

# The Architecture of Self-deceit

*Exploring the Traps of Decision in  
Society, Government, and Organizations*

by

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# Chapter 1

## On Class 1 and Class 2 Errors: The Foundations of Decision Traps

This book addresses a subject that is both ancient and contemporary. Moreover, the phenomenon under study occurs across all latitudes, cultures, and regimes. It is, therefore, universal, transcultural, and transhistorical. We call it decision traps, or why people, groups, and organizations can act paradoxically and in a manner that is almost consciously against their own interests, and often against those of society at large. Since governments are organizations, or better yet, networks of loosely coupled organizations, they often play a central role in the dynamics of decision traps.

### **The Normality of Decision Traps**

A more practical and less normative perspective on decision-making makes it possible to understand the endogenous failures of decision processes. In other words, decision-making cannot be seen as an aseptic, neutral process. It is a process that involves individuals with emotions and psychological biases, operating in political and conflict-ridden contexts. It is, therefore, a process in constant dispute. What appears to some groups as a failure or fiasco may be interpreted very differently by others.

When this book speaks of traps, it does so with a clear normative stance: it is a judgment, an argument asserting that these were indeed traps, with ultimately harmful effects. Yet it would be impossible to claim that a trap is perceived as such by all who observe or experience the phenomenon.

In any case, the very idea of a trap is intricate: it may well be that, for certain people, the trap ends up leading, by accident, to favorable outcomes (at least for certain individuals or groups). The issue of labeling something a trap, then, goes beyond the final outcome; it lies in its contradictory nature, in how it leads individuals and groups to become ensnared in a circular contradictory process.

Within the intricate dynamics and interrelations that characterize decisions made by individuals and groups within organizations, it is entirely plausible that stable and recurring patterns of self-imposed blindness may emerge. A kind of blindness, a veil, that becomes stabilized, and even defended and legitimized. The very individuals involved in a trap may, evidently, find it difficult to observe, identify, or comprehend that they have fallen into it. Paradoxically, they may even fight to avoid escaping the trap: the trap, by its nature, may be, at least initially, pleasant.

This is the first foundational idea of decision traps that guides this book.

The decision-making process followed by a group of individuals or an organization may be orderly, procedural, even technical. And decisions may be sound or unsound, for a variety of reasons. This book, however, focuses on a particular moment within that process: when individuals, while following a given decision-making pathway, paradoxically refuse to acknowledge errors or failures, going so far as to act emphatically to avoid seeing or identifying those very signals that could help them realize they are making mistakes. This is not about technical failures or lack of information. It is about the failure to acknowledge failure itself.

When discussing governments or political institutions, it is essential to include reflections on human perversity, the political logic that

drives it, and the web of conflicting interests and intentions that are typically cited as the primary explanations for governmental errors or fiascos. This book takes an additional step: it proposes an analytical perspective that explores how human, psychological, and organizational forces interact in ways that entrap decision-makers within dynamics that ultimately paralyze them, preventing them from confronting the errors and failures produced by their own decisions and actions. The paradox is clear: individuals, groups, and organizations might even use proactive tactics to maintain themselves locked in the trap.

This paradox is referred to here under the label of decision traps and has been studied under different names across various disciplines, often in a fragmented or disconnected manner. Fields as diverse as psychology, organizational theory, history, and political science have examined the paradoxes in which individuals, groups, or organizations fall into their own decision traps and bring ruin or failure upon their own interests. It is important to highlight that the concept of a trap is crucial: a trap is such because it is attractive, even charming. A trap that does not seduce traps nothing. A trap that conceals the fact that it is a trap has a higher chance of success. Decision traps, as we will see, are seductive paradoxes that ensnare those who decide and act. What, then, is the typical logic of decision traps? It is that the very same organizational forces and dynamics used to produce coordination and results are, at another point in time, the ones that lead to continued error and eventual fiasco.

Decision traps can emerge in any organization, regardless of culture or even the ideological or political orientation of the country in which that organization exists. If we speak of governments as organizations, the issue becomes quite clear: left-wing or right-wing governments; authoritarian or liberal-democratic regimes; and traditional, populist,

or technocratic societies. All are at risk of falling into decision traps. The reason is that, ultimately, it is individuals who make decisions, and they do not do so in a vacuum or in isolation; decision-making is a social act and therefore contextual, both group-based and societal. To decide is to interact and to transact. The analytical core of decisions lies in those individuals, their capacities for thought, their abilities to make decisions within the contexts in which they operate, and the various forces that affect them: psychological, organizational, group-based, and systemic.

