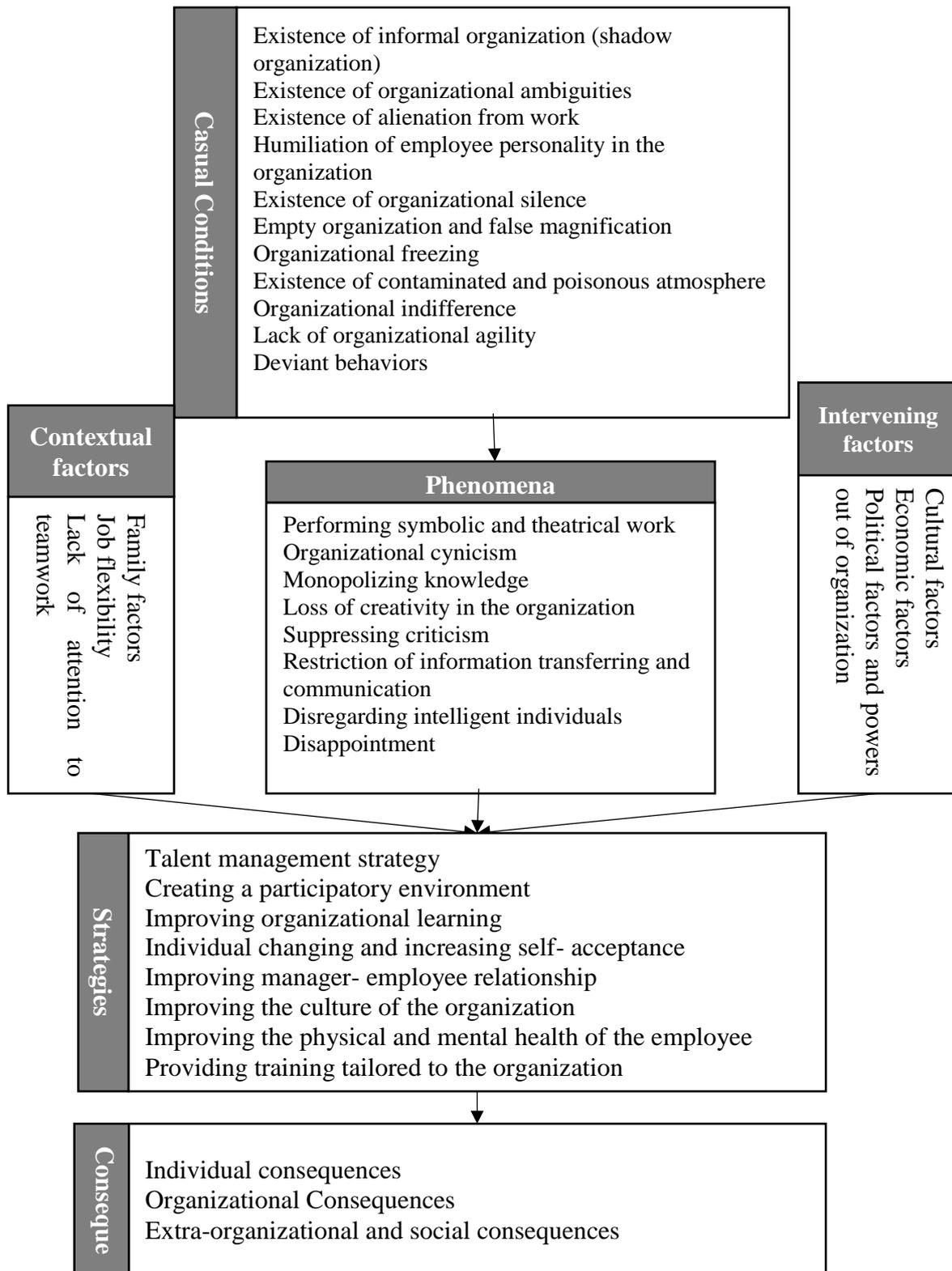


Figure 1. Paradigmatic Model for OS in Iran Revenue Agency (IRA), Isfahan Province Branch

5. Interpretive Structural Modeling (ISM)

In this part of the research, two outputs of GT, namely causal conditions and the main phenomenon, have been classified with the help of ISM method. ISM is a well-constructed

method for identifying and summarizing the relationships among the elements of a subject or problem; it can arrange and direct complex relationships between system components (Takkar & Gupta., 2007). Firstly developed in 1970’s, ISM is an interactive learning process in which a set of dissimilar and directly related elements are structured into a comprehensive systematic model. The basic idea of ISM is to use experts’ practical experience and knowledge to construct a multilevel structural model (Azar & Bayat, 2008).

