The Parable of the Boiled Frog

The inability of organizations to see and survive building threats has become so pervasive that it has given rise to “the parable of the boiled frog.”

“If you place a frog in a pot of boiling water, it will immediately try to scramble out. But if you place the frog in room temperature water, and don’t scare him, he’ll stay put. Now, if the pot sits on a heat source, and if you gradually turn up the temperature, something very interesting happens. As the temperature rises, the frog will do nothing. In fact, he may show every sign of enjoying himself. As the temperature gradually increases, the frog will become groggier and groggier, until he is unable to climb out of the pot. Though there is nothing restraining him, the frog will sit there and boil. Why? Because the frog’s internal apparatus for sensing threats to survival is geared to sudden changes in the environment, not to slow, gradual changes.”

Something similar has happened in the American automobile industry. In 1962, the Japanese share of the U.S. market was below 4 percent. They were not seen as a threat. Nor in 1967, when it was less than 10 percent. Nor in 1974 when it was less than 15 percent. By 1989, the Japanese share was approaching 30 percent. It is still not clear whether this particular frog will have the strength to pull itself out of the water.

Another example involves the demand for labor within the United States. Roger Herman, author of Impending Crisis (see March Book Review) states that the demographics of the available workforce are undergoing a significant change, but it is clouded by the current slow economy. As we come out of the recession, the number of jobs available for the rest of the decade are going to outnumber the number of employees available in increasing fashion. Herman predicts employee turnover and shortages will result (10 million by 2010)!

This need not be a prophecy of gloom. There are opportunities and alternative ways of thinking. One key strategy is for us to learn to see the slow, gradual processes that often pose the greatest threats. These are usually systemic and more predictable than we might think. The problem is that we get sidetracked in the short term and become lethargic by the warm waters around us.