CHAPTER 5

Pygmalion Mirage as an Organizational Metaphor

Lawrence Jones II

A Proposed Metaphor: A Pygmalion Mirage

A Pygmalion Mirage is when the organizational culture, often influenced by the leader, becomes overly confident with their perception of a situation without gaining the full details of the environment and circumstances. It usually places an organization in an unfavorable and vulnerable position, which may threaten its very existence. The biblical story of Saul and his episodes as a leader provides a biblical snapshot of how a Pygmalion Mirage can be depicted. Although Saul has humble beginnings, 1 Samuel 9:21 (NLT), through time, he became enamored by his selfish motives by declaring a curse that he believed necessary where he proclaims to avenge himself and his people.

He was blinded by his perception of the circumstances of the battle situation to the point his followers questioned his motives for his actions. In 1 Samuel 14:29–30 (NLT), Samuel requested that his army of men not eat before their next battle. The army of men was already weak and was

L. Jones II (✉)
Regent University, Virginia Beach, VA, USA
e-mail: lawrjon@mail.regent.edu

R. B. Huizinga, D. J. Dean (eds.), *Organizational Metaphors*, Christian Faith Perspectives in Leadership and Business,
https://doi.org/10.1007/978-3-030-41712-3_5

hungry from previous campaigns. He is oblivious to the wellbeing and safety of his soldiers. The bible illustrates that Saul's curse was a curse based on his vanity. Jonathan, his son, firmly believed that the men needed food for their strength for battle. Eating was the right and sensible thing to do.

Unfortunately the fast on the men led the people to eat meat with the blood still in it, 1 Samuel 14:32–33 (NLT). This scenario is an example of how a Pygmalion Mirage may impose unnecessary and catastrophic situations for an organization and stakeholders. Jonathan executes an attack on his own on a Philistine military base, which furthers his reputation as a skillful and courageous warrior. However, he eats food without knowing that his father had said, "Cursed be any man who eats food before evening comes" (1 Samuel 14:24). When he learns of his father's oath, Jonathan disagrees with the wisdom of it, as it requires the soldiers to pursue the enemy, although weak from fasting.

Jonathan renewed his strength, and he encouraged the other soldiers to eat to renew their strength. Jonathan viewed the oath not to eat was foolish and very unrealistic. In other words, Jonathan identified a potential Pygmalion Mirage if the soldiers had believed that not eating would give them the victory. A Pygmalion Mirage more definitively is when an organization's leader experiences the illusion of success as the result of a mismatch between the organization's design strategy and the environmental conditions for the plan to be effective.

In Judges 16:19–20, the story of Samson can be read as an example of an overconfident leader that proved to be tragic. He was so reckless that he revealed his vulnerability that miscalculated his environment. Although the Pygmalion Mirage defines the organizational position, often, a view is charted by the leadership of the organization. Through this discussion of the Pygmalion Mirage, the reader will develop an appreciation for the importance of understanding the relationship between climate and organization.

This metaphor fits with Environmental Contingency Theory, which argues that the environment dictates the best form of organization to use (Hatch & Cunliffe, 2013). Furthermore, it speaks to the use of organic forms of an organization because they provide better support for innovation and adaptation than mechanistic ways that require more stable environments (Hatch & Cunliffe, 2013). There have been many business assessments of company leaders, such as Blockbuster and The Eastman Kodak Company (Kodak), which took severe financial hits. Having a blurred vision of the market environment is a prerequisite for a Pygmalion Mirage. Kodak, a onetime multibillion-dollar company and leader in the photography industry, experienced a Pygmalion Mirage as it attempted to maintain industry leadership as digital photography started to develop and threaten film-based reproduction.

Company leaders at one point believed that the company was successfully transitioning its business model to address consumer needs the way they did with film-based photography. Their limited view of their purpose (defining themselves as a camera/film company) and underestimation of the environmental changes, which triggered rapid demand for digital imaging solutions, left them vulnerable to leadership actions and design changes, which almost led to Kodak's demise. Similarly, Blockbuster's view of Netflix not taken seriously (DiSalvo, 2011). The Pygmalion Mirage eventually infiltrated the organization, which caused the brick-and-mortar movie business to spend their 25th anniversary in bankruptcy court (DiSalvo, 2011).