To analyze the casual conditions and the main phenomenon of OS in IRA, eleven causes and eight phenomena were considered for ISM questionnaire. The two questionnaires related to casual conditions and the main phenomenon were filled out by 8 experts of university.

Step 1: Obtaining Structured Self Intersection Matrix

The Structured Self Intersection Matrix (SSIM) is a matrix with the dimensions of the elements, which are given in the row and column of the matrix, and the two-dimensional relationships of the variables are then determined by symbols. The following four symbols have been used to denote the direction of relationship between every two factors of i and j:

- V- Factor i will lead to factor j;
- A- Factor j will lead to factor i;
- X- Factor i and j will lead to each other;
- O- Factor i and j are unrelated

When the experts completed the questionnaires, response averages were used to achieve the Initial Reachability Matrix, which is given in tables 10 and 11. These matrixes represent the numerical output of the raw data collected using the questionnaire.

Table 10. Initial Reachability Matrix Related to Causal Conditions

Number	Factors	1	2	3	4	5	6	7	8	9	10	11
		Existence of organizational ambiguities	Empty organization and false magnification	Organizational freezing	Existence of contaminated and poisonous atmosphere	Organizational indifference	Existence of alienation from work	Existence of informal organization (shadow organization)	Humiliation of employee personality in the organization	Lack of organizational agility	Deviant behaviors	Existence of organizational silence
1	Existence of organizational ambiguities	1	0	1	1	1	1	1	0	1	1	0
2	Empty organization and false magnification	0	1	0	0	0	0	1	0	0	0	0
3	Organizational freezing	0	0	1	0	0	0	0	0	1	0	0
4	Existence of contaminated and poisonous atmosphere	0	1	0	1	1	1	1	1	1	1	1
5	Organizational indifference	0	0	1	0	1	1	1	0	0	1	0
6	Existence of alienation from work	0	0	1	0	1	1	1	0	1	1	1
7	Existence of informal organization (shadow organization)	0	1	0	0	0	0	1	0	0	0	0
8	Humiliation of employee personality in the organization	0	0	1	1	1	1	1	1	1	1	1
9	Lack of organizational agility	0	0	1	0	0	0	0	0	1	0	0
10	Deviant behaviors	0	1	0	0	0	0	1	0	1	1	0
11	Existence of organizational silence	0	0	1	0	1	1	0	0	1	0	1

Table 11. Initial Reachability Matrix Related to Main Phenomenon

Number	Factors	Performing symbolic and theatrical work	Organizational cynicism	Restriction of information transferring and communication	Monopolizing knowledge	Loss of creativity in the organization	Disregarding intelligent individuals	Suppressing criticism	Disappointment
1	Performing symbolic and theatrical work	1	0	0	0	1	0	0	0
2	Organizational cynicism	0	1	0	0	1	0	0	1
3	Restriction of information transferring and communication	0	1	1	1	1	1	0	1
4	Monopolizing knowledge	0	0	1	1	1	0	1	1
5	Loss of creativity in the organization	1	1	0	1	1	0	0	1
6	Disregarding intelligent individuals	1	1	0	1	1	1	0	1
7	Suppressing criticism	1	1	1	1	1	1	1	1
8	Disappointment	0	0	0	0	1	0	0	1

Step 2: Final Reachability Matrix

In this step, by adding the transitivity in the relationships of the variables in the Initial Reachability Matrix, the Final Reachability Matrix is obtained (Azar & Bayat, 2008). Transitivity means that if variable A affects variable B and variable B affects variable C, then, variable A will affect variable C. In tables 12 and 13, in addition to the transitivity, the driving power and the dependence power of each variable are also shown.

