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## ARTFUL MAKING: USE OF PRINCIPLES OF ARTISTIC CREATION IN MANAGEMENT

Abstract. The paper is about Artful making, a concept of artistic creative and innovative processes of work. Using a combination of abstraction, the descriptive causalnon-experimental method and theoretical accounts of innovation, art, management and organization, we study the epistemological basis, the differences and the relation of the arts and business. The concept of Artful making is consistent with the epistemological attempts to exceed rationalism as the dominant epistemological framework of understanding of knowledge and the process of its creation. Theoretical discussion is combined with presentation of applicable organisational and management principles such as collaboration, trust, interdependence, play, preparation and freedom that are used by artists and often neglected in modern management and organisations. Thus the paper presents a detailed research of creative artistic work and proposes its specific principles and methods to the business world.

**Keywords**: art, creative process, innovation, creating knowledge in organization, leadership, management

#### Introduction

The organisations today meet multiple and diverse problems when faced by the inherent need to constantly adapt to the global competitive market and the growing need for creativity, innovation and visibility. Creativity, innovation and uniqueness are also key qualities that are attributed to artists and it is precisely because of this apparent overlap of desired characteristics that we are able to find a growing number of co-operations between artists and businessmen. The relationship between art and management has also become a field of systematic scientific research and theoretical development. This paper

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aims to introduce to the Slovenian readership the concept of Artful making, which was developed through the study of the process of operating and managing the work of artists. In this regard the paper has two objectives. First, the authors want to epistemologically situate the analysis of Artful making in the field of creation and knowledge management in organizations in which innovation plays a key role. In the next step we will focus on the practices in management and art. We will analyse the principles that guide the action in both areas. The concept and the practices of Artful making in modern organizations have a very high applicative potential. Artistic practices can help the organizations acquire new knowledge and apply new ways of working, practices and routines. The second objective of this paper is thus to analyse how the methods used by artists in their work can be used by organizations in management and innovation processes.

Jemielniak (2008) in his studies of postmodern organizations and knowledge workers, comes to the conclusion that many modern organizations are still neglecting the personal approach and the creativity of workers. His survey of software developers revealed that the identity of engineers meets certain assumptions about information technology projects and that computer programmers often use art as a metaphor for programming. They are aware of the fact that their work is more like creating art than merely a technical form of work. With the changes in the functioning of a modern organization the role of management is also changing and its similarity to science is increasingly replaced by similarity to art; by its very nature, product management and innovation management of artistic work are coming together closer than ever (Meisiek and Barry, 2014). Also, more and more business schools offer students lectures on art in order to get them better acquainted with artistic activities (Baker and Baker, 2012; Taylor and Carboni, 2008).

In our paper, we will first deal with the epistemological problems of the analysis of diverse worlds of art on the one hand and management and organisation on the other. The concept of artistic creation is epistemologically consistent with the attempts to exceed rationalism as the dominant epistemological framework which emerged from the history of European understanding of knowledge and the process of its creation. In this respect, we will be particularly interested in the developments in economic science and the organizational and management theory over time and in different cultural contexts. We will compare the Western rationalist epistemological framework with the Eastern (Asian) one, which in recent decades has been gaining importance in organizational analysis as complementary to the dominant rationally justifiable organizational principle or as a way of its excess and the creation of a more suitable frame for the innovative organization.

## The principles of rationalism and overcoming them

When considering the relationship between art and management we encounter many dilemmas. Some of these dilemmas are of epistemological nature, others are more substantive. Epistemological dilemmas concern the relationship of science, the scientific analysis of management based on principles of rationalism and the arts. The analysis shows that science and art are based on very different principles. Art and art practices include a wide variety of activities that would be difficult to explain by means of a scientific method. Those aspects of creativity and artistic practices include elements of the inexpressible, and yet are present and perceived by both artists and the recipients of the art. In this part, science and its practices may be limited in their endeavour for interpretation and clarification. Scientific methods have difficulties in methodically processing such ineffable elements (see discussion on ways and origins of knowing in Ule, 2001). Experience, feelings and other forms of sensory perceptions may be the source of knowledge and ways of knowing but those are not enough for possessing knowledge about every object (Ule, 2001). This claim can be explained by analysing the history of scientific thought and by understanding the nature of knowledge in the Western civilization.

The history of Western philosophy from the ancient Greeks onwards can be seen as the process of searching for the answer to the question "What is knowledge?" Two opposing factions formed in the history of science regarding this question. Rationalism, which assumes that knowledge already exists and does not need sensory experience in order to uphold it; rationalism uses the deductive method (reasoning from the general to the individual). Descartes (1911) has set a method with four rules for rational thinking: 1. Do not accept anything as true at first glance; 2. Every problem needs to be divided into its elements; 3. The analysis must start with the elements that are the easiest to understand; 4. A complete list of all of the elements must be made. The English empiricism was a direct opponent of the continental rationalism; the English empiricism presupposes, contrary to rationalism, that knowledge doesn't pre-exist in the mind, therefore, the only valid source of knowledge is sensory experience. For empiricism, the only valid cognitive method is the inductive method (reasoning from the individual to general). John Locke (1690, 2003), the founder of English empiricism, described the human mind as "tabula rasa" - the blank slate, that only experience can give ideas to. But Western science (including the one that has influenced and shaped the organizational and managerial practices) long based on the Cartesian division (the division of subject and object, mind and body.) defined the essence of human existence in rational thinking. The critics of cognitive theory in the 20th century wanted to

exceed this division. Edmund Husserl (1931) emphasizes the importance of a conscious, direct experience. Martin Heidegger (1962) says that "we exist in the world" (Dasein) in that "we are dealing with something", "we are making something", "we are using something". He is discussing the relationship between knowledge and action. Maurice Merleau-Ponty (1962) argues that the body is both subject and object. Wittgenstein and Rhees (1958), on the other hand, says that language is not just a tool for communication but also a game. William James (1975) and John Dewey (1929), both representatives of pragmatism, hold the view that ideas do not contain any worth unless they become the basis of our activities that will change the world in which we live. The Asian approach to knowledge is also very different than the tradition of rationalism in Western science. It contains the teaching of Buddhism, Confucianism and other large eastern philosophies.

