

THE GLOBAL PETER DRUCKER ESSAY CONTEST 2013

MANAGING COMPLEXITY

The Art of Management – a Science

ABSTRACT

Organizations are more than ever challenged to show foresight and innovative behavior to meet fast changing customers' needs in an environment characterized by increasing complexity, discontinuity and dynamic. One crucial demand is noted in known literature which is fatal for today's businesses and organizations, if not settled, that the two antagonistic forces – exploitation and exploration – need to be balanced. Organizations aim to deploy their current capabilities while simultaneously exploring new ones in order to achieve long term success.

Artists, who are continuously challenged as regards to inspiration and imagination, may help to explore new ways to trigger innovation (either radical or incremental ones) in management. This paper therefor puts its focus on the art of photography to analyze hidden opportunities for a management design which concentrates on innovation in order to stay competitive in a complex economical context.

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Dr. Sarah Meisenberger
University of Applied Sciences Wiener Neustadt

1. A WORLD IN CHANGE – INNOVATIVE MANAGEMENT AS SOLUTION

The increasing dynamics and according structural economic and societal changes of an ever more globalized world have already been noted in the outgoing century, when scholars announced the beginning of a new age (Zuboff, 1988: “In the Age of the Smart Machine”; Drucker, 1993: “Post-Capitalist-Society”), the dawning of the information age (Beck et al., 1994) or the evolution of a post-industrial society (Bell, 1973; Drucker, 1993).

The on-going substantial transformation alters the way of doing things, the reasons for doing things and how the role of the human factor is considered. New entrants frequently capture new growth opportunities and large firms are prone to failure due to the latest scientific findings and technological innovations. More innovations, either technological or social, are already in the pipeline and like cascades precipitating managers into the world of not-knowing and uncertainty (Malik, 2011; Probst et al., 2011).

The longstanding, deeply embedded belief that economic capital is the critical strategic resource to be managed and that senior managers’ key responsibilities should center around its acquisitions, allocation and effective use has been challenged (Bartlett and Ghoshal, 2002). Capital is no longer considered the crucial resource that constrains or enables growth. Instead, added value and societal prosperity are created by knowledge work as knowledge itself becomes the key strategic resource (respectively Drucker, 1999; Sveiby, 1998; Bartlett and Ghoshal, 2002; North and Guldenberg, 2008 to name a few).

In “the knowledge society” (term coined by Willke, 1999) knowledge is conceptualized as an unique resource which complements the classic triple-combination of resources “capital, humans and land” and may even displace them in its importance (Bell, 1973; Drucker, 1993; Willke, 1999). Society in the 21st century is a society of organizations, and the rising demand for socially responsible organizations can be taken as priming for good management which indicates the creation of value while maintaining values (Drucker, 1992). Information has to be systematically leveraged and transferred into knowledge for the benefit of the organization and consequently for the society, as organizations are the ones which create wealth for all. This is a challenge that all kind of organizations have to face.

“Innovation, that is the application of knowledge to produce new knowledge” (Drucker, 1993:173) is the means to either create new wealth-producing resources or to endow existing resources with enhanced potential for creating wealth (Drucker, 1998). An organization’s long-term success is considered to depend on its ability to exploit its current capabilities while simultaneously exploring new ones by generating new knowledge (March, 1991; Levinthal and March, 1993).

Management focusing on innovations alters and changes the long term patterns of how management has always been done. It marks a departure from traditional management principles, processes, and practices or a departure from customary organizational forms that significantly alters the way the work of management is performed (Hamel, 2006).

Artists, who are continuously challenged as regards to inspiration and imagination, may help to explore new ways to trigger innovation in management. This paper therefor puts its focus on the art of photography to analyze hidden opportunities for a management design which concentrates on innovation and which enables oneself to use the benefits of a fast changing world and stay competitive in a complex economical context.

