



ELSEVIER

Contents lists available at ScienceDirect

Journal of Business Research

journal homepage: www.elsevier.com/locate/jbusres

The power of the arts in business

Daniela Carlucci^{a,*}, Giovanni Schiuma^b^a Department of European and Mediterranean Cultures, Environment and Cultural Heritage (DICEM), University of Basilicata, Via San Rocco 3, 75100 Matera, Italy^b Department of Mathematics, Computer Sciences and Economics (DIMIE), University of Basilicata, Via dell'Ateneo Lucano, 10, 85100 Potenza, Italy

ARTICLE INFO

Keywords:

Arts
Value
Business
Management
Paradigm

ABSTRACT

This paper aims to define the position of the role of the arts for management in today's business landscape. Therefore, it addresses why the arts are relevant in the new business age and how they can drive the management innovation. It discusses why the arts, from an instrumental and utilitarian point of view, matter in business and defines the conceptual background explaining how the arts can be adopted by organizations for management purposes. The focus is not on a specific art form, but on the arts, in general, considering the arts as a management resource and source for organizational development.

1. Introduction

What is the role of the arts in business? How can the adoption of art based perspective transform the management practice? How can the arts contribute to organizational value creation dynamics? Why should organizations integrate the arts into their business models? These are some of the crucial questions that, in the last years, have raised a growing attention from a number of scholars that have pointed out that the arts, in the form of arts based interventions or initiatives, hold a transformative value for organizations and can play an important role, especially in the current unpredictable economic scenario, for the sustainable development of organizations and the enhancement of organizational value creation capacity (Adler, 2006; Austin & Devin, 2003; Darsø, 2004; Nissley, 2010; Schiuma, 2011; Taylor & Ladkin, 2009). Indeed, the arts as a cornerstone of human life represent a source and a means that can inspire and advance the management discipline and practice.

The understanding of the value of the arts in business starts from the acknowledgment that the twenty-first-century business landscape presents characteristics and properties that require organizations to develop new competencies and value creation capacity. The new business age has been shaped by a number of macro-forces that have made the competitive environment unpredictable, ambiguous, uncertain, complex and ever changing, by challenging organizations to become adaptable, resilient, flexible to change and innovative. This involves that relying on efficient and consistent management systems, as traditionally postulated by the modern management, is no longer enough to sustain healthy, competitive and sustainable organizations. Indeed, organizations have to be able to meet changing market demands and

continuous competitive challenges as well as to deal with new waves of disruptive innovations. For this reasons, they need to develop and integrate technological and creative competencies as well as improve their management practices (Hamel, 2007, 2009; Mol & Birkinshaw, 2008). This poses several questions such as “What are the new management principles distinguishing twenty-first organizations? What are the organizational value drivers and management approaches for sustainable value creation? How can organizations foster the development of competencies that fit the challenges of the new business age? What can the arts offer to transform organizations and inspire managers to develop new managerial approaches and instruments?”

This paper addresses these questions, focusing on the changes required to the current management paradigm and discusses the role that the arts can play as a cornerstone for the (r)evolution of management mindsets and systems. It is argued that there is a need to shift from the traditional modern management paradigm to a postmodern management paradigm. In the new business age, the traditional management principles cannot alone support organizational value creation mechanisms and the management is forced to evolve and look for new knowledge domains in order to develop and/or embrace new approaches, models, and tools. The fundamental underlying idea is, that in the new millennium, the creation of value in the organization no longer depends on a mere rationalistic and linear design and functioning of organization's components and processes, but more and more is tied to people's experiences, emotions, and energy in carrying out activities and developing new ideas. This means to acknowledge the living nature of the organizational system and the centrality of humanity. Moving from this assumption, the paper discusses why the arts, from an instrumental and utilitarian point of view, matter in

* Corresponding author.

E-mail address: daniela.carlucci@unibas.it (D. Carlucci).

business and defines the conceptual background explaining how the arts can be adopted by organizations for management purposes. The focus is not on a specific art form, but on the arts, in general, considering the arts as a management resource and source for organizational development.

2. The new business age

Different and closely intertwined macro forces are transforming the twenty-first century economic and competitive environment (e.g. Friedman, 2005; Held et al., 1999; Mau & The Institute Without Boundaries, 2004; Meredith, 2007). The practical effects of these forces are challenging organizations to develop new behaviors and to adopt new management governance to drive organizational value creation dynamics. In particular, some of the macro-forces that have shaped the new business landscape's characteristics and have disrupted how organizations compete, grow and prosper, can be summarized as follows: 'globalization'; 'business social responsibility'; 'pace of change'; 'value networking'; 'new competitive players'; 'commoditization of technical knowledge'; 'exponential technology evolution and digital revolution'; and 'experienced-based economy'. These forces have generated waves of disruptive innovations with deep transformations of markets, organizations, and economies, resulting in the emergence of new features and properties that are nowadays characterizing the business landscape.