Table 12. Final Reachability Matrix for Casual Conditions

Factors	1	2	3	4	5	6	7	8	9	10	11	Driving power
1	1	1	1	1	1	1	1	1	1	1	1	11
2	0	1	0	0	0	0	1	0	0	0	0	2
3	0	0	1	0	0	0	0	0	1	0	0	2
4	0	1	1	1	1	1	1	1	1	1	1	10
5	0	1	1	0	1	1	1	0	1	1	1	8
6	0	1	1	0	1	1	1	0	1	1	1	8
7	0	1	0	0	0	0	1	0	0	0	0	2
8	0	1	1	1	1	1	1	1	1	1	1	10
9	0	0	1	0	0	0	0	0	1	0	0	2
10	0	1	0	0	0	0	1	0	1	1	0	4
11	0	1	1	0	1	1	1	0	1	1	1	8
Dependence power	1	9	8	3	6	6	9	3	9	7	6	

Table 13. Final Reachability Matrix for the Main Phenomenon

Factors	1	2	3	4	5	6	7	8	Driving power
1	1	1	0	1	1	0	0	1	5
2	1	1	0	1	1	0	0	1	5
3	1	1	1	1	1	1	1	1	8
4	1	1	1	1	1	1	1	1	8
5	1	1	0	1	1	0	0	1	5
6	1	1	0	1	1	1	0	1	6
7	1	1	1	1	1	1	1	1	8
8	0	0	0	0	1	0	0	1	2
Dependence power	7	7	3	7	8	4	3	8	

Step 3: Partitioning the levels

At this stage, according to the tables 12 and 13, the dimensions are leveled. To do this, the reachability and antecedent set (Omidvar et al., 2016) for each factor have been determined from the Final Reachability Matrix. The reachability set for a factor consists of the factor itself and the other factors influenced by it. The antecedent set consists of the factor itself and other factors that may influence it (Omidvar et al., 2016).

Table 14. The First to Fifth Iterations of Partitioning Levels of Final Reachability Matrix for Causal Factors

Levels	Intersection set	Antecedent set	Reachability set	Factor No.
5	1	1	1-2-3-4-5-6-7-9-10-11	1
1	2-7	1-2-4-5-6-7-8-10-11	2-7	2
1	3-9	1-3-4-5-6-8-9-11	3-9	3
5	4-8	1-4-8	2-3-4-5-6-7-8-9-10-11	4
3	5-6-11	1-4-5-6-8-11	2-3-5-6-7-9-10-11	5
3	5-6-11	1-4-5-6-8-11	2-3-5-6-7-9-10-11	6
1	2-7	1-2-4-5-6-7-8-10-11	2-7	7
4	4	1-4-8	2-3-4-5-6-7-9-10-11	8
1	3-9	1-3-4-5-6-8-9-10-11	3-9	9
2	10	1-4-5-6-8-10-11	2-7-9-10	10
4	5-6-11	1-4-5-6-8-11	2-3-5-6-7-9-10-11	11

Table 15. The First to Fourth Iterations of Partitioning Levels of Final Reachability Matrix for the Main Phenomenon

Levels	Intersection set	Antecedent set	Reachability set	Factor No.
3	1-2-4-5	1-2-3-4-5-6-7	1-2-4-5-8	1
3	1-2-4-5	1-2-3-4-5-6-7	1-2-4-5-8	2
1	3-4-7	3-4-7	1-2-3-4-5-6-7-8	3
1	1-2-3-4-5-6-7	1-2-3-4-5-6-7	1-2-3-4-5-6-7-8	4
3	1-2-4-5-8	1-2-3-4-5-6-7-8	1-2-4-5-8	5
2	4-6	3-4-6-7	1-2-4-5-6-8	6
1	3-4-7	3-4-7	1-2-3-4-5-6-7-8	7
4	5-8	1-2-3-4-5-6-7-8	5-8	8

Based on tables 14 and 15, five levels are identified for casual conditions and four levels are identified for the main phenomenon.