2. THE ART OF PHOTOGRAPHY – A SCIENCE

“What is art?” This question was asked Helnwein, the world-wide-known Austrian painter, during an artist’s talk in the museum Albertina on the occasion of the opening of the Helnwein-retrospective in Vienna mid of June 2013. He answered in a precise and short form “art is communication”. More specifically he then explained that artists who endure time inspire people to have and create their own thoughts and ideas by watching, listening to an artifact as the artist is communicating to them by means of it (Helnwein, 2013). Even though Helnwein is not a photographer he is an authority in the arts and his explanation of what art is can be taken as priming for a discourse on this subject.

In the dictionary one further can find that art is either the expression or application of human creative skill and imagination, typically in a visual form such as painting or sculpture or in general any work produced by such skill and imagination (Duden, 2001).

So, it can be noted that when we speak about art one crucial factor is communication between the artist and the respective public by means of a certain artifact which got created and expressed by the application of human creative skill and imagination.

2.1. Photography – writing with light

Photography – writing with light – starts in the moment when light is emitted by a specific source. Light is the key design element of photography as it affects directly or indirectly the observer of a photograph by influencing the emotional needs of the viewer (Rausch, 2013; Hunter et al., 2010).

The basic tools on lighting are the language of photography. Light discloses information like spoken words. It transfers information which is precise and concrete. Like any other language light has its own grammar and vocabularies. And the grammar and vocabularies of photography consist of the so-to-say tool box available to photographers like the principles on lighting, on reflection mechanics or angular adjustments, all the technical equipment, possible motives etc. (Hunter et al., 2010).

The basic principles of photography are timeless as they are based on physics but they do not include any decisions regarding one’s own style and likings or external trends. Before one can visualize an image a photographer has to see it clearly in the mind prior to exposure, i.e. a continuous projection from composing the image through the final print. Visualization is more accurately viewed as an attitude toward photography rather than a dogma. It assumes that the photographer has total freedom of expression, and is in no way restricted by any ideas of the art (Adams, 1980).

2.2. Photography – the experts teach us a lesson

The ability to anticipate a finished image before making the exposure (visualization) is one of the key concepts in photography. Even a series of related mechanical, optical, and chemical processes are involved when taking a photograph, a photographer has numerous opportunities to creatively control the final result. He/she has to comprehend the medium and know the effects of the various stages of the process, to see the subject as it will appear in the final print. The art of photography and the practice of its expertise are inter-linked. The transformation of a visual encounter with the world into a memorable photograph is the essence of what every serious photographer wants to achieve. A successful photograph is the product of a sensitive and receptive mind and a well-executed sequence of actions. A photographer should visualize several different interpretations of a single subject, and then carry to completion the one closes to his/her own subjective “artistic” intentions (Feininger, 1978; Adams, 1980).

The close interrelation between art and practice in the field of photography brings us to another definition, the one of science which means a systematic enterprise that builds and organizes knowledge in the form of testable explanations and predictions about a subject and refers to a body of knowledge itself, of the type that can be rationally explained and reliable applied (Duden, 2001).

Based on the technical literature on photography in abundance (either in form of books or online tutorials) it can be noted that a solid, scientific frame builds the stable fundament of this art. Numerous well-known photographers teach others a lesson in regards to the application of photographic principles and basics – to name a few, Feininger, Adams, Bittesnich, Baumann, Overgaard etc. Much of the creative process can be practiced and learned (Feininger, 1978; Adams, 1980).

3. MANAGEMENT INSPIRED BY THE ART OF PHOTOGRAPHY

One may say that analyzing the art of photography to find inspirations to better a management design and to open possible doors for creativity to today's management brings us inevitably in a more or less controversial position to the current leading paradigm in management, the one of complexity and non-controllability of social systems. This in mind, the underlying purpose of this paper taking an interdisciplinary view on management is not to deny any complexity of organizations but to get input by an artistic discipline which is also confronted with complexity and is challenged to meet creative demands.

Back to management, despite the different approaches in regards to build up competitive and innovative organizations, there is an agreement on the core hypothesis of an emerging paradox: exploration and exploitation are contradictory activities, yet an organization cannot achieve desirable performance objectives without engaging in both (Lavie et al., 2010). The challenge of balancing the two learning modes exploitation and exploration is crucial for the success or failure of organizations (Probst et al., 2011).