It is through this dynamic vision of decision-making in organizational contexts that we can more clearly approach the central theme of errors and traps, those constructed socially and politically, from within, as endogenous elements of the process itself. Error, evidently, is a constitutive part of human activity. As Schulz (2010) has argued, contemporary collective imagination has led us to think of error as synonymous with ignorance, carelessness, or irrationality. Yet in reality, error is consubstantial with life, with organization, and with society. Error is part of the decision-action process, and therefore a substantive element of learning.

That is why, when we speak of decision traps, what we find is that many crises, fiascos, and disasters may stem not from error per se, but from the inability to recognize and accept errors. That is, from the tendency of certain groups and organizations to evade the learning that arises from error, by means of illusions or veils that blind the decision-makers. Veils which may, in fact, be self-imposed. A paradoxical capacity for self-delusion.

Errors hurt, without a doubt. Hence, the importance of understanding the weight that reducing cognitive dissonance carries for individuals: sometimes, it is preferable to hide reality to avoid the pain of accepting that there may be a painful discrepancy between what one believes

about oneself and what is actually happening. This is no different in group, organizational, or governmental logic. Error is inevitable in all organized activities since this involves political activity, which is human and therefore fallible by nature.

In politics, failures of rationality are much more difficult to justify as the sole explanation for failures, precisely because of the dispute over the ends that all political activity entails.

The type of errors this book focuses on are not general errors or those resulting merely from a lack of information or miscalculations, at least not in their simple form. Rather, it seeks to unravel what we may preliminarily call meta-errors, that is, errors within errors: the error of refusing to see the errors themselves. Refusing to acknowledge, observe, or confront mistakes is a major error in its own right, one that helps explain decision traps and can have grave consequences, leading the organization (almost gleefully) toward disaster.

## **Class 1 and Class 2 Errors**

Error is a constitutive part of decision-making, but it is now time to examine the concept of error considering the social and group-based processes in which decision-making typically unfolds. As Reason (1990) has thoroughly analyzed, errors have been studied across various disciplines, breaking them down into a myriad of types and forms: errors in planning, designing, or execution; in statistical calculation; arising from individual capabilities, cognitive lapses or failures; or stemming from the limitations of rules or available knowledge.

This book will not revisit those discussions, namely, the analysis of errors as discrete acts or as the result of a clearly identifiable cognitive or knowledge deficit. Instead, it takes a different route: that of

understanding the collective and inter-relational dynamics that conceal the existence of errors from the very individuals involved.

Accordingly, we will discuss two distinct classes of error: Class 1 Errors (CE1) and Class 2 Errors (CE2). CE1 are those that result from the bounded rationality of individuals: since people lack unlimited computational capacity and because time constraints make information gathering costly, it is very likely that important alternatives or changing contextual elements will be overlooked. CE1 are the logical consequence of cognitive limitations and the finitude of life and existence (Elster, 2009), as well as of the limits on individual and societal resources.

However, we can also speak of another type of error: CE2, in which individuals construct various stratagems to avoid recognizing and confronting CE1. CE2 are paradoxical, but they are nonetheless explainable through the lens of social, organizational, and group dynamics.

CE1 can be deeply distressing, or they may seriously undermine the legitimacy of certain actors and even create political problems for those who commit them. Such individuals may even face legal consequences for making CE1.

Errors hurt. That is why the possibility of denying them always exists. The denial of errors is a profoundly human act: errors cause pain, and acknowledging one's own mistakes can generate anxiety or damage personal relationships, reputation, or a group's influence. Denying errors can be an individual act, but it can also be a collective or social one. It is entirely understandable, then, that various psychological, group-based, or organizational veils may be constructed, organized, or even actively promoted to deny the occurrence, or persistence of error.

CE2 are intricate and even cooperative constructions: they are not accidents that emerge spontaneously.

The initial impression one might have of CE2 is that they are forms of irrational self-deception, like those observed by Elster (1985) and Ariely (2010), among others. Or errors viewed in terms of consistency across individuals or organizations (Kahneman, Sibony & Sunstein, 2021). But the CE2 addressed in this book have a different specificity: they are extended in time, socially and organizationally dense, and highly effective at ensnaring intelligent and capable individuals in a path of perseverance in error. These types of errors are so interesting and intricate that, as we will see, their outcome might not necessarily be a fiasco. Nevertheless, obviously, CE2 increase the probability of such fiascos enormously.

Organizations, for example, construct psychological environments, routines, and narratives that may function to maintain esprit de corps or unity of command. In certain contexts, or deliberations, going against group consensus can be poorly regarded. Halting an urgent or necessary decision because some members insist on seeking more information, even if it is costly or redundant, can be perceived as irrational or unintelligent.