Step 4: ISM Model Formulation

From the partitioning of levels shown in tables 14 and 15, the structural model is generated by removing transitivity, and the ISM models related to casual conditions and the main phenomenon are given in figures 2 and 3.

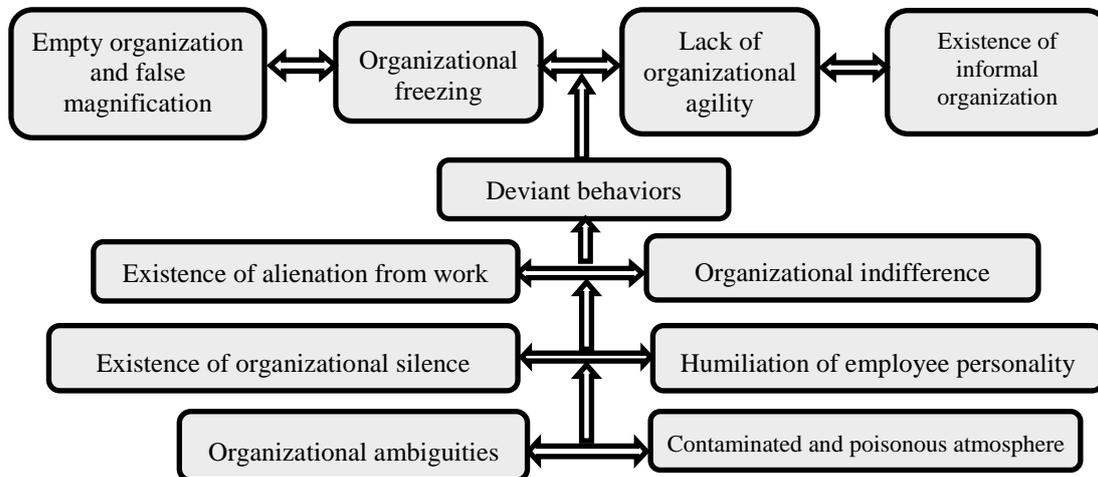


Figure 2. ISM Model for Casual Conditions

The ISM model demonstrates that factors at the highest level have the least effect on the other factors and are the most influenced by other factors. For example, in Figure 2, the two factors of the lack of agility and the organizational freezing do not affect any of the factors lower than themselves, and other factors cause freezing and reduce agility in the organization. On the other hand, the factors of the existence of contaminated and poisonous atmosphere and organizational ambiguities are the factors that affect all factors and these factors has caused many anomalies in the organization that ultimately take agility from the organization, and freeze it, prevent it from moving, and lead it towards stupidity.