3.1. Management – getting the right things done correctly

A photographer needs to have perfect technical skills in regard to all steps of the photographic process on the one side, and on the other side needs to know how he/she can use that knowledge in a creative way. Know-how regarding the means of photography (like the camera itself, light exposure, filter, motives, perspective etc.) is meaningless without know-why, the awareness of all correlations. Only when technique and art is combined practical success can arise (Feininger, 1978).

A scientific approach towards management got institutionalized over the last centuries and influences deeply our way of how we look at management. Revolutionary sounds the question whether we should or even could take an artistic view on that subject - revolutionary in the way that the traditional and classic view on organizations needs to be changed.

It is general knowledge that organizations need to work efficiently and effective to be able to remain competitive on the markets. This implicates that the individuals of an organization should be managed efficiently and effective what consequently means that knowledge needs to be managed efficiently and effective. This can only be achieved when organizations are understood (for example Kakabadse et al., 2001).

To meet that demand, management principles, systems, and tools are developed to increase our understanding on organizations and find on again new methods of better handle them. The underlying theories help to understand certain phenomena occurring within organizations but the touch-stone of any theory is whether it can be properly applied and result in better conditions or not. Management therefore is a discipline which is monitored hard as bone whether it gets positive results for the organization and its stakeholders or not. Therefore management uses its principles, systems, and tools. And to be able to use them correctly one needs to practice. Tireless, continually, and never ending practice and training are the key to use management principles, systems, and tools appropriately (Malik, 2000).

At this point, we can see parallels between the application of management and photographic principles. In photography, a thoughtful use of a photographer's tool-box furthers a photographer's

objectives by commanding the medium and by using whatever current equipment and technology (Adams, 1980).

Understanding the principles of a discipline, knowing its systems, models, and tools has to build the solid base to become a professional in any field. This causality can be applied in management as in photography. It also provides the respective professional not only a, but the needed stable, solid ground to increase one's certainty of how to handle or cope with a fast changing world and open the door to creativity and imaginative behavior.

Organizations are confronted with an increasing complexity, discontinuity and dynamic which characteristic best today's environment and it demands from today's management an appropriate focus on the need of changes to meet changing customers' needs. Consequently, successful organizations show foresight in exploiting their existing resources and knowledge assets while simultaneously exploring new capabilities (e.g. Birkinshaw and Gibson, 2004; Lavie et al., 2010; Filippini et al., 2012). Then innovation, either incremental or radical ones, are likely to occur and the effort to create purposeful, focused change in an enterprise's economic or social potential will yield its fruits (Drucker, 1998). From the results of our latest studies we learned that longtime employees, experts in their respective fields, are the ones who focus on exploring new knowledge and initiating radical innovations while junior employees are responsible for routine activities and for exploiting the existing organizational knowledge base to initiate incremental innovations (Meisenberger, 2012; Müllner et al., 2013).

The essence which is self-evident in the art itself, and which creates a resonance of thought and feeling beyond verbalization, implies the invisible potential of a person we often do not observe, like it was the case with the posthumously known street photographer Vivian Maier (Dyer, 2011). And so it comes, that we know that creativity exists. But beyond that layer of creativity which can be taught lies the domain of personal vision and insight, the creative "eye" of the individual, which cannot be taught, only recognized and encouraged (Feininger, 1978; Adams, 1980). In business Human Resource Management focuses on the encouragement of hidden capabilities within an organization for example by means of Human Resource Management tools, like personal enhancement systems, inspiring working atmospheres, heterogeneous work groups etc. (Meisenberger, 2012; Müllner et al., 2013).