Defining Pygmalion Mirage

An extension of Morgan's (2006) metaphors is a "Pygmalion Mirage." In considering extensions of Morgan's metaphors of organizational dysfunction, there are some corporate examples and biblical insights to the proposed new metaphor. A Pygmalion Mirage is when the organizational culture, often influenced by the leader, becomes overly confident with their perception of a situation without gaining the full details of the environment and circumstances. Organizationally, it describes "an organization that has fallen in love with their creation(s) and success(es) to the point that their confidence in the organizational performance and strategic planning is unrealistic." In 1968, Rosenthal and Jacobs posited the metaphor known as the Pygmalion Effect, which is described as a self-fulfilling prophecy based on the expectation of behavior that a person (e.g., manager or organizational leader) has on another person or situation resulting in a desired positive outcome (Rosenthal and Jacobson 1968, p. 16).

A mirage is "something (such as a pool of water in the middle of a desert) that is seen and appears to be real, but that is not there" (Merriam-Webster online dictionary, 2020). The metaphor of the Pygmalion Mirage occurs when an organization's leadership cannot see the reality that the success they believe they have is not real. "The metaphor draws from the ancient Greek myth about Pygmalion, a king of Cyprus, who fell in love with his carved creation out of ivory, Galatea" (Merriam-Webster online dictionary, 2020). The goddess Aphrodite brought the Galatea to life, thereby transforming her into a living being (Merriam-Webster online dictionary, 2020).

A biblical example is evident in Saul's leadership in leading Israel to victories; however, Saul did not pay attention to the environment or the Lord's instructions. "Obedience is better than sacrifice, and submission is better than offering the fat of rams" (1 Samuel 15:22 NLT). The Pygmalion Mirage metaphor looks at the question of transformation concerning organizational outcomes in that it is the result of a mismatch between the organization's design strategy and the environmental conditions for the approach to be practical. Four characteristics set the stage for the Pygmalion Mirage:

1. Confusion about the organization's purpose or mission
2. Misreading the environment
3. Escalation of commitment by senior leaders
4. Inappropriate organizational design strategies in response to the environment

Confusion About the Organization's Purpose or Mission

The Pygmalion Mirage can initiate a lack of understanding of the purpose or mission of the organization. Hamm and Symonds (2006) suggest it is important not to confuse *what* the company does with *how* it does it. The Eastman Kodak Company was the original creator of film-based photography when Eastman American film introduced in 1888 (Photo Secrets, 2018). The company's success built on providing photography and imaging products for consumer and commercial use. As late as 1976, Kodak "commanded 90% of film sales and 85% of camera sales in the U.S., according to a 2005 case study for Harvard Business School" (Photo Secrets, 2018).

By 1988, Kodak employed over 145,000 workers worldwide, and 1996 was the peak year for Kodak (Photo Secrets, 2018). The company had over two-thirds of the global market share. Kodak's revenues reached nearly $16 billion, and the company was worth over $31 billion. At that time, the Kodak brand was the fifth most valuable brand in the world (Photo Secrets, 2018). While Kodak's leadership saw the camera sales as an indication of success, they did not anticipate the increased competition from companies who made digital cameras.

The rate of displacement of stand-alone cameras by cell phones, smartphones, and tablets, which had integrated digital camera functionality, became obsolete to the new competition (Cade, 2013). They also did not make strategic investments in digital imaging technologies and services as quickly as they could have. However, in 2007, Kodak announced the release of a 5-megapixel camera, which stands for a complementary metal-oxide-semiconductor, that lowered light sensor costs considerably (Lombardi, 2007). Although the company's innovation focus was on the camera, they did not diversify their approach to providing imaging solutions for consumers and commercial customers, leading to an eventual decline in revenues and market capitalization.

