DEVELOPING THE PRACTICE OF ORGANISATION DESIGN

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ABSTRACT
At the School of Arts Management of th Utrecht School for the Arts, we conduct research into the question how creative design thinking can be implemented in solving strategic issues in cultural organizations. We refer to this field with the term organisation design. The research we discuss here looks specifically at the consequences of organisation desing for project management and for the arts management curriculum. Results were found relating to problem articulation, process variability, commissionership and prototyping.

Keywords
Design thinking, arts management education, organisation design, cultural entrepreneurship.

INTRODUCTION
Objectives of the research
This research program looks at the intersection of design thinking and problem solving in cultural organisations. Two historical developments explain how organisation and design have met. First, there is an increased interest among management and organisational researchers into the influence of contingencies and paradoxes, for instance looking at balancing exploration and exploitation (Jansen, Volberda et. al., 2006) in daily managerial or strategic practice (Golsorkhi, 2010). The second development lies in the understanding of the terms *design* and *design thinking*. Although the term originates from the world of industrial product development, the design thinking principle has increasingly been understood as a creative problem solving strategy in general. It is used in a growing variety of professional and societal arenas, given established phenomena such as service design, experience design and social design, with varying conditions for succesful implementation (Seidel and Fixson, forthcoming). Despite the different types of outcomes (be it products, services, experiences, social change etcetera) the examples share typical design thinking characteristics. Besides the holistic approach to the problem and the central position of creative thinking, among these characteristics are the involvement of clients or users (user-centeredness), the iterativity (prototyping) and the multidisciplinarity of teams (Brown, 2008).

Design thinking is particularly suited for problems that are complex and fuzzy (or “wicked”) (Buchanan, 1992). The research project at the Utrecht School for the Arts looks at how design thinking can be used for solving organisational dilemmas in arts organisations. As do most professional areas, the practice of arts managemers and creative entrepreneurs contains its share of wicked problems, so next to the management of design processes that generate new creative and cultural services or products, we give attention to how organisation itself can be the subject of design thinking. We use the term *organization design* for this. This term is used for a variety of thoughts on strategic organisational development, not necessarily involving creative processes, varying from assisting rational decision making (Kesler and Kates, 2010) to using second order game principles to influence formal organisational structures (Van Bree et al., 2010). We however specifically understand organisation design as a process that makes use of creative, investigative and user-centered attitude for solving complex organisational dilemmas. In this research project students were confronted with theoretical background of design thinking and subsequently worked in a three month project for (and embedded in) a cultural organisation with a real live issue. The objective of the research project was to monitor which organisational, intellectual and experiential issues the students encountered, to monitor how they would solve these issues, and to see what this implicates for the content of arts management education at our school. In a way, we are looking at a two layered design challenge: students designing an organisational solution, and – on the basis of their experiences

– researchers designing innovation of the arts management curriculum. In the Dutch context, which limits our research, the distinction between cultural and creative organisations is roughly understood as the distinction between subsidised arts organisations and for profit creative service providers.

Theoretical framework
In a world wide survey, IBM investigated how 1500 CEO's from all over the world, mostly of large, non creative firms, thought about the role of creativity in their work. The result was an overwhelming disply of awareness of the workings of creativity as a problem solving panacea. 'Creativity means new ways of solving tough problems. Many challenges require innovative thinking' one respondent said (IBM, 2010: 25). 'Today's complexity is only expected to rise, and more than half of CEO's doubt their ability to manage it' (IBM, 2010: 8). 'Creativity is the most important leadership quality, according to CEO's' (IBM, 2010: 8).

In organisational strategy processes creativity receives increasing attention. While it's mostly popular management literature that illustrates how creativity can be a tool, there is also scientific support for the suggestion that it is a boon for strategists. Historically, strategy formation in large firms is a rational and analytical excercise (Lafley, Martin, Rivkin, & Siggelkow, 2012), with little attention to the working of the individual position of a firm (Tsoukas, 2005: 366) or contingencies in its development. Thinkers on strategy (not just ceo's, but also organisational scientists) are often 'trapped within a representationalist theory of action, and [...] unable to incorporate contextual uniqueness and creative choice into their generic policy advice [...]' (Tsoukas, 2005: 367). The increasing complexity of the context of cultural and creative organisations similarly requires a contextually sensitive approach of organisational dilemmas. For the cultural and creative organisations, an approach of strategy based on the idea of equilibrium seeking processes and their ontology of 'stability, routine, equilibrium, homogeneity and incrementalism' (Gemmill and Smith 1985, in (Chiles, Meyer, & Hench, 2004): 501; also Meyer, 2005) is at odds with the observation that 'one of the defining features of the so-called new economy is its persistent postponement of anything like the stage of maturity' (Scott, 2006). Strategic equilibrium in cultural and creative organisations is an illusion, because their practice is endlessly volatile. We investige if design thinking is a potentially succesful way of dealing with complex problems in a turbulent context.

