Organizational Bystanders:
Why do well-intentioned people often fail to act in the face of uncertainty and risk?

_The Columbia Tragedy Provides Answers_

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Managing Uncertainty and Risk ➔
Avoiding Disasters and Missed Opportunities

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Adelson’s Checkerboard Illusion
A Metaphor for the Failure of Intuition

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Change at the Critical Point:
“Good” and “Bad” Event Cascades

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A Simple Sand Pile
Product Performance Is Stochastic
(And trends are just a preponderance of ups or downs)

Weekly Market Share of New Prescriptions for Insomnia
Primary Care Physicians

Source: Majestic Research and ImpactRx

Real Stochastic Events Show “Fat Tails”

US Dollar/Deutschmark Futures
5-minute increments

Actual
Gaussian

Daily FTSE “Returns”

1984 – Present QNorm Plot

Lower Fat Tail

Frequency of Disasters And Innovations

Species
Life-span & Extinctions
○ Extinction events

Source: Sepkoski, 1988

Aircraft Innovations

Source: Tushman & Anderson, ASQ, 1986

Log Percentage Increase
Some Disastrous Bystander Situations

<table>
<thead>
<tr>
<th>Event</th>
<th>Consequences</th>
<th>Who Knew the Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asian Tsunami in Thailand</td>
<td>• 5,000 deaths</td>
<td>• Thai Met employees and managers*</td>
</tr>
<tr>
<td>Merck’s Vioxx</td>
<td>• 25,000 to 50,000 deaths</td>
<td>• Merck scientists and executives*</td>
</tr>
<tr>
<td>Space Shuttle Challenger &amp; Columbia</td>
<td>• Loss of spacecraft and crew</td>
<td>• Morton Thiokol engineers &amp; management</td>
</tr>
<tr>
<td>BP Texas City</td>
<td>• 15 deaths</td>
<td>• BP plant management</td>
</tr>
<tr>
<td>Airbus A300 China Airlines 140</td>
<td>• 261 deaths</td>
<td>• Airbus engineers/executives*</td>
</tr>
<tr>
<td>Chernobyl nuclear power plant</td>
<td>• Vast tracts of land poisoned for 600 years</td>
<td>• KGB</td>
</tr>
</tbody>
</table>

What Happens to Whistleblowers & Truth-tellers?

Pressure to drop allegations
Reduction in staff support
Denial of promotion
Counter allegations
Social ostracism
Denial of tenure
Termination
Loss of position
Threats of litigation
Denial of salary increase
Reduction of travel funds
Reduction of research support
Delays in essential work processes
Loss of desirable work assignments
But There’s a New Sheriff In Town

"...could become as important a journalistic tool as the Freedom of Information Act."
— Time Magazine

Wikileaks

global defense of sources and press freedoms, circa now —

Reactions to a Potential Threat

<table>
<thead>
<tr>
<th>Real Threat</th>
<th>No Threat</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual remains passive</td>
<td>Decreased likelihood of productive organizational outcomes</td>
</tr>
<tr>
<td></td>
<td>Individual is a bystander</td>
</tr>
<tr>
<td>Individual takes action</td>
<td>Increases likelihood of productive organizational outcome</td>
</tr>
<tr>
<td></td>
<td>Individual is a hero (or whistle-blower)</td>
</tr>
<tr>
<td></td>
<td>No cost</td>
</tr>
<tr>
<td></td>
<td>Individual is a savvy professional who doesn’t overreact</td>
</tr>
<tr>
<td></td>
<td>Cost to individual’s reputation, career</td>
</tr>
<tr>
<td></td>
<td>Cost to the organization to follow-up identified concerns</td>
</tr>
<tr>
<td></td>
<td>Individual is an alarmist</td>
</tr>
</tbody>
</table>