Hamm and Symonds (2006) contrast the market adeptness of Eastman Kodak to Western Union, founded in 1851. They asked the question, "Why has Western Union been able to adapt to severe disruptions and survive over so many years?" (Hamm & Symonds, 2006). Hamm and Symonds (2006) suggest that Western Union never confused the business; they were a communications company, and they conducted their business by facilitating person-to-person communications and money transfers. Hamm and Symonds (2006) point out that the company has managed to ride each successive wave of change in its history after handling the first transcontinental telegram in 1861. By comparing Eastman Kodak to Western Union, one could conclude that Eastman Kodak defined itself too narrowly, which was detrimental for their success.

Misreading the Environment

Sometimes a leader's interpretation of environmental factors results in a false belief that the organization is positioned for success or is doing well when it is not. 1 Samuel 17:8–10 (NLT) provides more biblical imagery of the Philistine soldier Goliath who was a nine-foot giant. Goliath was quite sure that he could not be defeated, but he did not understand the purpose of David's challenge to fight him with no armor and unconventional war weapons. Goliath was confused about his opponents' weapons and did not consider him a threat. Saul did not think that David could beat Goliath. David reassured Saul that he had fought lions and bears and felt well prepared. Saul was unaware of David's preparation for that moment (1 Samuel 17:34–36, NLT).

Kerin, Hartley, and Rudelius (2013) posit that environmental scanning can play a significant role in understanding an organizational environment. They add that “environmental trends arise from five sources such as social, economic, technological, competitive, and regulatory forces” (Kerin et al., 2013). Without a thorough understanding of environmental factors, organizational leaders can be misguided in the strategies they pursue. A lack of knowledge or misinterpretation of the environmental factors can lead to the adoption of ineffective corporate design strategies, which can have a long-lasting effect on the organization’s survival.

Munir (2012) mentions that when the Eastman Kodak company encountered disruptive digital technology, this technology had an impact on consumer value and electronic technologies. He further says that digital technology provided a new competitive landscape that Eastman Kodak had to adapt to (Munir, 2012). The ease of use and affordability of digital cameras increased consumer preference for digital photography over film-based photography. Kodak proceeded cautiously in developing and marketing digital photographic products and services (Munir, 2012).

Ericson (2012) mentions that “Kodak engineer Steven Sasson had created the first digital camera in 1975; however, the CEO was not convinced about the opportunity to expand.” Kodak’s old business model based on an inexpensive camera; however, they made money on the consumable part of photography, which was film, chemicals, and paper (Ericson, 2012). They were one of the world’s most valuable brands. However, digital photography began to replace film, and smartphones replaced cameras (Last Kodak Moment, 2012).

Eastman Kodak failed to adapt adequately, but Fujifilm transformed itself into a solidly profitable business, $12.6 billion to Kodak’s $220 million (Last Kodak Moment, 2012). The following question was raised: Why did these two firms fare so differently? Although both firms determined that digital photography itself would not be very profitable, why was Kodak slower? The answer was the convergence of technologies with camera integration in computers. Websites, tablets, and smartphones became a game-changer. Unfortunately, the myopic vision of company culture, despite its investment research, had become a complacent monopolist (Last Kodak Moment, 2012). Fujifilm seized the opportunity to the sponsorship of the 1984 Olympics in Los Angeles, while Kodak was slow to act, plus Fujifilm’s cheaper film was a game-changer in the United States market (Last Kodak Moment, 2012).