The dilemma is that these groups, organizational, and even psychological logics, which at certain times enable action, consensus, and legitimacy, can also operate to silence dissenting voices, to blind the organization to information or evidence that negative outcomes are occurring, or will occur. This is a substantive paradox: the very same bounded rationality forces that enable successful or at least reasonable decisions under pressure and with limited capacities can also generate a pernicious blindness, one that prevents course corrections even in the face of clear signs that significant errors are being made.

This is what gives this book its title: The Traps of Decision.

CE2 can lead to a vicious circle, a trap from which, once inside, it becomes difficult to escape. These errors can thus give rise to situations that become true decision traps: individual, group, or organizational contexts that construct a decision-making environment in which errors are denied, concealed, or minimized, even when information is available that clearly shows that problems are not being resolved but rather are intensifying.

Governments, like any organization, are susceptible to CE2 and, consequently, to decision traps. The potential harm governments may cause when they fall into decision traps is, evidently, substantial and deeply concerning. Studying this phenomenon would seem to be of obvious importance if we are to anticipate, understand, and prevent such traps, at least to the extent possible.

## **Chernobyl, 1986. Cover-up and the Institutionalization of the Trap**

One of the clearest and most tragic examples of this dynamic is the Soviet response to the Chernobyl disaster.

In the early hours of April 26, 1986, Reactor No. 4 of the Chernobyl Nuclear Power Plant exploded during a failed safety test. The blast not only destroyed the reactor but also released tons of radioactive material into the atmosphere. Within hours, Soviet authorities received reports of the incident. However, instead of confronting the error, a sequence of decisions ensued with the explicit aim of denying the initial failure, controlling reputational fallout, and preserving the image of the system.

From the outset, local engineers, technicians, and medical staff understood the gravity of the situation. Yet, as Serhii Plokyh notes, “the initial reports sent to Moscow downplayed the scope of the disaster” (Plokyh, 2018: 112). The directive was clear: avoid panic. The nearby city of Pripyat, located less than three kilometers from the reactor, was not evacuated until more than 36 hours after the explosion, despite clear signs of contamination. “No warning was given to the people of Pripyat, and no preparations were made for evacuation” (Plokyh, 2018:117).

This was not due to a lack of technical data, but rather to a well-entrenched political logic: prevent alarm, preserve authority, sustain the fiction of control. Plokyh summarizes it this way: “The main goal of the authorities in the first hours and days after the explosion was to maintain control over the narrative and avoid political embarrassment” (Plokyh, 2018: 118). This is precisely what we define here as a CE2: a decision that, while seemingly rational from within the system’s own logic, is intended to avoid acknowledging the original mistake, even at the cost of intensifying harm.

As signs of catastrophe mounted, rising radiation levels, symptoms of acute radiation poisoning, and reports of structural damage, officials activated bureaucratic mechanisms to minimize, reinterpret, or suppress the facts. The plant director, Viktor Bryukhanov, reported that “the situation was under control” even as it clearly spiraled out of control (Plokyh, 2018:116). This was not merely an act of bureaucratic obedience; it was a deliberate effort to shield oneself from accountability, to prevent the political and institutional unravelling that might follow. It was also, fundamentally, an expression of the trap: a logic in which the initial error becomes the starting point of a downhill slope into the denial of reality.

This episode captures the conceptual core of decision traps. A technical failure (CE1), real, identifiable, and potentially correctable, is followed by a chain of organizational decisions whose purpose is not to fix the problem, but to symbolically erase it. The result is a cascade of actions not designed to resolve the crisis but to preserve the very institutional apparatus that produced it. “The system that had created Chernobyl tried to protect itself at any cost, even if that meant sacrificing its people” (Plokhly, 2018: 123).

This dynamic is particularly evident when the denial mechanisms become embedded in institutional routines. When the trap no longer requires conscious concealment but becomes a normalized epistemology of governance. This was precisely the case in the aftermath of Chernobyl, once the immediate cover-up gave way to a broader and more durable suppression of scientific knowledge.

If the initial Soviet response to the Chernobyl explosion exemplified an active denial of failure, what followed in the weeks, months, and even years after the disaster reveals a deeper entrenchment of that logic. The decision trap evolved: what began as a political maneuver to avoid panic soon morphed into a bureaucratic and scientific suppression apparatus, a self-perpetuating cycle of institutional blindness.