The globalization has made the world 'flat' i.e. very interconnected and interdependent (Friedman, 2005; Mau & The Institute Without Boundaries, 2004), which means that it is very difficult, even impossible, to predict changes and their impacts since business and world vicissitudes tend to ripple across industries and countries. The business social responsibility has emerged as the acknowledgment that the stakeholder value-oriented perspectives have a central role in organizations' value creation dynamics and impacts. This equals to recognize the crucial role of organizations as co-creator of society (Adler, 2006) and to the relevance, for organizations to pay attention to their deep human-based nature. The pace of change is the realization that, in the new business age, change not only is continuous but most significantly it is accelerating and becoming increasingly disruptive. This requires that transformation as a continuous process of change has to become a 'mental status' for organizations that need to engage and nurture employees' ability to be imaginative, creative and open to embrace and promote new solutions. The value networking points out that nowadays the competitive success of organizations is strongly tied to the quality of organizational relationships. This challenges the organization to create a networking culture by paying attention to the factors affecting the quality of a relationship such as trust, closeness, bonding, cohesiveness, and mutuality. The emergence of new competitive players is the result of a mix of factors ranging from the exploitation of traditional economic factors (e.g. labor, energy, and resource costs) to the development of new business models based on the use of the web. This involves that organizations searching for competitive factors have to understand the distinguishing context-specific competitive dimensions on which they can count. Technical knowledge is nowadays gradually becoming a commodity. In fact, it is increasingly easier to procure technical knowledge on the market either because it can be acquired through smart machines and data mining systems, or since it can be transferred through acquisitions, mergers and partnerships, as well as by employing skilled people that assure the absorption of key competencies. This means that new form of knowledge will increase in importance and particular those distinguishing human being such as emotions, energy, intuition, and creativity. Technologies are developing at an exponential rate and their integration with the digital revolution has open to the development of cybernetic systems. This is already transforming industries towards what is labeled as a fourth industrial revolution with technologies and digitization occupying a central role within organizations. This is challenging organizations to understand what are the

dimensions of value added that smart machines cannot provide and rediscover the centrality of people particularly in relation to their creative abilities. The experience-based economy is more and more about the organizations' ability to create intangible value embedded into products and services so that customers' and stakeholders' wants, needs and expectations are fulfilled. These challenge organizations to understand how they can tackle experiential-based dimensions and how they can affect the antecedent factors of experiences such as people's emotions.

The above macro-forces have shaped the characteristics of the twenty-first-century business landscape in a way that can be summarized as complexity, turbulence, fluidity, dynamism, and unpredictability. These are the properties of the new business age that organization has to face. They challenge the traditional management principles focused merely on efficiency and consistency. These principles lose their soundness and need to be integrated with new management principles which would enable organizations to become adaptable and resilient and human centric so that they can encourage continuous evolution and innovation.

3. The new management principles of twenty-first-century organizations

In a business environment becoming more complex and unpredictable, organizations must become more and more dynamic, innovative, intuitive, imaginative, flexible and resilient (Hamel, 2007; Kim & Mauborgne, 2005). This requires the development of management systems that acknowledging the human-based nature of organizations are capable of promoting a high level of engagement and deployment of human capital capacity (Hamel, 2000). In fact, an organization's ability to be dynamic, innovative intuitive and imaginative, not so much depends on technologies and working methods based on technologies and rationalistic-based analysis/approaches but is tied to employees' attitude and power to exercise their creativity and imagination in daily work activities. For this reason, great attention has to be paid to organizational context and management practices. They influence employees' creativity and imagination. Indeed, if employees perceive a supportive and pleasant climate, valuing problem-solving behavior, tolerant of failure and valuing risk taking, they are more likely to be persistent, creative and helpful when faced with unexpected problems. Conversely, employees who perceive their work environments as being not supportive or unwelcoming, not open to experimentation, they are more likely to exhibit negative or counter-productive behaviors (Wolf, Dulmus, & Maguin, 2012).

The giant Google is a well-known example of organizational context and management practices fostering employees' innovative behaviors. It uses practices that give time and space to people to cultivate and express their creativity. Moreover, Google pays great attention to how to inspire and energize employees by combining the shaping of the aesthetic properties of the workplace and the creation of aesthetic experiences.

On the other hand, organizational flexibility and resilience are closely tied to employees' capacity to tackle stress, anxiety, difficulties, failures and more generally negative feelings. It is not random that the success of change management programs in the organization, greatly depends on employees' emotions and energy and their openness and compliance to change. Therefore, organizations aspiring to flourish in the current competitive environment have to make sure that flexibility, compliance to change and propensity to innovate are deeply embedded into employees' behaviors and skills.

In addition, organizations should carefully consider and manage human emotive traits such as passion, hope, morality, imagination and aspirations as key organizational competitive factors affecting the quality of business and most importantly the development of new business solutions (Boyatzis, McKee, & Goleman, 2002; Bruch & Ghoshal, 2003; Gratton, 2007; Steers, Mowday, & Shapiro,

Download English Version:

<https://daneshyari.com/en/article/7425461>

Download Persian Version:

<https://daneshyari.com/article/7425461>

[Daneshyari.com](https://daneshyari.com)