It includes three elements:

- The unity of man and nature (it remains in the world and is not precede to metaphysics)
- The unity of body and mind (knowledge is wisdom derived from a person as a whole, not just from the mind)
- The unity of self and others (the harmony with others the collective self).

Within the Western epistemological approach, Popper (1972), Polany (1967) and Cassirer (1944) have put forward different approaches to the conceptualisation and typology of knowledge. Popper developed the theory of the three worlds of knowledge and types of cognition (Popper, 1972; Popper and Eccles, 1977):

- Knowledge of the first world is the physical reality: the scrambled structure in physical systems (such as the genetic code in the DNA), which enables objects to adapt to the environment.
- Knowledge of the second world is personal knowledge and subjective perceptions: they are composed of beliefs and the assumptions of these beliefs about the world, beauty and truth, for which we believe to have survived our personal test, evaluation and experience.
- Knowledge of the third world is objective knowledge: it is composed of the common linguistic formulations, truth claims about the world, beauty and justice that have survived the test of actors (individuals, groups, communities, teams, organizations, companies, etc.) that acquire, develop

<sup>&</sup>lt;sup>1</sup> Nonaka in Takeouchi (1995) use of the Asian approach in understanding of knowledge creation (particularly regarding the distinction between tacit and explicit knowledge) importantly influenced organisational and managerial theory worldwide. However, earlier writings (especially of Popper (1972) and Polany (1967)) provide a more complete conceptualisation of the role and importance of implicit, tacit knowledge.

and test these arguments. Popper identified very different objects in the third world in fields like science, art, music, truth and justice. The objects of the third world include theories, arguments, problems, works of art, symphonies, constitutions, scientific claims, public policies and all other cultural objects that reflect the content.

The personal and subjective knowledge of the second world is tacit/implicit knowledge. Polanyi (1967) says that a lot of tacit knowledge can be converted into explicit knowledge, but some of it will always stay unspoken and unwritten as it defies capture. He discusses implicit beliefs that are defined as a form of our conceptual descriptions expressed in language. Polany's concepts of focal (proximal) and contextual (distal) knowledge could be used for understanding of objects in both Popper's worlds of knowledge. In the second world, the implicit knowledge is that which constitutes the general framework, the knowledge of context, the link with focal knowledge. In the third world, the implicit knowledge is represented by those linguistic formations that have not yet been articulated, but may be developed in the future. That is very important for the understanding of epistemological relations between art and science.

Cassirer (1944) writes about the complementarity of scientific and artistic perception and analysis of the world.

Cassirer explored art as a practical form of cognition, which is different from the "techne" and "episteme" that are more related to science. Cassirer sees art as a form of knowledge that allows achieving a more objective view of the world. According to Cassirer, reality is hidden and revealed through symbolic forms. Symbolic forms such as myths and art, language and science, in this regard, are not just copies of the existing reality but represent a major spiritual movement through which they establish reality either as one or as many. As a diversity of form, they are ultimately drawn together as a unity of meaning. The role of art is to teach us how to visualize, not only how to conceptualize or to use things. Art provides us with a richer, more vivid, picturesque and colourful representation of reality, as well as a more thorough insight into the formal structure of reality. "The eye of science" and "eye of art" together help us to develop and design a "two-eyed view"; a binocular vision that brings us closer to a more realistic view of our world.

In this sense, Gagliardi (1996) speaks of the process of aestheticization as a way or pattern of classification, interpretations and reactions to perceptive stimuli from reality that he calls "perceptive maps" or "sensory maps" unlike Weick's "cognitive maps" (Weick, 1996). Cognitive maps can be conscious or unconscious, but still "knowable". On the other hand, the sensory maps are learned through instinctive intuition and imitation, and to which the mind does not have access and control. Sensory maps are entering into

everyday lives directly and automatically. It is a distinct way of perceiving and "feeling" of reality, a special way of looking and seeing reality through tasting, touching, feeling, etc. "The way of seeing" through art Gagliardi therefore defines as a way of imaging, recording, photographing, playing, writing, performing, by which we create the concept (vision and perception) of reality. This reality is not just a copy of reality but is constructed through the production of perceptive maps.

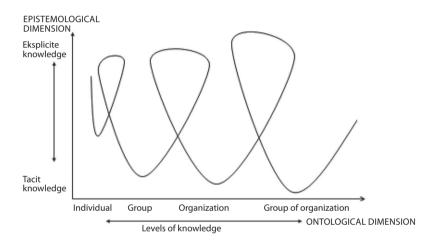
Economic science and the organizational and management theories have also contributed to analysis of the creation and application of knowledge in organizations. Part of the economic analysis is swaying towards the Cartesian view of knowledge that separates economic knowledge from the economic entity. Thus Alfred Marshall (Wood, 1993) says that each organization has the same expertise that enables the maximization of profit. On the other hand Joseph Schumpeter (1951) develops a dynamic theory of economic change and says that entrepreneurs develop new products, methods, markets, materials and organizations that are the results of the new combinations of skills. A part of economic science thus understands the organization as a repository of knowledge. Edith Penrose (1959) emphasizes the importance of knowledge and experience accumulated in the organization. Nelson and Winter (1977, 2002) note that the organization can at a certain point become a warehouse for very special kinds of creative skills, which have specific features and are embodied in constant and predictable behavioural patterns and routines. This creates a new synthesis, which talks about organizational learning and about the approach to strategy based on economic resources. The focus is transferred to the innovation and creativity of the workers of an organization. Senge (1994) presented the concept of a learning organization as a practical model. A learning organization has the capacity for the generative (active) and adaptive (passive) learning as an ongoing source of competitive advantage of the organization. Knowledge can come from anywhere.