Understanding the Bystander Phenomenon

Space Shuttle Columbia

NASA’s Rodney Rocha

Common Organizational Bystander Rationalizations

- “It’s not my area of authority. I need to focus on my own group and not offer a view about how others should run their operations.”
- “I don’t have all the information I need to intervene. The issue is complex and it is better to say nothing.”
- “I seem to be the only one seeing this as a problem. Perhaps I am overreacting and should trust the views of others who believe everything is OK.”
- “Those making the decisions are experts in the area being debated. They must know more than I do.”
- “I’m only following what senior leadership wants. I tried to surface concerns but no one listened.”
- “I have little power in this organization. My efforts won’t make any difference.”
- “I don’t want to get caught in a political battle. Better to stay neutral and let others fight it out.”
- “We need to move quickly. My contrary point of view will only slow down decision making and be seen as not going along with the team.”
- “We should not blame ourselves. We did everything possible — nothing could have been done to avoid the problems.”
# Psychological Contributors to Bystander Behavior

<table>
<thead>
<tr>
<th>Factor</th>
<th>Description</th>
<th>Columbia Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ambiguous precipitating event</td>
<td>When it is not clear whether one is observing a significant event, the likelihood of observer passivity increases.</td>
<td>Images of foam strike were suggestive but inconclusive. The crew reported no problems in flight.</td>
</tr>
<tr>
<td>Large number of people observing the event</td>
<td>When many people observe an event, there is a diffusion of individual responsibility, and a widespread belief that &quot;somebody&quot; will take action.</td>
<td>Hundreds of people viewed the film of the debris field created by the foam strike.</td>
</tr>
<tr>
<td>Failures of others to act</td>
<td>When other observers are passive, it is more likely that the event will be interpreted as benign, and therefore not requiring intervention.</td>
<td>Only Rocha and his team seemed concerned about the foam strike. Others who were concerned were located in different groups, and were not in touch with Rocha.</td>
</tr>
<tr>
<td>Uncertainty regarding one's ability to help</td>
<td>In situations that appear to require special skills, unique abilities, or formal authority, the likelihood of observer passivity is increased.</td>
<td>Rocha finally believed he lacked the data and formal power needed to influence NASA's hierarchy.</td>
</tr>
<tr>
<td>Presence of formal authorities or “experts”</td>
<td>Observers are not likely to act if &quot;better qualified&quot; authorities or experts are present or nearby.</td>
<td>A host of senior NASA officials reviewed the results of lower level work and believed there was no risk to flight.</td>
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</tbody>
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**Marc Gerstein** holds a Master’s degree and Ph.D. in Management from the Sloan School of Management, MIT. He has held positions as an adjunct full Professor of Management at the Columbia Business School and as a visiting scholar at Sloan. He currently heads Marc Gerstein Associates, Ltd. (mglimitied.net), a management consulting firm, and is President of The Organization Design Forum, a professional organization. Gerstein is the author of *The Technology Connection: Strategy and Change in the Information Age* (Addison-Wesley, 1987) and *Flirting with Disaster: Why Accidents Are Rarely Accidental* (Union Square, 2008) and co-author of *Organizational Architecture: Designs for Changing Organizations* (Jossey-Bass, 1992). His writing on strategy and organizational dynamics has been published by the Sloan Management Review, the Journal of Business Strategy, Stanford University, and others.

**Robert Shaw** is Managing Principal of Princeton MCG, a management consulting firm specializing in organization and leadership. Robert holds a Ph.D. in Organizational Behavior from Yale University. He has authored and co-authored a number of books and articles on organizational performance including *Trust in the Balance: Building Successful Organizations on Results, Integrity and Concern; Discontinuous Change: Leading Organizational Transformation and Organizational Architecture: Designs for Changing Organizations.*

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# Roots of Bystander Behavior

- **Psychological Determinants**
  - Diffusion of responsibility
  - Desire for peer group acceptance
  - Fear of consequences of challenging supervisors

- **Organizational Determinants**
  - Limiting basic assumptions
  - Command & control leadership
  - Structure & role impediments
  - Financial constraints
  - External pressures

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*Enduring practices, behaviors and thought patterns*