Creativity-enhancing techniques, like De Bono's 'lateral thinking' and other ways to create temporary disorder and invoke creativity as a discursive tool, are popular because they allow participants to open up their minds and allow for new perspectives. Heracleous and Jacobs (2005) find that better use of the cognitive skills needed for play, can enhance strategic thinking. Tsoukas (2005) observes that traditional strategy research doesn't sufficiently acknowledge creative aspects – how new ideas originate and are legitimated (and how strategising can be understood better by comparing it to playing jazz). Bürgi and Roos' (Bürgi & Roos, 2003) experimental work on how people create and integrate knowledge finds that 'strategy making [can] be improved by giving strategy-makers multi-modal experiences of the metaphorical imagery for the reality they [are] working to understand' ((Bürgi & Roos, 2003). Bilton (Bilton et. al, 2003: 216) recounts an experiment with creatives making visual representations of their own organisation – leading to refreshing organisational metaphors in images. All this relates to the relatively young development of connecting the arts to organisations. In several European countries[1] interventions with artists and organisations were created in order to 'enable learning relationships between the world of the arts and the world of organisations', in order to connect them 'by building relationships that go beyond the historical links based on sponsorship and patronage ((Berthoin Antal, 2011)). Theoretical work in this field is young, and Antal doesn't aggregate the findings in the different cases, perhaps due to the cultural differences playing a role in the different cases. Differences in corporate culture and discourses on cultural entrepreneurship in different countries may hinder generalisation. Perhaps we should be looking at the characteristics of a *culturally situated* succesful connection between the arts and 'the world of organisations' (Kolsteeg, forthcoming).

Our research looks at a 'prequel' of this development. We did not connect creative artists to corporate organisations, but arts management students to cultural and creative organisations, as a laboratory setting to learn more about the issues that come when creative thought is operationalised in organisational dilemmas, specifically in a project situation.

1 Antal (2011) describes projects in Sweden, Spain, Great Brittain, Switzerland and France.

MORE ABOUT THE SCHOOL

The students that we observed in these projects study arts management at the School of Arts and Economics, which is part of the Utrecht School for the Arts. Students at the School of Arts and Economics do not they have the ambition to become creative artists themselves but typically prepare for a career in a small cultural or creative enterprise, for instance in theater, music, events, product design or interaction design, less often for an administrative function in larger cultural organisations. Crucial in their curriculum is the combination of business and entrepreneurial skills, and knowledge of creative processes, as well as the combination of theory-based and practice-based educational forms. Even though the school is a business school, a substantial appeal is made on the students' creativity and creative intelligence to develop creative concepts, including business underpinning and marketing plans of these concepts. An increasing number of students graduate on the basis of a business plan for a creative concept.

Our school looks the arts manager and creative entrepreneur in terms of Donald Schöns *reflective practitioner*, who 'allows himself to experience surprise, puzzlement or confusion in a situation he finds unique', 'reflects on the phenomena before him, and on the prior understandings which have been implicit in his behaviour'. (Schön, 1983 68) . Schön himself relates this position to what an artist (or, we add, a designer) essentially does. This position assumes a managerial attitude that acknowledges the importance of experiment and innovation next to rational planning, in which context is seen as constructed instead of given (Liedtka & Ogilvie, 2011). Values like innovativeness and risk acceptance are associated with creative entrepreneurs (and actually with entrepreneurship in general) but are also valid for managers in the creative arts who, for instance, are confronted with the "wicked" challenge to relate to a volatile political and societal context while protecting an organisation's creative identity.

Understanding the values of creative processes by experiencing those processes will help arts managers-to-be to understand creatives better and will make their cooperation more effective. But artistic processes cannot be uncritically transferred to other domains and "design thinking" understood as a process can not uncritically be adopted in the organisational domain without research into the implication for arts management practice. It requires attention to such practical management roles and attitudes as problem articulation, team composition, communication etcetera, and fields such as research methodologies, human resource management, project management and strategic management. This research is a contribution to the discussion on arts management methods and arts management curriculum.