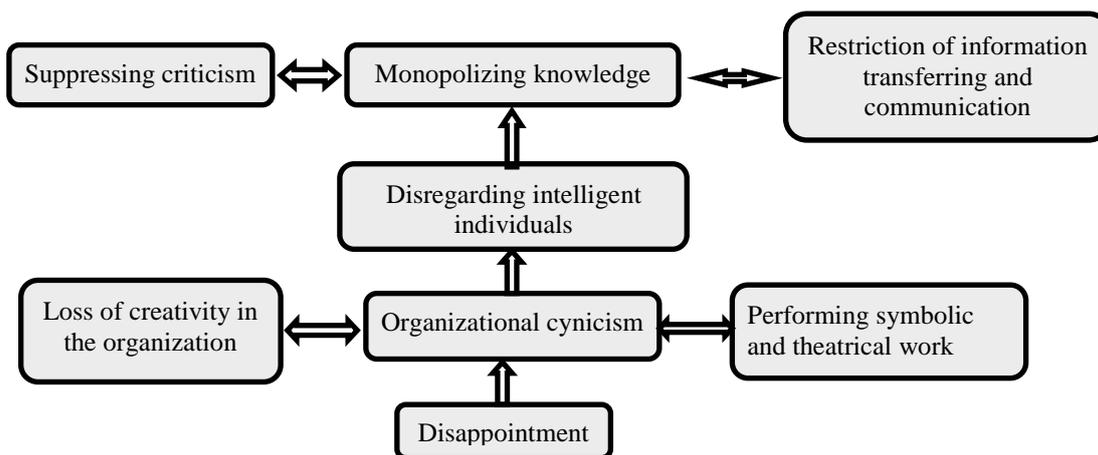


Figure 3. ISM Model for the Main Phenomenon

Figure 3 shows that the disappointment of employees in the organization is the reason for many stupid things that employees do, such as performing symbolic and theatrical work and organizational cynicism. It finally leads to monopolizing knowledge, suppressing criticism, and restricting information transference and communication. Therefore, it is important to inject hope into the employees to increase their creativity and try to remove knowledge

monopolization from organization. This way, a smart organization will be created in which information transference and communication is easily done in it.

5.1. Final Model of OS Using GT and ISM

Figure 4 below presents the final model of OS based on GT assumptions and ISM results.