As the radioactive fallout spread across Belarus, Ukraine, and large parts of Europe, medical staff began to observe unusual symptoms among both cleanup workers (liquidators) and the civilian population. Hospitals in Kyiv and Moscow reported an increase in radiation sickness and immune system disorders. Yet these findings were not met with concern or mobilization. Instead, they were dismissed, censored, or discredited. Let’s return to Plokhly’s argument on Chernobyl: “Doctors were told not to use the term ‘radiation sickness’ in their diagnoses unless the patient’s exposure was

officially confirmed, which was almost never the case.” (Plokhy, 2018: 217)

This bureaucratic strategy was not a result of ignorance. By 1987, high-ranking health officials and scientists knew that the consequences of the Chernobyl disaster were grave and long-term. Still, the Soviet state refused to fund comprehensive research or acknowledge epidemiological patterns. As Plokhy notes: “Officials continued to suppress data on the number of people affected by radiation and restricted access to contaminated areas, not for safety reasons, but to control the narrative.” (Plokhy, 2018: 228)

Here we encounter a mature CE2, a phase in which denial is no longer improvised, but systematized. Scientific institutions were drawn into the logic of state preservation, subordinated to a political imperative: avoid liability, uphold technological pride, and prevent ideological collapse. Scientists who challenged the official line were marginalized or accused of alarmism. Research that documented long-term effects was buried. The priority was to control the immediate problem, perhaps with the hope of containing the long-term political consequences later.

This extended cover-up illustrates how the original organizational strategies of containment transformed into institutional routines. The denial of the crisis became embedded in the operating logic of the system. Public health policy, medical diagnosis, and even scientific inquiry were reframed through a filter of permissible discourse, calibrated to preserve the illusion that the worst had passed, and that it had not been as bad as others claimed.

This is the archetype of a decision trap: not just the refusal to see, but the construction of entire subsystems designed to avoid seeing. The denial becomes endogenous. The error is no longer hidden only from

the public; it is now hidden from the system itself. And as new actors enter the scene, they inherit not just the facts, but the veils that obscure them.

Thus, while the immediate Chernobyl disaster was the explosion of a reactor, the longer-term catastrophe was the entrenchment of a political and organizational logic that rendered error invisible, not because of ignorance, but because of institutionalized will. A logic in which knowledge is managed, harm is reinterpreted, and learning is suspended.

As this book will argue, CE2 such as these are not accidents of ideology or poor leadership alone; they are the product of social, organizational, and epistemic choices. And those choices, once made, can structure perception for decades.

“It would be easy to blame the Chernobyl accident on the failed communist system and the design flaws of Chernobyl-type reactors, implying that those problems belong to the past. But this confidence would be misplaced.” (Plokhly, 2018: 14)

## **Bounded Rationality: From the Illusion of Full Rationality to the Double-Edged Sword of Heuristics**

It is now time to delve deeper into the argument concerning errors. Every person, and therefore every group and organization, is fallible. The logical step for a rational actor is to incorporate error into the diagnosis: it would be essential to assume, from the outset, that mistakes are highly probable, that they may be hidden and difficult to detect, and even that a kind of blindness may prevent the very actors involved from recognizing that they are making mistakes (meta-errors). A rational act, in this sense, must occur within a context of bounded rationality, as Simon (1977) emphasized: limited

computational capacities, biases, and informational gaps are not avoidable, at least not entirely.

To act rationally in an uncertain world would mean precisely incorporating error into one's analysis, and beyond that, to understand error as inevitable. It would mean preparing for its existence and its consequences, which may be unknown or unexpected. To make rational decisions in a world where action and decision cannot be sharply separated, where action is part of the decision itself, implies that the actor, the decision-maker, must accept error as an ever-present possibility. To be rational, one must recognize one's own fallibility.

A human being endowed with bounded rationality understands that they are constantly transacting with their context, and that in this transaction, errors may occur. But more importantly, they may be embedded in a group or organizational interaction framework that, paradoxically, prevents them from recognizing that they are making significant errors.

Bounded rationality has proven to be a powerful and prolific concept, one that enables a shift away from the prescriptive question of how decisions should be made in order to be rational, and toward the descriptive question of how individuals and organizations, in their attempt to be rational, develop intelligent and skillful tactics and heuristics to cope with uncertainty. Bounded rationality enables human beings, in real, changing, and heterogeneous contexts, to pursue their objectives with the understanding that time is short and resources are limited.

This approach assumes not only that the world is far from ideal and that reality will resist change, but also that achievement objectives depend on constant transactions (negotiation, bargaining, learning)

with other individuals, who are themselves boundedly rational. Individuals operating with bounded rationality, then, must adopt a key strategy to succeed under such conditions: they must structure their decisions and actions. That structuring is achieved through practices, heuristics, beliefs, institutions, and forms of work.

Some of the most well-known examples of these groups and interaction mechanisms that assist in decision-making include hierarchy, leadership, working or task groups, and idea-sharing meetings, among many others. Norms and rules, beliefs, customs, and institutions allow individuals to face an uncertain world with pre-established roadmaps: rules of interaction, patterns of obedience, norms for introducing techniques or processes.