EMPIRICAL RESEARCH

In 2011, this long term research project on the relationship between organisational dilemmas and design thinking started off with an international team of Master of Arts Management students who were confronted with the task to opproach a given management dilemma in a cultural organisation as a design problem, even though students were not familiar with design thinking. The commission for the students was to develop and apply knowledge about design thinking in practice, on the basis of a short theoretical input that indicatively positioned design thinking in the area of creative thinking, refering to key action concepts such as allowing for new input, unexpected turns in the process, user-centeredness, iterativity and prototyping. The project resulted in a research intensive process with an in depth critical analysis of the dilemma and a more sustainable and innovating solution. Research monitoring the students' experiences in these projects shows that students felt, compared to earlier projects executed in the traditional method, a much larger commitment with the issue at hand and with the quality and sustainability of the solution, together with substantially higher levels of process stress and group dynamics (Kolsteeg and Kuiper, 2011). In phase two of this research (Sept. – Dec. 2012) we put on the agenda the question of the contours of robust organisation-design process models and consequences for education and research methodologies. In a third phase of this research, to be developed, questions involve the relationship between design thinking and organisational growth and development, and how creative artists can become involved in organisation design processes.

Cases and method

Graduate students at the HKU work in small teams for external clients in the cultural or creative sector, that bring in a specific organisational or strategic dilemma. In phase two, one team worked for a client involved in the creative redevelopment of an industrial area in the city of Utrecht. The issue here was that several diverse organisations, including the local government, were involved in the creative redevelopment process. The diversity of backgrounds, goals and strategies of the respective organisations led to a strategic deadlock, and the project

team was called in to help develop the perspective for an overarching organisational identity. The second team worked for an organisation for the promotion and support of amateur arts participation. The issue here was that because of substantial budget cuts contracts with most professional advisors were discontinued, while it was the ambition to develop a new construction in which the expertise of these consultants for the field was preserved. During three months student teams were observed by a group of researchers. Students continuously shared and adstructed their process steps and their experiences in detail on a digital platform. Data were discussed in the research team, consisting of teachers and sector representatives. The data were then related to the existing arts management curriculum at the school, looking at creative innovativeness, process reliability and effectivity. Finally, researchers made a final analysis of the data and extracted new research questions to be addressed in subsequent research.

RESULTS

We have to be aware of the fact that while for students the goal was to be succesful in their project, including a great deal of research activities, while the angle of the researchers was to gain insight in the issues students encountered in their problem solving strategies. The results of this double layered research architecture are practical solutions for the cases, and a set of observations that inventory contours of organisation design (as we understand it) as a field of education. In a way, researchers are designing the curriculum. We will discuss the issues and then look at the implications of these findings for arts management education as we teach it at our school. The quotes in the following are taken from students' reflection documents. We will not look at the content of the projects, but refrain to the process.

PROBLEM ARTICULATION

A 'wicked problem' probably by definition presents itself in a guise. The first challenge students encountered is the necessity to be critical towards the central question in the project.
"During the project we discovered that the question of the client wasn't the real problem after all. By discussion intermediary research results with the client, we adapted the question several times. This can have serious effects on your research phase."
Students need to find a style of communication that allows them to investigate possibly hidden backgrounds as well as contribute in a constructive way to the client's understanding of the problem. They discovered the importance of the installation of a communication style that allowed for mutual understanding and openness, in order to provide them later in the project with enough credibility to walk around the organisation freely.
"Transparency to the client is very important. Good and honest communication is needed to align stakeholders' thoughts. If you need to talk to employees that can be pretty enerving for the client. Involving the client creates goodwill. He will open up."
Students became aware of the fact that they should keep their preconceived ideas to themselves.
"Beware of suppositions! Suppositions prevent you from being able to tell whether what the client or user says is real. You have to have the courage to ask questions, without being suggestive."

Central to design thinking is the user-centeredness of the problem solving process. Students need to find time in the strart up phase of the project to delve into the world of the stakeholders, to thoroughly understand where stakeholders come from and what both the project and the results of the project may mean for their day to day practice. Also attention is needed to fathom the world surrounding the stakeholders. What does the world of amateur art participation really look like? What is its history, what is its discourse? Students reported that the research phase in which this contextual information was gathered triggered creative ideas that gave direction to the project.
"The creativity we needed, we found in the environment. Observe carefully and feed on what you experience."

PROCESS IS A VARIABLE

More often than not, arts managers organize their work in projects, and for that reason project management is an important element in the Schools curriculum. Over the years a project management method has been developed around the specific characteristics of creative projects. In particular quality management, information/knowledge management and client/stakeholders management are given extra attention. Despite the adaptation to the creative context however, the lay out of the project in time is still largely based on a traditional project management format, including traditional project management milestones such as presenting a de-brief and a project plan, and traditional project management hang ups, such as the risk of cognitive dissonance after presenting the end result. Students experienced the traditional project format as limiting:

"In traditional project management, during a non-creative phase good ideas will be less easily accepted than in a design thinking situation. In traditional project management it is harder to take a step back to analyse where you are and perhaps make changes. Also, it's our experience that one mostly researches what the client asks, not necessarily what users need. There is a higher risk that a solution will not be succesful."