Escalation of Commitment by Senior Leaders

Leadership's increase in commitment can also contribute to a Pygmalion Mirage. Another biblical illustration is that Saul eventually became jealous of his son's friend David. Saul had become committed to having David killed (1 Samuel 19, NLT). Saul became so obsessed with killing David that he killed people at David's expense and even tried to kill his son Jonathan (1 Samuel 20:33, NLT). Escalation of commitment designates to a pattern of behavior, in which an individual, group, or organization will proceed to rationalize their decisions and actions even with increased adverse outcomes rather than recalibrate their course (Staw, 1976). The Last Kodak Moment?" article in *The Economist* (June 14, 2012) suggests that Kodak was slow to change because its executives "suffered from a mentality of perfect products" (p. 1). For instance, when CEOs make business decisions, the timing is crucial, and they can become a liability when the window of opportunity to act has passed. Escalation of a commitment then occurs when persistence chose over the withdrawal. Kodak's leadership demonstrated such a commitment to the film-based photography business when all signs pointed to the growth potential of digital and financially savvy diversification. The escalation of commitment may be enhanced by factors such as sunk costs, which are costs that cannot be recovered and prospective value, which may be future costs. Another consideration for escalation of commitment may be the technology "Lock-In." Perkins (2003) posits that "Lock-In" may benefit from new technology adoption for the technological change to proceed incrementally rather than dramatically. Another benefit may be "the presence of increasing returns implies that the option which secures an initial lead in adoption may eventually go on to dominate the market because early adoption can generate a snowballing effect and eventual leadership" (Perkins, 2003, p. 2). A technology that has been historically dominant in the financial market may remain, not because its inherent cost is low, or performance is excellent, but because it enjoys the benefits of increasing returns to scale (Perkins, 2003, p. 2). As a result, decision-makers can be significantly influenced by the dominance (large market share) of a product.

Inappropriate Organizational Design Strategies in Response to the Environment

Geletkanycz and Fredrickson (1993) state that top executives and managers can and do influence organizational outcomes (p. 401). They add that managerial influence can, at times, overcome environmental determinants to dominate their organizations (Geletkanycz & Fredrickson, 1993, p. 401). Geletkanycz and Fredrickson believe that managers can shape the organization's designs, and neither environments nor organizational pace entirely determines outcomes. Lewin and Stephens (1994) theorize that CEOs develop their top-management teams, and they have a profound impact throughout the organization (p. 184).

Lewin and Stephens (1994) also add that in small organizations or start-up entrepreneurial firms, research has shown that founders and CEO shape their corporations according to their preferences. Stopford and Baden-Fuller (1990) point out that in six major manufacturing organizations whose turnarounds they studied, the CEO appeared to be the crucial impetus to change and imprinted their characteristics (Lewin & Stephens, 1994). Lewin and Stephens also point out that a top priority of any executive is to make their employees successful, which will reflect organizational performance. Whether managers do have a profound impact on organizational outcomes, managers believe they can affect their organization by shaping organization designs (Lewin & Stephens, 1994).

Key Considerations

Kanter (2011) posits how great companies think differently. She suggests that great companies create a platform that uses societal value and human values in decision-making to chart the direction of the company. Kanter (2011) adds that corporations have a responsibility to stakeholders by producing goods and services that improve the lives of users in various ways, such as employment, work-life enhancements, and build a robust business network and financial stability.

Allen (2015) posits that "emergence" is the most amazing property of the universe and that we are all products of emergent processes. He adds that to consider the concept of emergence is to study the scenario of the structure of the paper. Allen visually described a document folded into different forms (for instance, in the shape of a bird, a hat, an airplane, etc.). He explained that folding a paper in different ways may result in different emergent characteristics and capabilities. Allen's (2015) metaphor of the morphological paper-folding scenario resulted in new objects and innovations in contributing to a unique ecosystem. This mindset shift may produce specific organizational patterns of change.

Conclusion

All metaphors have limitations. Understanding Pygmalion Mirage requires more knowledge than meets the eye, since it involves understanding the organization's purpose as well as the design choices that emerge in response to the environment. It also requires a longer time horizon to evaluate whether the design changes result in positive organizational outcomes and an understanding of how leaders influence change. The environment (i.e., market) can be fluid. Although a situation or decision may have appeared desirable, the variables in the background or circumstances that contributed to the success initially may no longer be present or sustainable. By understanding the complex relationships between how leaders interpret the environmental factors and the design changes that they make, one can identify potential Pygmalion Mirages before they occur. Leaders who have a more realistic view of their organization's success potential and the factors that they can influence may yield positive outcomes so that the reality they seek to change will exist.