These bounded rationality strategies are essential: without them, decision-making would be either impossible or prohibitively costly, as one would have to start from scratch with each new decision. Thanks to customs and beliefs, a decision-action pattern that proved successful in the past can be repeated in the present. However, bounded rationality strategies are a double-edged sword. Heuristics do not eliminate errors, as is evident. What these strategies enable is the construction of a platform that defines the rules, norms, and customs for what counts as a “rational decision” under particular circumstances, depending on how the situation is interpreted.

Such structuring makes action, learning, and experience possible, but it can also become a framework that blinds, biases, restricts, and prejudices. This risk is unavoidable. There seems to be no alternative: in seeking to be rational, we must accept that the very structures we create to support rational action can, at times, be deeply illogical or obsolete.

Decision, as a category, may thus be seen as dual. On the one hand, it leads us to analyze and understand what should be done to act rationally (or at least to appear to be rational). On the other hand, decision also entails constantly evaluating how things unfold in reality and accepting that what persons or groups think ought to happen often never is produced in a changing and frequently unpredictable world (Luhmann, 2018).

This second dimension of decision-making (how to confront a concrete situation with abstractly established rules or norms) is less well understood, precisely because it is endogenous to the decision itself. That is, the lack of information, the encounter with a changing and ambiguous reality, and the impossibility of accurate prediction are, in the end, intrinsic elements of any decision. What can be and what ought to be are widely debated among individuals and groups in different political and social frameworks.

What, then, can be done in the face of uncertainty? To begin with, it would be logical to assume that decisions generate by-products. In other words, a decision that leads to action may well produce some of the intended outcomes, but it is also highly likely to generate unintended effects, some of which may also be undesired (Merton, 1936). How can such possibilities be incorporated into the decision-making process itself? Because decision-making is not merely an individual process but one typically embedded in a group or social context, asking such a question is far from trivial.

This book, then, examines various contradictions that arise within the decision-making process, where confronting the unintended and undesired by-products or consequences of action can prove more difficult than one might initially expect. In the organizational realm, for example, it is widely accepted that when making decisions in contexts of incomplete information, heuristics, customs, or theories

are often legitimized and defended as tools that simplify complexity and provide a certain degree of confidence that decisions will be correct, or at least adequate (Gigerenzer, 2014).

Yet these very heuristics are a double-edged sword: while they can help address dilemmas successfully, they can also generate inertia and misunderstandings that ultimately result in harmful effects (March, 2010: 100). In certain relatively urgent decisions, it may be assumed that it is more rational to rely on a small group of decision-makers, rather than a large group that increases the risk of failure or endless debate. However, this also limits the possibility of accessing potentially valuable information and reduces the likelihood that dissenting voices will be heard, voices that might raise critical concerns or point to significant risks.

These kinds of dilemmas and the group or social dynamics that influence any relatively complex decision-making process have typically remained underexamined in analytical terms, despite the fact that exploring them can be profoundly fruitful.

## **Decision, Action, and Uncertainty**

Studying the processes of human decision-making, both individual and collective, is fascinating and elusive (Morel, 2002). People decide and then act, however, it is also true that, in many instances, people learn by acting. They experiment, assimilate, and then mentally and socially process those actions as though they had been consciously decided. For example, it is difficult to determine whether, during an emergency or while practicing a sport, a person truly has the time to separate the decision (as a process preceding the action) from the action itself.

In the same way, there are many different types of decisions: some decisions will have lasting consequences, while others are mundane and minor. What is certain is that the actual effects or outcomes of decisions always carry some degree of uncertainty. One does not always get what one desires. In many situations, the outcome is worse or contrary to what was desired. As if that were not enough, people must live with the consequences not only of the decisions they made, but also of those they did not make or chose not to make.

To all this, we must add that people do not usually make decisions (especially the most important ones) exclusively from an individual, isolated standpoint. That is to say, people typically make decisions in contexts where the presence and consideration of others is unavoidable: friends, coworkers, social or political commitments, for instance. Decisions generally affect and are affected by a network of individuals, groups, collectives, and organizations present in the broader context of decision-making. People decide, but they do not do so in a vacuum; they must account for the multiple associations in which they are entangled (Sfez, 1984). In this book, rather than studying decisions as if they were events belonging exclusively to the inner voice of a single individual, we understand them as part of a broader process of interaction, among individuals, with other people and groups, and with reality itself.

The subject of decisions is undoubtedly fascinating. But not necessarily because it is assumed that decisions are always the key to understanding people's actions and the consequences of their actions and omissions. The relationship between decision and action is more dynamic than a simple linear progression in which the decision is always understood as preceding the action. In fact, many decisions become fully formulated only through action. In other words, people may go through several cycles of decision-action and action-decision

loops before they truly grasp what it was, they were actually deciding, and what they were truly capable of achieving.