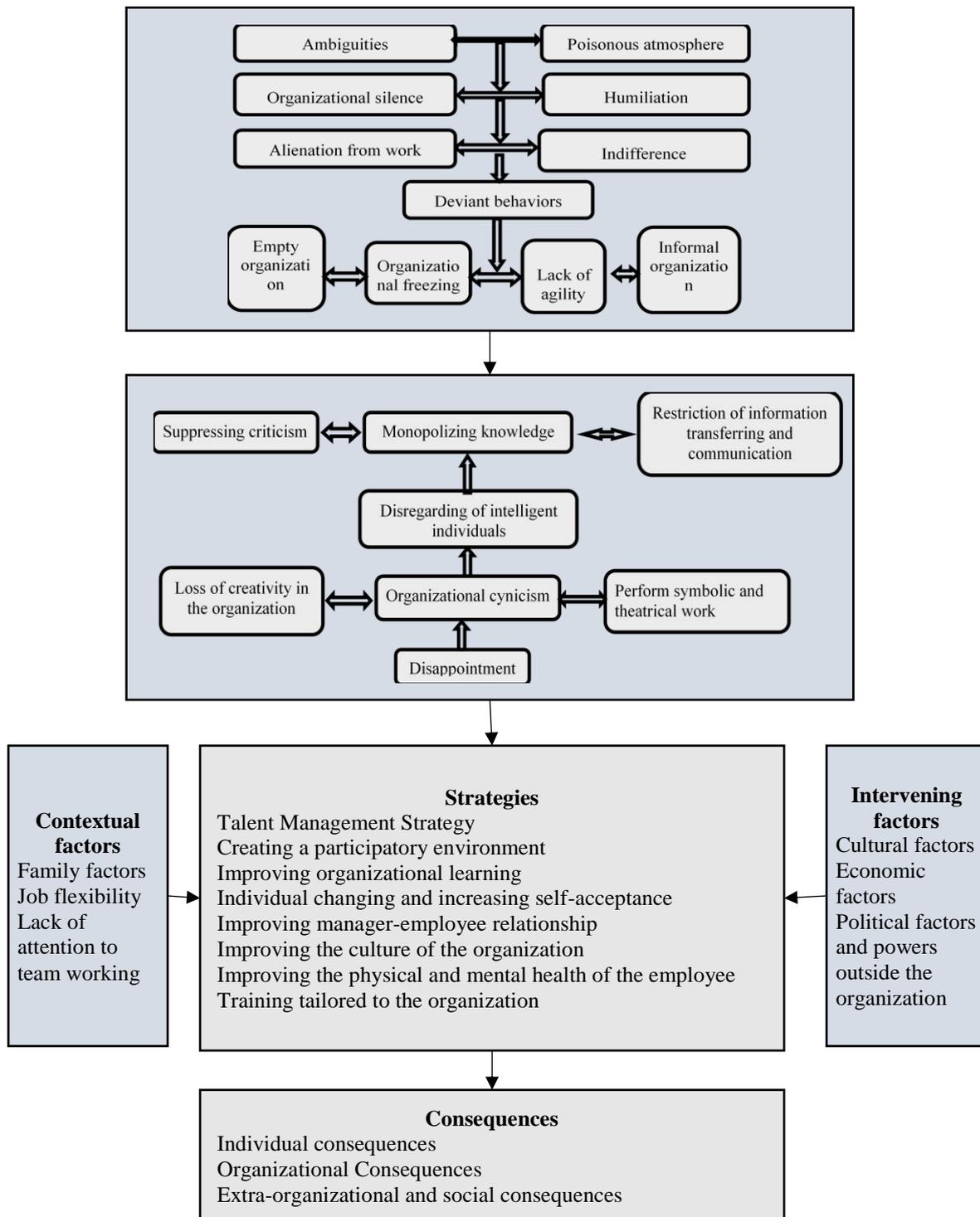


Figure 4. OS Final Model

6. Summary and Conclusions

The objective of this research was to develop a conceptual model for Organizational Stupidity (OS) using Grounded Theory (GT) and Interpretive Structural Modeling (ISM). In this study the opinions of 12 employees of Isfahan provincial branch of Iran Revenue Agency (IRA) were assessed about OS, and the results was presented as a GT-based model (including casual conditions, intervening factors, contextual factors, the main phenomenon, strategies, and consequences). After that a questionnaire was designed and based on 8 experts' opinions, the ISM model of OS was shaped.

Throughout the discussion, this paper attempts to show the relationship between theory and practice regarding the concept of OS. In this regard, we followed a strategic view (Tajeddini, 2013; Tajeddini & Trueman, 2008) by investigating OS across different units of IRA. Some of the findings are consistent with prior researches such as the restriction of information transferring and communication (Alvesson & Spicer, 2012; Karimi-Ghartemani et al., 2020), disregarding intelligent individuals (Butler, 2016), disappointment (Paulsen, 2017), performing symbolic and theatrical work (Alvesson & Spicer, 2017), organizational cynicism (Paulsen, 2018), loss of creativity in the organization (Karimi-Ghartemani et al., 2020; Spicer et al., 2009), empty organization and false magnification (Alvesson & Spicer, 2012), lack of organizational agility (Alvesson & Spicer, 2012), and deviant behaviors (Zhuang et al., 2020). The other results obtained in this study are new concepts that have not been mentioned in previous studies. In total, in this study, the main phenomenon of OS included factors such as restriction of information transferring and communication, disregarding intelligent individuals, disappointment, performing symbolic and theatrical work, organizational cynicism, monopolizing knowledge, loss of creativity in the organization, and suppressing criticism. The other research findings show the casual conditions, intervening factors, contextual factors, strategies, and consequences of the OS. Besides its negative effects, it should be noted that OS can have some benefits for organizations (Alvesson & Spicer, 2012). The most significant benefit of the OS is improving the order and unity in the organization, which can lead to increased efficiency of organizations in short term (Karimi-Ghartemani et al., 2020). However, growing the order in a bureaucratic way may lead to the loss of creativity in the organization and overpowering criticism. In these situations, the organizational flexibility will reduce in long term that may separate the organization from its environment, which can ultimately result in the downfall of the organization (Alvesson & Spicer, 2017). Thus, recognizing the concept of OS and planning strategies to reduce the OS are essential for organizations. The OS model presented in this research is based on the data collected using one organization. It is recommended to test the validity of this model in future using the data collected from other organizations.