References

Allen, P. (2015). Editorial (17.3): Emergence and origami. *Emergence: Complexity & Organization, 17*(3), 1–2.

Cade, D. L. (2013, August 21). *Kodak to exit bankruptcy, will emerge as a commercial printing company*. Retrieved from http://petapixel.com/2013/08/21/kodak-to-exit-bankruptcy-will-emerge-as-a-commercial-printing-company/

DiSalvo, D. (2011, October 2). The fall of Kodak: A tale of disruptive technology and bad business. *Forbes*. Retrieved from http://www.forbes.com/sites/daviddisalvo/2011/10/02/what-i-saw-as-kodak-crumbled/

Ericson, P. (2012, February 10). Is Kodak's epic decline the fault of its leaders? *Rochester Business Journal*. http://www.rbj.net/print_article.asp?aID=190312

Galatea [Def. 1]. (2020). Merriam-Webster Online. In *Merriam-Webster*. Retrieved March 25, 2020, from http://www.merriam-webster.com/dictionary/citation

Geletkanycz, M. A., & Fredrickson, J. W. (1993). Top executive commitment to the status quo: Some tests of its determinants. *Strategic Management Journal, 14*(6), 401–418.

Hamm, S., & Symonds, W. C. (2006, November 26). *Mistakes made on the road to innovation*. Retrieved from http://www.bloomberg.com/bw/stories/2006-11-26/mistakes-made-on-the-road-to-innovation

Hatch, M. J., & Cunliffe, A. L. (2013). *Organization theory: Modern, symbolic, and postmodern perspectives*. New York: Oxford University Press.

Kanter, R. M. (2011). How great companies think differently. *Harvard Business Review, 89*(11), 66–78.

Kerin, R. A., Hartley, S. W., & Rudelius, W. (2013). *Marketing, 11th Canadian edition*. New York: McGraw-Hill Ryerson.

Lewin, A. Y., & Stephens, C. U. (1994). CEO attitudes as determinants of organization design: An integrated model. *Organization Studies, 15*(2), 183–212.

Lombardi, C. (2007, May 21). *Kodak's CMOS camera will be 5-megapixel*. Retrieved from http://www.cnet.com/news/kodaks-cmos-camera-will-be-5-megapixel/

Mirage [Def. 1]. (2020). Merriam-Webster Online. In *Merriam-Webster*. Retrieved November 26, 2015, from http://www.merriam-webster.com/dictionary/citation

Morgan, G. (2006). *Images of organization* (3rd ed.). Thousand Oaks, CA: Sage Publications Inc.

Munir, K. (2012, February 26). The demise of Kodak: Five reasons. *The Wall Street Journal*. http://blogs.wsj.com/source/2012/02/26/the-demise-of-kodak-five-reasons/

Perkins, R. (2003, February). Technological "lock-in". Online encyclopedia of ecological economics. http://isecoeco.org/pdf/techlkin.pdf

PhotoSecrets. (2018, April 20). The rise & fall of Kodak a brief History of the Eastman Kodak Company, 1880 to 2012. Retrieved from http://photosecrets.com/the-rise-and-fall-of-kodak

Pygmalion [Def. 1]. (1968). Merriam-Webster Online. In *Merriam-Webster*. Retrieved November 26, 2015, from http://www.merriam-webster.com/dictionary/citation

Rosenthal, R., & Jacobson, L. (1968). Pygmalion in the classroom. *The Urban Review, 3*(1), 16–20.

Staw, B. M. (1976). Knee-deep in the big muddy: A study of escalating commitment to a chosen course of action. *Organizational Behavior and Human Performance, 16*(1), 27–44.

Stopford, J. M., & Baden-Fuller, C. (1990). Flexible strategies—the key to success in knitwear. *Long Range Planning, 23*(6), 56–62.

The Last Kodak Moment. (2012, January 14). *The economist*. Retrieved from http://www.economist.com/node/21542796