ADAPTIVE THINKING / REFLECTION

When Rational Decisions Create Irrational Organizations

What The Devil Wears Prada 2 accidentally tells us about AI, efficiency and the way we manage organizations

Tomasz Mazurkiewicz

A reflection on optimization, technology and the need to understand the system before changing it.

I went to see The Devil Wears Prada 2 expecting exactly what the movie promised: something light, entertaining and familiar.

And that is pretty much what I got.

The formula is familiar. The characters are familiar. There is nostalgia in returning to a world we already know.

But somewhere between fashion, AI, consultants, cost cutting and another Miranda Priestly decision, I realized I was watching something else.

A surprisingly good caricature of modern business.

Not because the movie tries to teach us anything about management. But because, perhaps unintentionally, it captures something I increasingly see around us:

> **we have become very good at finding shortcuts - and increasingly bad at understanding where they lead.**

Experience is not the same as vision

One scene stayed with me in particular.

Miranda tells Emily that she did not get rid of her because she was bad at what she did. Emily was competent. Experienced. She understood the business.

But she lacked something else.

Vision.

The ability to see beyond the system that already exists.

That distinction matters. Experience without the ability to adapt can become a limitation.

But then the movie immediately shows us the opposite extreme.

When technology becomes the answer before we understand the question

Benji is fascinated by what AI can eliminate.

Models? AI can create them. Designers? Perhaps AI can replace them too.

Why maintain expensive parts of the traditional system when technology can apparently do the same thing faster and cheaper?

And this is where our current fascination with technology becomes interesting.

Because we have quietly moved from asking “What can AI help us do better?” to “What can AI replace?”

These are not the same question.

Technology can generate an image. But does that mean it understands fashion?

It can create thousands of designs. But does it understand why one of them should exist?

It can optimize a process. But does it understand the system that process belongs to?

And, perhaps most importantly, do we?

The spreadsheet can be right - and the organization still wrong

Then come the consultants.

The son of Irv brings in McKinsey. Expensive consultants, impressive presentations, benchmarks, numbers and recommendations.

Again, the movie exaggerates. It is a comedy. But the mechanism is remarkably familiar.

Experienced people are expensive. Travel is expensive. Business class is expensive. Drivers are expensive. Uber is cheaper. Technology is cheaper. Automation is cheaper.

Someone puts all of this into a spreadsheet and the answer suddenly looks obvious.

And perhaps every individual recommendation is correct.

That is precisely what makes it dangerous.

> **What if every individual decision is rational - but together they create an irrational organization?**

Local optimization, systemic consequences

Cutting an experienced employee may improve this year's cost base. But what disappears with that person?

Knowledge? Relationships? Judgement? Organizational memory? The ability to recognize a problem before it appears in a KPI?

Moving from a driver to Uber may be completely sensible. Flying economy may be completely sensible. Automating a process may be completely sensible. Replacing part of a creative process with AI may be completely sensible.

None of these decisions is inherently wrong.

The problem begins when efficiency becomes the strategy rather than one of its parameters.

We know something has to change. So we change.

And this, I think, describes part of the chaos we are experiencing today.

Organizations are under enormous pressure to transform: AI, automation, digitalization, cost efficiency, new operating models, new generations of employees, changing customer expectations, regulation and geopolitics.

Everyone knows something has to change.

So we change. Fast.

But sometimes we are so focused on changing things that we forget to ask what we are actually trying to build.

We automate because automation is available. We introduce AI because everyone is introducing AI. We restructure because the benchmark says our organization is too expensive. We remove experience because experience costs more. We outsource thinking because somebody outside the organization has a better methodology.

And each decision can be defended. There is a business case. There is a benchmark. There is a presentation. There is data.

Yet something may still be fundamentally wrong.

Because organizations are not collections of independent cost lines.

They are systems.

People, technology, knowledge, culture, customers, capital, processes and decisions constantly influence one another.

Change one element and the consequences rarely stay in one Excel row.

Adaptive Thinking

This is where I believe Adaptive Thinking becomes increasingly important.

Not as another management methodology. And certainly not as an argument against AI, consultants, automation or cost optimization.

Quite the opposite.

Use AI. Automate. Challenge existing structures. Optimize costs. Bring external perspectives. Replace things that no longer create value.

But first: understand the system you are changing.

Understand where value actually comes from.

Understand which capabilities are strategic and which are simply historical baggage.

Understand what technology should augment and what it genuinely can replace.

Understand which costs are waste - and which apparently expensive elements quietly hold the organization together.

And perhaps most importantly, create enough shared understanding across the organization that different functions can see beyond their individual perspectives.

No function sees the whole organization alone

Finance sees cost. HR sees people. IT sees technology. Sales sees customers. Operations sees processes. Consultants see benchmarks. The board sees strategy.

Each perspective may be correct.

But none of them sees the whole organization alone.

That ability to connect perspectives, continuously question assumptions and adapt as the environment changes may become one of the most important organizational capabilities of the next decade.

A final thought

Maybe that is why a light movie about the fashion industry stayed with me longer than I expected.

Not because it predicted the future.

But because, underneath the exaggeration, it captured something very contemporary.

We have more data than ever. More technology than ever. More automation. More sophisticated models. More consultants. More dashboards. More tools designed to help us make better decisions.

And yet we seem increasingly tempted to replace understanding with optimization.

Perhaps the biggest management risk of the AI era is not that machines will start

thinking for us.

It is that we will stop thinking because machines can.

Tomasz Mazurkiewicz
Adaptive Thinking