The creative use of all means of photography (camera itself, light exposure, filter etc.) includes another crucial factor, namely to make right decisions. A photographer has several opportunities when shooting one sole picture and it is his/her turn to decide what fits best to the imagination he/she made in advance in regard to a specific photo (Feininger, 1978). This concept of visualization and image management (Adams, 1980) can be found in management as its key task to get the right things done correctly. An effective manager converts knowledge into action by making decisions and beforehand visualizing the courses of his/her actions, probable restraints, future revisions, and desired results (Drucker, 2004; 1994).

Summarized, photography teaches us to learn and train one's craft, show foresight, and visualize how the fast changing external variables may influence one's own imagination of reality and future. Then take the right decisions so that one's own idea of how the future should look like becomes reality.

3.2. Management – the key task of communication

Defining causal relations in management has always been a target for discourse as it seems that all the complexity of today's organizations and economy is denied. But maybe it is only one more factor we from management could learn from the art of photography that it is just workable to find the simplicity in things and processes. We may then find some answers easier to one of the key questions in management "does it work?" (Malik, 2000)

Back to the explanation of what art is by Helnwein (2013) that "art is communication" we take a closer look on that factor and if this definition could also inspire a management design focusing on innovations.

In photography, the process of visualization requires learning to see as the camera sees. Once the processes are understood a photographer can anticipate, as he/she views the subject, the transformations that occur in each stage of the sequence (Adams, 1980). And by that the final artifact is created and the photographer communicates via that artifact to the public. This then opens room to the public to create and develop their own ideas initiated by the respective artifact.

In management literature (reviewing articles of reviewed journals) we cannot find a common agreed definition of communication. Basically it is general knowledge that communication as well as interaction could be considered as activity between two or more actors who follow certain rules and who try to fulfill certain tasks and objectives. The role of management regarding communication is to assist, coordinate and motivate his/her employees to realize certain organizational tasks. By defining and living common values and virtues the focus is laid on an open, inspiring, and cooperative organizational culture which builds the fundament for employees' identification with the respective organization (for example Alvesson/Karreman, 2001).

Further, routine activities in an organization should be formalized in a way that they reflect the communication lines within an organization, i.e. that they clearly show who is contributing when and what to the achievement of a certain task and has an overview on what others contribute to a certain task and for what reason (Meisenberger, 2005, 2012). “[...] *the key to organizational communication focuses on the arrangement and structure of how information is channeled to the specific individuals and groups who need it for task, problem-solving, control, or decision-making purposes. In fact, the way a group or organization is structured ultimately determines the accessibility of an ease with which members can communicate with one another*” (Bowditch/Buono, 1990, p. 116). “*Key to such a system is that everyone asks: Who in this organization depends on me for what information? And on whom, in turn, do I depend? Each person's list will always include superiors and subordinates*” (Drucker, 1988, p. 7).

Management sets targets and visualizes the possible ways of achieving those. By that, it is a primary factor to learn to see as one's employees see. By anticipating transformations that occur in each stage of a process management gets to know how one can best cooperate and work together with one's employees. An open, inspiring, and cooperative organization culture also gives room to one's employees so that they can and will contribute to the achievement of a certain task and by that an organizational goal gets met together, intensifying the relationship between the individuals and the identification with the organization.

Summarized, photography teaches us to learn to see as the camera sees and communicate to the public via an artifact and offer room to the public to develop and have their own ideas on something inspired by the artifact. Management is invited to consider more clearly what employees see and communicate clear, precise targets which then get achieved by a collaboration where every individual can contribute own ideas and thoughts so in the final end an organizational purpose gets met.

4. CONCLUSIO

Combining the technical and creative possibilities of photography a photographer can document reality in the form of meaningful pictures that assists us to understand better the environment and other people and guide us in our endless search of understanding and peace. A photographer uses his/her impressions on the environment from his/her perspectives, experiences and interests, and uses his/her technical skills to symbolize reality. When this is done, the photograph is good and reality became art (Feininger, 1978).

Innovative management needs, as any other endeavor, talent, ingenuity, and knowledge. But when all is said and done, what innovation also requires is hard, focused, purposeful work (Drucker, 1998). When this is done, management will get its rewards and managers' imaginations become reality. By that, management becomes art.

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