The aforementioned Eastern tradition of understanding the creation of knowledge affected the organizational practices in organizations throughout the world. The comparison of the characteristics of Asian and Western organizations can help us understand the process of the formation of new knowledge in an organization (Nonaka and Takeuchi, 1995). For Western organizations the main goal is the gathering of explicit knowledge. Great importance is attached to the process of externalization (from tacit to explicit knowledge) and combinations (passing from explicit to explicit knowledge). Asian (especially Japanese) organizations focus more on tacit knowledge and the importance of socialization (tacit knowledge changing into tacit knowledge) and internalisation (changing explicit knowledge into tacit knowledge).

The graph below shows the process of the formation of knowledge in an organization in the epistemological and ontological dimensions. The complexity of this process shows the importance of implicit and tacit knowledge in the organization.

Figure 1: CREATING ORGANIZATIONAL SKILLS

# Creating organizational skills: Constant interaction of between tacit and explicit knowledge



Source: Nonaka, I. and H. Takeouchi (1995).

The organizational paradigm of Eastern organizations allows and encourages the integration of a wide range of knowledge in the organization. Art and art practices are among the sources of new knowledge, skills and methods of operation, that exceed the established patterns of action, creativity and innovation, leadership and management in organisations.

## Principles of management and artistic creation: an intractable conflict or a possible synthesis?

Modern science has, as we saw, long ignored much of the implicit and tacit knowledge and a range of the unspeakable and elusive that are specific to the arts (Meisiek and Barry, 2014), which is inexpedient. The same is true for the organizational and managerial practices based on modern science.

Art is one of the channels, which leads to a more realistic vision of the world. Art is very different from science in exploring the world. Science

depends on our sensory perception of classifications and as such leads to the simplification of the world. Arts is on the other hand channel through enlightenment and intensification that leads to richness. Irgens (2014) argues that the tendency to access the world so that we use just one channel whether it is art, science or any other symbolic form, may eventually lead to one-boned blindness. Since both science and art are complementary features and lead us to different layers of the same reality, could the combination of these two modes of cognition enable better control and guidance in a complex world?

Irgens (2014) developed this view on the basis of the philosophy of Ernst Cassirer who analysed the logic of science which is based on natural sciences (Natur-Wissenschaften) as a perfect symbolic form. Gradually he developed the idea of the relationship between natural sciences and the opposite view: the humanities (Geisteswissenschaften), which Cassirer sometimes named Cultural Sciences (Kulturwissenschaft). When he introduced art as a historically and culturally developed way of knowing, Cassirer convincingly and beautifully demonstrates the power of artistic imagination as a symbolic form. Art is "a way of being and functioning in the world," which depends on the ability to illuminate a multi-dimensional world. Artistic practice with its methods of cognition (Cassirer, 1944; Gagliardi, 1996) and functioning can help the organization developing new knowledge and practices.<sup>2</sup>

Understanding the relationship between art and the practice of management, and the search for effective synergies in this relationship is based on overcoming contradictions in the principles of operation, as discussed below. As we have seen, rationality has been the basic principle of management, as a field of activity and as a field of scientific research. This can already be seen in Taylor's scientific management approach (2004), Fayol's (1954) understanding of the principles of management activities and Weber's concept of bureaucracy as well as later in the field of scientific research of management practices. This principle is largely dominant even today, irrespective of the fact that there are attempts to surpass it (Morgan, 1997). If we can see a lot of attempts of overcoming that dominance in the discipline that examines management (already in March and Simon's "Theory of bounded rationality" 1958), the principles of scientific management are far from exceeded in the practices of management and organization. Think of how McDonalds and other companies of industrial mass production of consumer goods are still widespread and successful. Some commentators see the expansion of the principle of rationality from management

<sup>&</sup>lt;sup>2</sup> As an example we can mention the identity-related organizational learning from artistic "Interventions by drawing" which offered opportunities for workers to engage with artists' images of their organization. The analysis uses a dynamic model of identity and a narrative approach to organizational learning from unusual experiences (Antal and Straus, 2014).

and organizations to all other spheres of social life and areas of human activity (Giddens, 1987) – not excluding culture and the arts. Certainly the Fayol's five principles of understanding management activities (Fayol, 1949) still strongly mark the functioning of modern organizations. Managers plan, organize, decide, lead and control and they do all this with a great deal of instrumental rationality and calculation (minimum resource spending and costs must lead to the maximum outcome or profit). This is a fundamental premise of the operation of a modern manager. Here, since the beginning of management, not much has changed. Quite the contrary – the increasing professionalization of managers' work only strengthened this assumption (Irgnes, 2014).

On the other hand, the arts and artistic practices are perceived as an exceedance and conversion of the principles of rationality. The arts are putting rationality into question. In art, the guiding principle is often the principle of subversion. Art is "something more" (Barry and Meisiek, 2010). The arts derive from other platforms than scientific instrumental rationality: in the arts, the guiding goals are imagination, playfulness, daydreaming, delights (Meisiek and Barry, 2014). Art and artistic practices are related to aesthetics and are not acting through the rational aspect of human experience, but through our feelings in our perception; through emotions, imagination, interpretations, analogies and other cognitive and experiential practices that defy instrumental rationality - they challenge and deny it (Irgnes, 2014). They elude planning, organization, control and power, and put all of the above into question. They presuppose and require imagination, emotion, beauty, creativity, genius, improvisation, destruction, innovation, freedom, questioning, completeness, excess, joy and cheerfulness. There is little place for these characteristics in management (be it in practices or in science, that deals with the analysis of management practices) or in a formal organization or company (Gagliardi, 1996). We could say that there is a basic contradiction between the world of art and the world of management and organization regarding the principle of rationality.