Research on the management of creative projects, for instance by Simon (2006) looks at roles and activities in the project situation. In our research, the implementation of design thinking clearly indicated the need to look at the *structure* of a project as a design issue. The pitfall of creative processes is that they are potentially time consuming, a trait that doesn't go well with deadline-driven managerial projects. Initially, students in the projects bumped into time problems as a result of the design thinking angle they took, and they started to look for strategies to connect the openness of design thinking to the reliability of project management processes. The creative process led to missing intermediate deadlines because students continuously had the feeling that intermediary products were not far enough developed to be presented to the client. One solution for this problem was to build in variable timeslots around milestones. Deadlines can be replaced by episodes in which the team would work in co-creation with the client on an intermediary document to base a go/no go decision on. Thus, co-creation is expanded from the service developed in the project to the form of the project itself.

Another finding concerning project-milestones relates to the fact that they are perfect moments for (re-) establishing the clients commitment. This can be reached by carefully and creatively 'designing' project management milestones. Going beyond the traditional session of signing a debrief, these milestones should be be turned into a little event, in order to keep the client committed to the process, and to remind him of the content of the project at hand. For this 'milestone-design' a substantial level of creativity is called for.

Looking at the observed projects, it becomes clear that the process can be 'creativized', and that process can be seen as one of a project's design variable. Process needs to be the result of a thorough investigation of a client's situation and organisational culture, the context, the scope of the question, the resources available in the team, etcetera. Looking at process as a given leads to project steps to be forcefully adapted into a framework, whereas turning the perspective around leads to a process organically draped around a challenge. Process should follow challenge.

PROTOTYPING

Students ran into the problem that it hard to explain to a client a new organisational situation before it is actually realised. Building in a phase of prototyping as it is known from product design processes is understandably more problematic to realise in processes for organisational, social or experience design, even though the advantages remain the same:
"Prototyping during a project is much more conducive to the quality of your endproduct than working on one solution only."

For the observed students this presented a challenge. They worked carefully on the question what exactly it was that needed to be prototyped, and how this could be realised, relating to 'experience prototyping, where a representation of the designed experience needs to be found that allows for 'active participation to provide a relevant subjective experience' (Buchenau & Suri, 2000 425). The question in this case was even more complex, since the experience of the solution involved an experience in which the client himself not only is a part. Students were looking at the prototyping of an organisational constellation that could only succeed if the client played his rol in it. Students developed a process of prototyping in which all available information was presented to the client (of course in a creative setting) as an experiential conceptual framework. Reactions were gathered which were incorporated in the remaining design process. The prototyping process was a slowly progressing iterative process of gradually developing and creatively testing the contours of a solution.

COMMISSIONERSHIP

This leads to the point of client participation. After an enthousiastic reception of the idea that the project would be conducted along design thinking lines, a few weeks into the proces clients increasingly became aware of the burden of their active and participatory role in the process. Students ran into the problem that co-creating means not only laying out a structure for client participation, but also to the need to actively secure client participation. "Not only the team needs to have the right attitude, the client has to have an open mindset as well. For example: the client has to be willing to provide the team with all the information it needs in order to work. If that doesn't happen, it will lead to frictions and distrust."

implications for the curriculum

The question the school now stands for is this. Is design thinking is a problem solving attitude that can be introduced straight from the start of a student's school carreer, or is it a higher level skill that requires experience with the classical management paradigm to value it to the full? The students' input in this discussion on this question points out that students feel design thinking can have a place starting in the first year of the curriculum. In projects when students work with external clients in the cultural sector, these clients should be extensively informed about the consequences of the design thinking approach. Students value working with mentors who thoroughly understand design thinking. They also reflect positively on the fact that they (after all the 'users' of our education) are involved in research on the 'wicked' problem of incorporating design and creative thinking in an organizational and educational context. They certainly played their role professionally.

CONCLUSION

We have observed how four elements of traditional project management are affected by introducing design thinking in a practice based project on strategic change in cultural and creative organizations. The findings contribute to the development of organization design, interpreted as the use of creative processes in solving organizational dilemmas, specifically the element of project management. Looking at problem articulation, process variabality, prototyping and commissionership from a design perspective leads to implications for project management practice in a creative context, and for the design of the arts management curriculum.
The next phase of this research will look at the the relationship between design thinking and organisational growth and development, and how creative artists can become involved in organisation design processes.

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