At its core, the key element that binds decision and action is uncertainty: rarely can a person be certain that the intended outcomes will be achieved (Simon, 1957). Since the environment in which a person operates is constantly changing and depends on the decisions and actions of many other people, uncertainty lies not only in the outcomes, but also in the very process of decision-making itself: is there sufficient information to make a decision? Will the people in one's environment behave "rationally" and in accordance with their promises and established agreements?

Uncertainty, then, is the source of every genuine decision-making process. Uncertainty is perennial (Cyert and March, 1992). Consequently, learning is also perennial: to decide, one must understand what the real problem is, and sometimes this cannot be done through contemplation alone. Thus, the only way to grasp what is truly occurring is, in effect, to act, experiment, adapt, and, in many cases, change direction altogether.

## **Individuals Make Decisions. How?**

Individuals make decisions. How? It is often assumed that decision-making is part of an analysis, however basic, of values and preferences that guide a process of deep reflection prior to action. That is to say, the actor (whether individual or collective) first thinks, reasons, analyzes the situation, identifies alternatives and their possible consequences, and only then proceeds to act. An action that, evidently, is planned, directed, and conceived based on an ex-ante decision, one that is structured through values and preferences, through the analysis of alternatives and their potential effects. Under this ideal procedure, action is guided by decision: first comes the

decision, then the action, if one wishes to act rationally. A person who acts without first thinking is, presumably, considered irrational and will suffer the consequences.

This is a deeply rooted idea in modern and contemporary thought: that for an action to be rational, it must be guided by an intention, and intention must be precise, so that one can later evaluate whether the decision led to the expected results, or whether the action was executed consistently with the decision in order to achieve those same results. Indeed, this process or chain can help us understand when effects or outcomes were altered by a shifting and dynamic reality, implying the need to learn and to adjust in the next decision cycle.

The perspective that rationality is intimately embedded in such a procedural cycle has proven to be a useful, and even seductive, simplification, because it easily allows for the construction of complete sagas, narratives populated by real individuals cast as heroes and villains in the most diverse domains: from the histories of nations to the tales of success or collapse of major corporations or governments. Indeed, assuming that human rationality rests upon this decision/action cycle makes it possible to tell stories and legends with a beginning, a dramatic climax, a resolution, and finally, a lesson learned (Sfez, 1987). These narratives tell us how people become heroes or rogues, how they face obstacles with reflection, and how they find clever ways to escape a predicament or obtain what they desire.

This dream of human decision-making (whether individual or collective) as a fundamentally rational process is firmly rooted and legitimized through dozens of textbooks across various disciplines. This narrative is easy to find not only in novels, but also in official documents issued by governments, organizations, and in journalistic accounts. Indeed, it is a rhetoric, the saga of decision-making, that is

useful, attractive, and brings hope for the ultimate success of some kind of social order. Even if, in fact, what is empirically found is that decisions are neither a linear process, nor were the central figures individuals equipped with sufficient time or information in order to make decisions based on sufficient and clear knowledge of the alternatives in place and their foreseeable effects.

In practice, the assumption that a decision must precede action is very difficult to sustain. In a great many cases, action and decision are intertwined; they blur together across multiple chains of decision-action (Simon, 1947). That is why it is quite common to find cases and situations in which it was first necessary to act and interact with reality, relying on intuitions or gut feelings, for example, in order to first gain experience and begin to grasp what is truly at stake (March & Simon, 1993). Being rational does not merely mean following an ordinary sequence of causal chains but also involves the creation and recreation of axioms and knowledge, which themselves emerge and are reshaped within a social process of interaction (Boudon, 2011).

As Boudon (2010:8) also argues, individuals may be seen as autonomous or self-contained beings, but they always carry with them a past and are embedded in specific social environments; they are not atoms suspended in a social vacuum. From the perspective of rationalist models of decision-making, the actual path may even appear paradoxical: for instance, carrying out a sort of pre-decision, an effort to understand what is happening in a given context, can be a wise and prudent posture. When faced with a novel or unfamiliar situation, it is smart and even wise to begin by making sense of it, by asking precisely: What logic underlies the situation I am observing? (Weick, 1979). Without making sense of what one observes, it is difficult to initiate any cycle of decision and action.

Sensemaking is key. It involves responding to the question: What is happening, and how am I entangled in this situation? It resembles a kind of pre-decision, something that must be decided before one can actually decide. Making sense of a situation requires experience, action, observation and attention to the past and to context, all critical elements that surround any decision. Decisions are not made by isolated individuals, or by self-contained subjects, but by people embedded within groups, families, and social contexts. The separation between decision and action is, in truth, an analytical distinction; it is hardly a real one.