The critical theory of management notes that power, decision-making and control are a part of the managerial practices, which escape instrumental rationality and calculation, as well as the scientific analysis (Willmott, 1993; Deetz, 1992; Knights and Willmott, 1999). In practice, however, it seems that modern managers' desire for power and control is no smaller than it was in the past, only the methods of their implementation are adapted to modern times. Power, Laughlin and Cooper (2003) in this regard analyse accounting practices, while Levy, Alvesson and Willmott (2003) analyse the practice of strategic management. Morgan (2003) analyses marketing practices, Deetz (2003) analyses HRM practices. On the other hand, art exposes and challenges the balance of power and in this artistic practice lies the

destructiveness of existing power relations and its emancipatory force; thus it stands in contradiction with the management and the organization as a hierarchical institution (Gagliardi, 1996). It presupposes and requires freedom, improvisation, deviance, exceeding the margins and abandonment (Playful Edge Fičo Theatre<sup>3</sup>, 2015). We could say that there is a basic contradiction between the world of art and the managerial and organizational practices in the understanding of power. Management consolidates power while the artistic practices make a perversion of it.

The modern disciplines of management and organizations are only gradually coming to realize that the division between mind and body, planning and implementation (Taylor's scientific management), cognition and emotion, is not suitable for ways to organize and manage in the modern world. However, from the acknowledgement of this to the realization of different practices is still a long way. Art and artistic practices presuppose and require the integrity of the human experience through sensory experience that combines knowledge and the subject receiving knowledge, mind and body, cognition and emotions of the individual, collective and community (Gagliardi, 1996). One could say that there is a basic contradiction between the world of art and managerial and organizational practices, where management fragments and divides human experience, while artistic practices presuppose holism, integrity (emotions, feelings, mind and body).

If we say that the practice of management includes the creation of meaning (sense-making) in an organization (Weick, 1996; Smircich, 1983), making a cultural reality through the interpretative practice of giving sense to the environment, the creation of vision and strategy (Levy, Alvesson and Willmot, 2003), reactions to crisis events, decision-making, systems, policies and programmes, it has a lot in common with ideological practices, and we could say that it plays the role of dominant ideological practice. On the other side, artistic practice subversively reveals the ideological moment, situations and relationships in which the actors in the work of art are involved as are the observes of art. In this sense, subversion does not accept the ideological practices and destroys its domination. We could say that there is a basic contradiction between the world of art and the fields of managerial and organizational practices. If management ideologically understands a situation, thus creating a dominant ideological discourse practice, the art on the other hand reveals the ideological manipulation and its discursive practices.

The management practice over the last few decades testifies to a great tendency towards individualisation (Hendry, 2013), which was launched in

<sup>&</sup>lt;sup>3</sup> Fico Theatre and Dejan Srhoj participated in the first experiments initiating the artistic practices in Slovenian organizations. Today they successfully participate in similar projects abroad. Ballet "Playful Edge" talks about the requirement for freedom, deviance, overcoming edges and borders.

the 80s with the onset of neoliberal tendencies in the economic policies and functioning of organizations and globalization. Its basic feature is the domination of private interests of managers that have precedence over the common interest and the functioning of the common good. Individualized evaluation policy of their performance and reducing the opportunities for career advancement created a certain kind of a manager who strives to achieve individual goals at the expense of many other objectives, participants and those affected (Deetz, 2003). Such individualization of management is in clear contrast to the characteristics of artistic practices that are more focused on the community and shared reflections, interpretations and reinterpretations with an emphasised aesthetic and ethical role of art and artists in the community. One could say that there is a basic contradiction between the world of art and the managerial and organizational practices. While managers pursue particularistic interests of the owners and themselves, the artists direct their activities in the community and the interests of the community and the common, universally human.

In spite of the discussed contradictions, there are also many points of contact between the art and the management/organizational practices. However, it is questionable how big the probability of the genuine change of managerial and organizational practices is. Starting from the above-identified contradictions between artistic practices and managerial and organizational practices, we could estimate how ground-breaking change in managerial and organizational practices we could expect. The question is what can the implementation of artistic practices in management bring for the different participants in an organization and what is the democratic potential of the artistic practices. Most of the literature on artistic creation states that it helps all participants within and outside an organisation to develop their potentials, opportunities and prospects and that introduction of artistic practices is beneficial to the organization and its performance. However, if the artistic practices become only an unproblematic fraction of the management and business and marketing strategies, there will be no greater change within the structure of practices. There exists a possibility that the artistic practices lose autonomy (Watkins, 2006) and become incorporated in the "world of business", being seen as totally unproblematic and without a real effect. They could become part of the marketing strategy. A similar phenomenon happened in a large extent to business ethics and corporate social responsibilities. Perhaps the scepticism is premature. It is yet to be seen whether organisations will use the potential artistic practices are offering and which we will now present.

#### Artistic creation

Top artists are always in pursuit of innovation using specific methods and principles in creating works of art. Therefore, creativity is reasonably attributed to them as one of the most basic characteristics of their activity: that has in the last decades encouraged scientists to study their performance, because they understand art can offer important insights regarding creativity, work process, leadership of the creative staff-members as well as regarding methods and principles suitable for creating innovation and innovativeness (Schein, 1992: Zander and Zander, 2000: Meisiek and Hatch, 2008; Meisiek and Barry, 2014). These knowledge practices have previously not been connected with the business organization, but today we can observe how they are increasingly recognized as a "hidden treasure" that artists can offer to the business world. The modes of action of artists and their path to their excellent performance, for example, a top-quality work on stage in front of an enthusiastic audience, shows many similarities with the functioning of a business organization, which is defined by its creativity, innovativeness and excellence. Therefore, scientists believe that just by mimicking the actions of artists, they can release a big, untapped potential.

A lot of research has been conducted on the functioning and the creation of various top artists (Scheff and Kotler, 1996; Austin and Devin, 2003; VanGundy and Naiman, 2003 and 2004; Austin and Devin, 2003; Mager, 2004; Davis and McIntosh, 2005; Adler, 2006; Meisiek and Hatsch, 2008; Arts & Business, 2009). In numerous case studies scientists, entrepreneurs and leading managers recognize the importance and value of artists influence and visible effect on the successful operations of an organization, the management, the manner of operation and creation, integration of different cultures and communication between them and, consequently, on the competitiveness and visibility of the company.