References

- Albrecht, K. (2003). *The power of minds at work: Organizational intelligence in action*. AMACOM. https://books.google.com/books/about/The_Power_of_Minds_at_Work.html?id=2BkALUR_OIsC
- Albrecht, K. (2008). *The power of minds at work: Organizational intelligence in action*. International Kindle Paperwhite. <https://www.amazon.com/Power-Minds-Work-Organizational-Intelligence/dp/0913351210>
- Alvedari, H., Daraei, M. R., & Razini, R. (2018). Model design of organizational dashboard development with BI logic in governmental organizations. *Quarterly Journal of Public Organizations Management*, 6(3), 49–64. http://ipom.journals.pnu.ac.ir/article_4292.html
- Alvesson, M., & Spicer, A. (2012). A stupidity-based theory of organizations. *Journal of Management Studies*, 49(7), 1194–1220. <https://doi.org/10.1111/j.1467-6486.2012.01072.x>
- Alvesson, M., & Spicer, A. (2017). *The stupidity paradox: The power and pitfalls of functional stupidity at work*. IPS - Profile Books; Main edition (April 4, 2017).
- Aslipour, H., Zargar, M. (2018). Interpretive structural analysis of factors affecting the acceptance of innovative electronic public services in Iran. *Public Management Perspectives*, 9(1), 40–51.
- Azar, A., & Bayat, K. (2008). Designing a business process-oriented model with an interpretive structural modeling (ISM) approach. *Information Technology Management*, 1(1), 3–18. <http://www.sid.ir/fa/journal/ViewPaper.aspx?ID=88267>
- Bakken, T., & Wiik, E. L. (2017). Ignorance and organization studies. *Organization Studies*, 31(5) 017084061770931. <https://doi.org/10.1177/0170840617709312>
- Bernstein, J. H. (2009). Nonknowledge: The Bibliographical organization of ignorance, stupidity, error, and unreason: Part one. *Knowledge Organization*, 36(1), 17–29.
- Butler, N. (2016). Functional stupidity: A critique. *Ephemera*, 16(2), 115–123. www.ephemerajournal.org
- Corbin, J., & Strauss, A. (2015). *Basics of Qualitative research techniques and procedures for developing grounded theory* (4th ed.). SAGE Publications Inc.
- Croissant, J. L. (2014). Agnotology: Ignorance and absence or towards a sociology of things that aren't there. *Social Epistemology*, 28(1), 4–25. <https://doi.org/10.1080/02691728.2013.862880>
- Doaei, M. (2012). *Identify and assess the causes of group stupidity in Pars Aviation Services Company*. Ms dissertation. Islamic Azad University of Khorasgan.
- Erçetin, Ş. Ş., & Bağcı, H. (Eds.). (2016). *Handbook of research on chaos and complexity theory in the social sciences*. IGI Global. <https://doi.org/10.4018/978-1-5225-0148-0>
- Erçetin, Ş. Ş., Cetin, B., & Potas, N. (2007). Multi-dimensional organizational intelligence scale *Multimarine Journal. World Appl. Sci. J*, 2(3), 151–157.
- Farhadi Nejad, M., Lagzian, M., Mansoorian, Y., & Kaffash Poor, A. (2014). Managerial competencies for effective management in iranian governmental organizations: Grounded data theory. *Quarterly Journal of Public Organizations Management*, 3(1), 55–70. http://ipom.journals.pnu.ac.ir/article_1682.html
- Forester, J. (2003). On fieldwork in a Habermasian way: Critical ethnography and the extra-ordinary character of ordinary professional work. In M. Alvesson & H. Willmott (Eds.), *Studying Management Critically* (pp. 46–65). SAGE Publications Ltd.
- Freeman, J., Coyle, T. R., & Baggio, J. A. (2016). *The functional intelligences proposition*. 99 (3), 46-55. <https://doi.org/10.1016/j.paid.2016.04.057>
- Gabriel, Y. 2012. Organizations in a State of Darkness: Towards a Theory of Organizational Miasma. *Organization Studies*, 33(9): 1137-1152.
- Ghorashi Bonabi, A. A. (2012). *Qamoos Quran*. Dar-al-Ketab Islamiyah. <http://www.noorshop.ir/fa/book/2086/کتاب-قاموس-قرآن>
- Izak, M. (2013). The foolishness of wisdom: Towards an inclusive approach to wisdom in organization. *Scandinavian Journal of Management*, 29(1), 108–115. <https://doi.org/10.1016/j.scaman.2012.07.002>
- Jones, M., & Alony, I. (2011). Guiding the use of grounded theory in doctoral studies – An example from the Australian film industry. *International Journal of Doctoral Studies*, 6, 95–114. <https://doi.org/10.28945/1429>
- Karimi-Ghartemani, S., Khani, N., & Nasr Esfahani, A. (2020). Stupidity for organizational developing a framework. *Journal of High Technology Management Research*, 31(2), 100392. <https://doi.org/10.1016/j.hitech.2020.100392>
- Lange, A.-C. (2016). Organizational ignorance: An ethnographic study of high-frequency trading. *Economy and Society*, 45(2), 230–250. <https://doi.org/10.1080/03085147.2016.1220665>
- Malakouti, M. S., & Talebi, A. T. (2018). The issue of identity in children without identity card: A grounded theory study from Tehran, Iran. *Journal of Human Rights and Social Work*, 3(2), 62–71.