Decision and action are intimately related. Individuals and organizations can only decide through a process filled with micro-decisions, experiences, learning, pre-decisions, and interlinked actions. This process enables learning, sometimes through making mistakes, reevaluation, correction, relearning, and, if necessary, changing the original course. Indeed, to act is to learn and to negotiate (Demeulenaere, 2014), which may imply realizing that what was once decided was grounded in entirely different reasons, emotions, or prejudices: a poorly formed aspiration, reasoning based on flawed premises, a hope built upon weak foundations yet sustained by emotional force, sometimes even directed by psychological biases that remained unconscious during the process of reasoning or even throughout the action itself (Festinger, 1964).

Thus, the modern-era saga in which decision-making is a rational act carried out in a relatively ordered fashion and through a nearly linear ex-ante logic is, in many ways, a belief. A belief of this kind, as Weber (1984) demonstrates, is central to establishing and upholding the legitimacy of individual and social rationality as a central pillar of collective order. Belief not in the sense of being false or illusory (at least not entirely), but belief as a critical framework that enables

people to confront a highly uncertain world. The idea that people make decisions through a rational process is a powerful framework for fostering and sustaining a vision of social and collective order. Even power, domination, and coercion themselves acquire a certificate of legitimacy: they become means which, when used rationally, that is, legitimately, generate social order.

This powerful belief in rationality, as something produced by decision-making preceding action, has allowed social reality to be understood and analyzed through a discourse, a narrative that provides order and even a certain degree of certainty and trust in data, information, the past, customs, and habits. A true institutional dream, characteristic of modernity, that has made it possible to assume that rationality is constructed in the mind, through deep reflection, by deciding before acting. This form of rationality is such an uncontested assumption that it is taken as valid not only for individuals, but also for organizations, and even for mega-organizations such as governments.

## **Decision-Making as Institution**

If decisions are made by individuals within a social environment, then decisions can also be understood as institutions: rational decision-making is, in many ways, the foundation upon which societies uphold the idea that collective order rests on individuals behaving wisely. For instance, in contemporary organizations, it is expected that decision-makers, those in leadership positions, make decisions based on their knowledge, experience, and legitimacy (March, 2009). Decisions within organizations, for example, are supported and legitimized through legal or regulatory norms, cultural expectations, and even political authority, as is the case in those organizational giants or networks of organizations we call governments.

Decision-making is a key institution in contemporary societies: it is indispensable for sustaining the belief that rationality underpins human behavior and collective interactions. A decision, therefore, typically has implications that extend beyond the individuals who make it. Groups, organizations, and society itself can exist only if the institution called decision is understood as something more than a purely internal act by which a person seeks a specific outcome. Decisions are interconnected; they relate to one another. And the effects of decisions, therefore, must often be understood as part of a social process that links many individuals together.

For this reason, it is important to consider decision-making also as an institution (Brunsson, 2007, 2009): individuals and organizations in the contemporary world cannot afford to claim that they do not decide. Deciding is part of the contemporary dream of rational individuals and organizations striving to control their destiny. Decision-making is a key institution because it sustains the belief that we live in rational societies, or at least in societies composed of individuals who strive to be rational. It is such a powerful institution that society readily accepts a rather peculiar phenomenon: that not only individuals but also groups, organizations, governments, and even entire nations are said to “make decisions,” as if they were some kind of Leviathan.

It is quite clear that only individuals can truly decide. Yet the institution of decision-making is so influential that it becomes socially and politically convenient to play with the metaphor that a collective decides as if it were a single rational person. A collective person, with a single logic and mind. This metaphor evokes an impossible phenomenon: groups or collectives deciding as though they were a single entity, a monolith with a mind of its own, independent of the individuals who constitute it. And yet the metaphor is used daily, in

newspapers, in books, in conversation. Its effects, in practice, are far from innocuous.

Decision-making is an institution vital to the functioning of contemporary societies. Typically, when we hear the word “decision,” we imagine a serious process of deliberation on the part of a person, an organization, or even a country (following the idea of the Unified Rational Actor proposed by Allison & Zelikow, 1999). This illusion is widespread; it is easily assumed, for example, that a country “decides”, decides to adopt a foreign policy or to declare war on another nation. As if governments, corporations, or countries made decisions as a single unit, as a Leviathan, so to speak. Evidently, this is not the case, it is a simplification, a convenient illusion.