A number of authors discuss various forms of relationship of art and business, where artistic skills, techniques and knowledge are systematically used in innovative processes in business organizations. Some testify to the visible results and success in the companies which include artists and artistic processes in their management and promote benefits of cross-fertilization of leadership with the passionate creativity of artists (Adler, 2006); others see how business can benefit from contemporary dancers and creative practice and principles they use (Bozic and Olsson, 2013), some explain how using arts can improve teamwork (Van Gundy and Naiman, 2003); others promote the artistic "view" of working (Davis and McIntosh, 2005). We read about increasingly popular cooperation between management of artist's and business organizations, to exchanging knowledge and practices, business organizations hiring artists to teach workers how to apply and mimic

artistic skills to stimulate creativity (Bartelme, 2005, Arts and Business, 2009); about making a better use of storytelling (Denning, 2005); learning new forms of creative leadership from string quartet (Lagace, 2007); and about scholars and CEOs promoting and gaining inspiration from art and about new institutes related to creativity and arts founded (Lynch, 2008). Some see business as pure art and talk about amazing similarity (Kos, 2009), while others present scientific studies, the contact points and manifold fields of art cooperating with business with intention to learn, experience and to develop the best approach to creativity and innovation in an organization (Meisiek and Barry, 2014) with concrete results in organizational culture and the approach to encouraging creativity at work, creative performance and finally – with innovative final products.

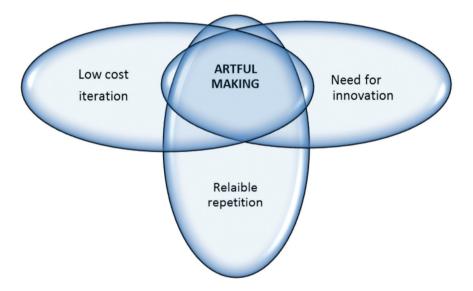
## Artful making

Artful making is a concept by Robert Austin (a professor of managing creativity and innovation) and Lee Devin (a theatre professor), presented in a book, various scientific papers and handbooks (Austin in Devin, 2003; Devin and Austin, 2008; Austin and Devin, 2009; Austin and Devin, 2010). It is a product of detailed analysis of the artistic creation process in theatre, which is very similar to the creation processes in design, music, and other artistic fields. By using artist's performances in business organization, and by using metaphors and analogies of artistic work, scientists wish to contribute to the management practice and management theory. Theatre is in research circles regarded as a genre closest to the management of innovation processes and thus often a subject to the research. Clark and Mangham (2004) see theatre as a technology and present a theory of negotiated order as a model for learning and improving communication; Hatch and Yanow introduce arts in organizational theory, using analogy (2008); Meisiek and Barry (2007) also present the use of analogies and active-audience to create organizational change; Nissley, Taylor and Houden (2004) on the other hand find the theatre-based training too "managerial" and seek for practices opposite to controlling practices. Meisiek and Barry (2014) acknowledge many difficulties scholars face when studying the common points of arts and management, but still see a large potential in studying arts that can show how to overcome weaknesses in present managerial theories.

Artful making represents more than just a metaphor, since it offers the opportunity to learn from artists and their working process. Use of artful principles in an innovative environment offers a unique and powerful leadership instrument suitable for work with creative workers. The concept of Artful making is based on the research of the functioning of theatre as a team of artists creating together and not of individual artists and their

process of creation (Austin, 2014). Analysis showed that the principles artists use in their work, encouraging change and creating artistic works, can also be applied in innovative business organizations in which workers use and create knowledge and ideas (Austin, 2010). It is applicable in the business world with fast and repeated trials, but only when the iteration process is not expensive (both reconfiguration and exploration costs must be low). The use of Artful making is appropriate when creation and the process are more like a play rehearsal and less like car production, which is highly expensive and where experimenting and testing are costly. Generally it is applicable in managing innovation, software development, the majority of knowledge work, using enabling technologies and in creative industries (Austin in Devin, 2003: 45-48).

Figure 2: WHEN AND WHERE ARTFUL MAKING SHOULD BE APPLIED



Source: Artful making (Austin in Devin, 2003: 47).

Artful making helps to create forms out of disorganized materials and can be applied to anything that is in correlation with a fast and efficient creation of innovations. Austin and Devin have found, when studying the work and creation used by many recognized artists at their work, that all of them use a common set of specific methods. The methods, necessary for a successful Artful making, are the following (Austin and Devin, 2003: 15–40; Austin and Devin, 2003: 84–116; Austin and Devin, 2009: 496–8):

• Cooperation, which is realized through conversation, exchange of ideas and thoughts, as well as through participative behaviours and attitudes

needed for co-creating new and unpredictable ideas. In the detailed analysis of the complex creation of a theatre play, from the preparation of the performance with the participation of all actors/actresses and the director, the influences of lights and shadows, the stage, the audience, the scene and other variable factors, both Austin and Devin noted that the play is not dependent solely on the scenario but is cocreated by everyone involved. The task of the director is to coordinate, while each member of the team is actively involved and plays an equal role in the creation; expresses freely and constantly his/her professional opinions, suggestions and contributes to the play. At the same time, everyone involved in the play is trying to stay out of the already known and established frameworks and automatisms, observing from a distance and trying to think and look at the development without the limitations of the previous findings, although these still affect his/her perception. In such a situation, the managerial role of the director is very delicate and everyone participating is equal, exchanging opinions and suggestions, and forming the final decisions together. They are well synchronized, coordinated like an orchestra, where each professional musician knows that in the given moment the most important thing is to achieve the best possible common result and create something new, something important.