- March, J. G. (2006). Rationality, foolishness, and adaptive intelligence. *Strategic Management Journal*, 27(3), 201–214. <https://doi.org/10.1002/smj.515>
- Nachiappan, S., Andi, H. K., Veeran, V. P. K., Ahmad, A. I., & Zulkafaly, F. H. M. (2014). Analysis of cognition integration in intelligence quotient (IQ), emotional quotient (EQ) and spiritual quotient (SQ) in transforming Cameron highlands youths through hermeneutics pedagogy. *Procedia - Social and Behavioral Sciences*, 112, 888–897. <https://doi.org/10.1016/J.SBSPRO.2014.01.1246>
- Omidvar, R., Sardari, A., & Yazdani, N. (2015). Analysis of barriers to green supply chain management using structural-interpretive modeling (ISM). *Business Strategies*, 22(5), 29-38.
- Paulsen, R. (2017). Slipping into functional stupidity: The bifocality of organizational compliance. *Human Relations*, 70(2), 185–210. <https://doi.org/10.1177/0018726716649246>
- Paulsen, R. (2018). In the mood for obedience: Despair, cynicism, and seduction among employment service employees. *Culture and Organization*, 24(5), 365–382. <https://doi.org/10.1080/14759551.2016.1186673>
- Roberts, J. (2013). Organizational ignorance: Towards a managerial perspective on the unknown. *Management Learning*, 44(3), 215–236. <https://doi.org/10.1177/1350507612443208>
- Roberts, J. (2018). Managing only with transparency: The strategic functions of ignorance. *Critical Perspectives on Accounting*, 55, 53–60. <https://doi.org/10.1016/J.CPA.2017.12.004>
- Spicer, A., Alvesson, M., & Karreman, D. (2009). Critical performativity: The unfinished business of critical management studies. *Human Relations*, 62(4), 537–560. <https://doi.org/10.1177/0018726708101984>
- Tajeddini, K. (2013). Using grounded theory to model market orientation experiences at practice, *International Journal of Business Excellence*, 6(5), 553-571.
- Tajeddini, K., & Trueman, M. (2008). The potential for innovativeness: a tale of the Swiss watch industry. *Journal of Marketing Management*, 24(1-2), 169-184. <http://dx.doi.org/10.1362/026725708X273984>
- Takkar, J., S. G. D., & Gupta, A. D. (2007). Development of a balanced scorecard. *International Journal of Productivity and Performance Management*, 56(1), 25–59.
- Tajeddini, K., & Mueller, S. L. (2012). Corporate entrepreneurship in Switzerland: evidence from a case study of Swiss watch manufacturers. *International Entrepreneurship and Management Journal*. 8(1), 355-372.
- Usmani, M., Davison, J., & Napier, C. J. (2020). The production of stand-alone sustainability reports: Visual impression management, legitimacy and “functional stupidity.” *Accounting Forum*, 44(4), 315–343. <https://doi.org/10.1080/01559982.2020.1782566>
- Yang, CH.& Lin.H.M, (2012), Boosting firm performance via enterprise agility and network structure. *management decision*.50(6).3-30.
- Zhuang, W. L., Chen, K. Y., Chang, C. L., Guan, X., & Huan, T. C. (2020). Effect of hotel employees’ workplace friendship on workplace deviance behaviour: Moderating role of organisational identification. *International Journal of Hospitality Management*, 30(22), 102-531. <https://doi.org/10.1016/j.ijhm.2020.102531>.