## **The Rational Decision-Making Process in Governments**

Organizations are privileged sites to study decisions. And big organizations like governments are, for obvious reasons, also the sources of several of the examples this book relies on. Governments often appear as the central protagonists of large-scale disasters and fiascos. Probably no more than any other type of organization. However, in the case of governments, as mega-organizations, the consequences tend to affect thousands, if not millions, of people. Following the logic discussed earlier, government decisions must still be understood as decisions made by individuals. In this case, individuals operate within highly specific political, legal, and organizational environments.

Thus, we speak of decision-making processes with potentially serious implications and impacts, processes that unfold within complex networks of multiple organizations (ministries, agencies, enterprises, NGOs) guided by diverse rationalities, political, partisan, administrative, and interest based.

When discussing decision-making in government, it is common to invoke a widely used metaphor: that of the unified rational actor (Allison & Zelikow, 1999). This metaphor is built upon an almost fantastical assumption: that a government makes decisions as if it were a single individual, a Leviathan, with unified and clearly defined intentions and objectives. This metaphor is used daily in newspapers, policy analyses, and even in academic articles. But it is, quite evidently, just that: a metaphor. One that is rather inaccurate and easily falsified by empirical observation. And yet, it has proven to be a resilient, perhaps even necessary metaphor.

It is necessary because it forms part of the contemporary imaginary, the presumption that governments are accountable to their societies. Moreover, governments possess the tools and rational capabilities to solve collective problems like no other actor. The public administration and policy literature is full of these hopes (Waldo, 1992; Guerrero, 1986).

Indeed, a large part of the hope embedded in democratic societies lies in the belief that governments are a powerful instrument, a kind of political device capable of addressing public problems through their technical and organizational apparatus, by making adequate decisions that lead to effective actions.

It is a kind of institutional dream, but one that is empirically difficult to verify: governments are networks of loosely coupled organizations (Weick, 1976), with competing interests and cognitive limitations, engaged in constant struggles, and confronting multiple uncertainties and heterogeneous, dynamic contexts. The unified rational actor is a powerful metaphor, but it cannot be more than that: a useful yet imprecise metaphor that contributes little to concrete empirical analysis. Decision-making in government is heterogeneous, dispersed,

and nearly chaotic. It is carried out, quite simply, by real, flesh-and-blood individuals.

One of the aims of this book is thus to delve into the relevance of decision-making processes within organizations such as governments. Starting from the richness of the organizational, group, and individual dynamics that unfold within them. Moving away from the metaphor of the unified rational actor, and equally from the normative idea of the rational cycle of “first decision, then action.”

This shift makes it possible to avoid a common blind spot in decision analysis: the assumption that governments (or any organization) are monoliths, or that a decision or a group “decides” as if it were a person (a rational one, no less). On the contrary, organizations and, therefore, governments, are collections of groups and individuals, each with their own interests. Individuals have cognitive limitations and emotional biases; they are affected by information costs and by the intersubjective strategies of others with whom they interact. To navigate this complexity, people employ a repertoire of heuristic tactics, customs and habits, and cognitive shortcuts. They learn and change through action, not merely through decision. All of this unfolds within a deep and intricate social and political environment, where it is essential to constantly negotiate and bargain with other, acting strategically. In other words, human decision-making takes place in a setting marked by perpetual uncertainty and risk.

Governments are organizations and, as such, they are composed of people behaving (Simon, Thompson & Smithburg, 1991). Not all behavior stems from a decision. What we are speaking of, then, are human beings acting within psychological, organizational, political, and systemic contexts. The latter, for instance, implies understanding that the final outcome is not the product of the action of a single

individual or organization, but rather the result of interactions among multiple organizations over time.

The objective, then, is to advance a discussion of decision-making as a social institution. Organizations, governments, and the individuals within them make decisions, and this is important for maintaining belief in rational action, both individual and collective. But conceiving decision-making in this way should not preclude a more grounded understanding of the human, psychological, and organizational logic through which decisions eventually crystallize and materialize. A decision sets in motion processes, reflections, actions, and new decisions, making it difficult to conceive of it as a discrete moment in time.

It is one thing to believe that individuals make rational decisions, and to assume that making a rational decision requires clearly defined preferences and values, as well as a calculation of alternatives. It is quite another to allow that belief in rational decision-making to obscure a deeper study of how, in practice, people make decisions within intense and heterogeneous group and organizational environments. Along the way, one will surely find that the very process of decision-making is embedded in a human and psychological logic, one saturated with emotions, biases, prejudices, and heuristics. All of which are elements often disregarded but ultimately decisive.

Understanding CE2 can be useful for confronting them. This is no easy task, since the very logic of these errors is to conceal the failures and fallacies themselves, generating justifications and dynamics that appear reasonable, even necessary, yet which blind the very individuals or groups involved in the decision and its execution. As a result, it is far easier to recommend what to do to avoid or address CE1 than it is to warn people that the mechanisms designed to enable