- "Celebration" of mistakes in the process of discovering something new, in the process of inventing, means that external variations, and the so-called accidents in the process, when we don't know exactly what our goal is, are a common thing. In Artful making, it is vital that the mistakes are not seen as a failure or something negative, rather they are accepted as the most normal part of the process of creation, therefore, without bad feeling or any, especially negative, criticism. In an innovative process, which seeks to create something really new and when the costs of repetition are low, most of the time the result is not clearly known and visible in advance; it is discovered and created through the research process. Multiple experiments are needed and they represent a vital part of the creation. For this reason, Artful makers appreciate their "mistakes" and see them as an opportunity and a source of useful information, and process through which something new can be created. Thus they successfully combine development and production.
- Control through "release" advocates greater freedom in managing and requires more confidence, encouragement and targeted action. This method represents a way of managing that allows numerous deviations within the set of parameters and thus opens the way to giving birth to new and fresh possibilities, different ideas that are not specified at the beginning of the process. At the same time we can change some

- pre-determined guidelines, if through the process we discover that it is better to do so. Therefore, it provides more freedom in management and at the same time requires more confidence and encouraging. Various disturbances and obstacles in fact restrict Artful making, therefore creative workers need the support of management, and at the same time it is crucial for them to get accustomed to these disturbances, so that they learn to control and maintain the focus on the given tasks and do not allow these disruptive factors, including the tension derived from expecting results, to impede their creativity. They must be completely dedicated to their work and use all their knowledge.
- Ambiguity is positive and acceptable, since we are focusing on the process itself and not on the final product, which means that the entire process is very important and that inside it there is an open possibility for creativity, as well as change during the process, when at a certain point we do not know where decisions are taking us, but at the same time we tolerate and accept their lead into the unknown, thus opening the possibility to create something new. The idea of Artful making is precisely that, that creative process is not and cannot be planned in advance, however it can be successfully and appropriately managed. With this approach, the team, as well as every individual creator, is allowed to research, test, use imagination and create novelties. In this way, the group is given great freedom to create. Just as in the process of setting up a theatre play on stage, whilst respecting the scenario, still allows variations and experimentation, creativity is expected, when confusions, chaos and occasional conflict situations (theatre space, its size and layout, costume design and scenography), which, with coordinated directing, result in proper forms and performance. Such a process of creating plays seems poorly managed and confusing to the outside observer, however it is exactly this type of creation which represents a truly superior form of creative management of creative workers, when it successfully and continuously adapts, is innovative and provides a successful theatre performance. In Artful making the scenario represents, similarly as management, an imprecise specification and lacks the detailed instructions and information in order for the rehearsal to be carried out exactly according to it, as the actors have the freedom of interpretation in their prescribed text; they have the freedom of different designs and colours of tones - with this, they affect the character of the play, bring suggestions, changes, create and coordinate the final version of the play in a way that has never been done before, making it truly innovative and unique.
- Artful creation is based on/demands trust invested in workers (the actors in a theatre play) that are smarter than director. That requires promoting good habits and a tendency to change habits when conditions change.

This means that we have to trust and allow workers to create and make steps - even when we ourselves do not understand them, and encourage them to do so. Today, it is crucial to quickly and reliably create innovation. In a rapidly and constantly changing environment, flexibility, ability to adapt and making rapid changes is a necessity. A clearly and specifically set strategy must consequently adapt with its pertinent innovations and changes in competitive businesses; and here the optimal management and leadership of creative workers and teams must maintain the necessary conditions for the creation and creative working, so that they are able to quickly and efficiently generate innovation.

- It is not necessary to set a clear objective in advance; the final result should be pursued throughout the whole process, which requires a constant search for new opportunities within the whole process. When we enable workers the numerous experiments and a number of affordable repetitions, we give them the necessary conditions to test different approaches and methods. By this they are given the opportunity of learning and testing, at the same time, can cause unexpected results. Each new iteration is trying to recreate, so that it includes the newly discovered into the next repetition and then trying again to create something new. The numerous, fast and cheap repetitions represent the way and the method of Artful making. The idea behind all this is "Make it great before the deadline" or, in other words, improve the product through numerous trials and corrections/improvements, until it becomes superior. In such a process, each individual can provide his/her maximum and with it constantly reshaping and providing his/her specific input, while the group constantly creates through the play and with the exchange of views creates novelty, something, that they have not been able to plan, because the joint product is a result of a multitude of repetitions and changes. This method is successfully used in the creative processes of various artists; actors in theatres, painters, poets, composers (Thomke, 2003: 160-180; Austin and Devin, 2003: 23-26).
- Very good and thorough preparations are crucial to innovation. With good preparations we have more possibilities for freedom, creativity and change within the process itself, because it gives us certainty, while allowing discovering something new and unplanned, which may lead to innovative products; everyone involved is closely familiar with the frameworks, limits, deadlines, as well as options which can be implemented within the repetitions and experiments. So have many painters, including Picasso, in their stage of creation made numerous sketches, which were merely attempts and relapses, until the final famous version was formed. In Artful making there are no shortcuts; this simple process is the way to create.

- Allowing freedom within the process is conceived as a very important principle. For a reliable innovation we need a type of control that would allow freedom and an on-going adaptation. This means the freedom we want exists within the set rules and that only with such a freedom the creation of something new is enabled. Thus a manager in Artful making often supports the research that he/she does not initially find understandable or reasonable. Precisely such research and testing give birth to great ideas, the direction to which is unclear to us; just as the actress Aisha Hobbes stated: "The things you are able to plan are those things you see as being possible. Impossibilities never make it to the planning stage," (Austin and Devin, 2003: 172).
- The way of thinking and understanding the functioning of artists and the correct micromanaging of the process of workers' creating and their participation is one of the key managerial skills needed to achieve constant results, just as it does theatre with its every single performance. A correct and flexible approach in managing the artistic aspects of business and creation, and the management of extremely capable workers and understanding the dynamics of their operation creates the necessary conditions for creativity and innovation and forms an environment in which workers feel enough confidence and security. This liberates them of various pressures and constraints that inhibit and block creativity. When a desire for exploring new, undiscovered things beyond imagination is present in a creative team, many opportunities will open for the rise of innovation (Austin and Devin, 2003: 14–160; Barry and Hansen, 2008).

## Four qualities of artful making

The concept of Artful making is based on the importance of organizing a way of thinking within the creative process; it identifies four key specific principles that are interdependent and intertwined, thus making them the conditions for the emergence of an artistic work (Austin and Devin, 2003: 15–41):

1. Release – as opposed to the restrictions, surveillance and containment, which is normally used in industrial control. Release is meant as a step with which one does not think and act within known frames, but rather prefers deviation and experimentation with the purpose of discovering new opportunities – here however, anarchy is not what we mean. Release is understood as a fundamental condition in order to be able to implement the other three. This kind of control allows a wide range of tolerance within known parameters and allows artistic workers to free themselves from fears, tensions and obstacles on the way to creation. It allows them to go to the very margins of their limited capacity of experimenting while not feeling fear

and discomfort. Thus experts can, over many trials and errors, accumulate experience and gain new knowledge without the need for careful planning (Thomke, 2003: 160–180; Austin and Devin, 2003: 23–26).

- 2. Collaboration which is carried out in the form of talk and conversation, not only through the spoken word, but also through mere behaviour, where everyone present participates through the entire process of creation and thus helps in the creation of fresh and unpredictable concepts and ideas. In order to create new things, teamwork is the most necessary element, and in order for its full potential to be tapped, it requires a different level of cooperation. Many repetitions, in which the entire innovation team is included, where each actor gives his/her expert opinion and personal view of proposals and assumptions, become the professional consultation and a science, where experts from various fields observe changes, give their opinions and develop something new that can later on be tested.
- 3. "Ensemble", meaning consistency as in the orchestra is meant as a work group, which is committed to cooperation, with the purpose of achieving a common goal and vision, where individual workers renounce autonomy over their work in order to create something new together, something no one would have ever created by himself; to create something bigger and special. Just as in the orchestra, where individual exceptional musicians renounce their own interpretation of the music with the aim of superb performance of the orchestra as a whole. Here the concept of music is intentionally used, because such a group is different from a traditional team. Here all are aligned, have a common focus to create something unique in an environment that supports them. They create by the principles of Artful making, which connects them, allowing them to create extraordinary things that no one would create individually.
- 4. Play a product, created by the "ensemble" is called the play; such as the implementation of a theatre performance in front of an audience or interactions between members of the group. One example is the implementation of a theatre play where during the performance on stage, the actors can generate new ideas or come up with new ideas based on responses coming from the audience or teammates or the director. In such a state of creation, one can have critical insight into the development of actions, while at the same time there is a possibility for the birth of new ideas and experiments that can develop innovative ideas. Similarly, this occurs during the talking and exchanging of expertise within innovation groups. It is a process of trying different things in order to see what suits us best and is most appropriate.

With constant changes and surprises through the process of trying and numerous iterations, workers get used to working in an environment of expecting constant changes and surprises, which helps them to develop a higher degree of adaptability and they learn, just as actors in the theatre, to improvise and are much more flexible.

Artists are constantly working within an environment and climate that favours their creativity, which is an integral part of their work, an environment that understands, accepts and supports them, is a necessity. Without creativity and an artistic touch, their work would be soulless - purely technical products, which could be made by a computer program. In the application of all these methods, it is crucial to find the right balance between preparation and planning, the ability to distinguish between a useful and useless output of intermediate steps in the creation process, the difficulties encountered, and find the ones that may be opportunities for innovation while others that failed should be discarded; between the openness to discover and create new things, as well as errors. It is important to be able to appreciate the process itself and its form more than the substance and the final product. It is important to develop a sense for a different type of control, to be able to stop at the right time, and to develop a deeper relationship with the workers as well as customers (Austin and Devin, 2009: 496-8). A manager, with the effective implementation of Artful making, does not try to remove or control coincidence, disorder and chaos, but gets used to creating and being innovative within it (Devin and Austin, 2008: 491-3).

#### Conclusion

In this paper we tried to understand the principles of Artful making through the prism of the creation of new knowledge, innovation and new managerial and organisational practices. We found that there are possible synergies between modern management, new ways of framing innovative practices and the art. We analysed various epistemological and ontological dimensions of creation of new knowledge. The way of learning which artistic practices are using and promoting, is creating new ways of understanding the organization. By implementing the principles of Artful making in the functioning of organizations, new cognitive frameworks are introduced that undermine the established practices of management based on instrumental rationality, the dominant logic of power and discursive practices in organizational management operations. That enables a transfer of individual or collective forms of artistic practices through the participation of workers in the learning processes. It is a new method of detecting and using different cognitive processes which were not acknowledged by the dominating rationalistic principles (Cassirer, 1945). Knowledge is created using the principles of Artful making, where workers act and create through various forms of cooperation, practicing collective routines, operating principles, team projects or simple teaching practices. Artful making conceptually

connects the principles of artistic and managerial performance. Applicationoriented analysis shows that the principles, methods and ways of thinking that are used by successful artists in their creation and management with the purpose of fostering creativity can also be used by managers, promoting innovation in the organization and managing teams and groups in creating innovation. This is changing the role of management, overgrowing to a leadership role that is enriched by additional capabilities in managing and achieving successes and desired results (Parush and Koivunen, 2014). With the principles and practices of Artful making it is easier to stimulate and release the workers' potential and create the most suitable conditions for the promotion of innovation. Experience shows that the principles of Artful making effectively help in adapting to changes, together with responding to the need for constant innovation and creating innovative environments (Devin and Austin, 2009: 491; Meisiek and Barry, 2014). With the constant changes and surprises that arise within the process of trying and numerous repetitions, workers are accustomed to working in a state of expectation, consequently develop a higher degree of flexibility and, like actors in a theatre performance, they learn to improvise. Work for them becomes a "play" in which they create and are themselves easily adaptable.

Analysis showed that practices, which can be learned from artists, allow organizations to overcome some currently fundamental principles such as the principle of instrumental rationality, the principle of domination, of authority and hierarchy, fragmentation, the division between mind and body, and foster understanding the individuals as complete and indivisible people (Parush in and Koivunen, 2014). Both the introduction of art and artistic practice in business and the understanding of knowledge creation in organizations demand for exceeding the Cartesian division, the division between mind and body, man and nature, individuals and the community. Overcoming of these divisions enables the integration of artistic practices that challenge the principle of rationality, which is to elude the planning, organization, control and power, putting all of these into question and using artistic practices that include emotions, aesthetic elements, improvisation, questioning, reinterpretation, subversion and destruction, genius, freedom, joy and playfulness, completeness and excess.

For managers who have tended to direct and control, the process of change towards applying new Artful making practices could be without any doubt accompanied by a great deal of discomfort regarding the loss of certainty and control. Managers will have yet to adapt and understand the benefits of the process where they are losing/giving up control and the dynamics of the process are demanding only marginal interventions and a great deal of support from their side. They should accept new ways of perception and learning (Cassirer, 1945), and new way of working, where innovations

are generated in the process of exchange and migration of knowledge in all forms (Gagliardi, 1996) and at the same time at different levels (Antal and Strauss, 2014), as shown by Nonaka and Takeuchi (1995) in the previously presented chart. Managers would have to acknowledge that new knowledge and innovations are emerging from the process of searching, as is the case with that of a theatre play and the actors searching for perfection, generating a collective work of art.

In the process of Artful making, the process itself is important, not just the result. The instrumental rationality is not all that counts. Rather the process of creation and the new experience and achievements count. In a business organization, the process itself has never had significant weight, only the results had relevance. Such an understanding, in which an individual or a group of individuals can achieve best results through collective practices. with the help of collective testing of boundaries of functioning, is foreign to business practices. Allowing workers in this process to have more room for ambiguity, learning from mistakes (Drucker, 1998), repetition, letting go of control, confidence in the team and cooperation and its autonomy without borders is a practice difficult to understand from the perspective of management. Letting go of instrumental rationality, which means to identify the minimum of activity, bringing a satisfactory result, is a management-threatening practice. It means the uncertainty of the situation, it means relying on feelings, trusting the group that it will investigate and reveal the limits of its knowledge and actions. In such a process innovation and new knowledge can ascend. Knowledge passes from feeling, perception, introspection, implicit forms of individual knowledge into collective implicit knowledge and back to explicit forms. In the process of innovation, the processes of learning are intertwined from the internalising of explicit knowledge to the externalization of tacit knowledge in unplanned order, adjacent to the unsystematic random which management is unable to control. It cannot be directly observed or monitored.

How much potential cooperation of management and art can offer, of course, depends on many factors. In the future it will be necessary to bring these two areas closer together and establish a relationship of mutual autonomy. The incorporation of artistic activity in management without preserving the autonomy of artistic creation would disable the realization of the above mentioned potentials and could cause negative changes in organizational and managerial practices.

We achieved the objective of the paper that was an epistemological reflection on the concept of artistic creation and evaluation of its applicative importance for business organizations and management. The paper analysed the epistemological closeness of art and other approaches that are trying to overcome rigidities of the Western rational paradigm that has been

the dominant principle of scientific, organisational and management practices. Artistic practice, which through various aspects of the artist's perverting the key foundations of rationality in organizational activities, enables the reflection of new cognitive frameworks of contemporary organizations. On the other hand, the creation of new organizational processes with the help of artistic practices enables workers to acquire new spaces of freedom, autonomy and discretion and provides them with new cognitive frames and mental schemes that have so far been closed in the narrow circles of artistic creators.

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Marijana CAR, Aleksandra KANJUO MRČELA, Dana MESNER ANDOLŠEK: UPORABA NAČEL UMETNIŠKEGA USTVARJANJA V MENEDŽMENTU Teorija in praksa, Ljubljana 2015, letnik LII, št. 3. str. 511–537

Članek govori o načelih umetniškega ustvarjanja ("artful making"), ki predstavlja ustvarjalne in inovativne procese umetniškega dela. Uporabljajoč kombinacijo abstraktnosti, opisno vzorčne neeksperimentalne metode in teoretičnih vidikov inovativnosti, umetnosti, managementa in organizacije, proučujemo epistemološke osnove, razlike in odnos med umetnostjo in poslovnim svetom. Koncept je skladen z epistemološkimi prizadevanji za preseganje racionalizma kot prevladujočega epistemološkega okvira za razumevanje znanja in procesa njegovega ustvarjanja. Teoretična diskusija je v prispevku združena s predstavitvijo uporabnih organizacijskih in managerskih načel, kot so sodelovanje, zaupanje, soodvisnost, igra, priprave in svoboda, ki jih uporabljajo umetniki, medtem ko so v modernem managementu in organizacijah pogosto zapostavljena. Tako predstavlja članek natančno raziskavo ustvarjalnega umetniškega dela ter ponuja njegova specifična načela in metode poslovnemu svetu.

**Ključni pojmi**: umetnost, ustvarjalni proces, inovativnost, ustvarjanje znanja v organizaciji, vodenje, management

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Andrej SRAKAR, Miroslav VERBIČ: INCOME INEQUALITY IN SLOVENIA AND THE ECONOMIC CRISIS Teorija in praksa, Ljubljana 2015, letnik LII, št. 3. str. 538–553

In this paper we show the trends in income inequality in Slovenia in the period 1993–2012. We show that income inequality in Slovenia, which is already among the lowest in the world, further declined during the economic crisis. By observing the movement of the Gini coefficient, its decomposition and related measures of inequality we try to offer some basic explanations of the observed trend. We also point to a discrepancy when interpreting the findings of the article with the theory of economic inequality, as developed by Thomas Piketty in his recent work Capital in the 21st Century.

**Keywords**: income inequality, Slovenia, Thomas Piketty, Gini coefficient, decomposition, public and private sector, financial crisis