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# Managerial Innovation in Cultural Organizations: Emergence and Development of Management Tools in Cultural Organizations

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#### **Abstract**

Facing perilous situations for their organizations, and naturally innovative, some cultural managers invent management tools out of traditional management standards, allowing them to ensure their survival. We report on the emergence of these managerial innovations from the concept of bisociation (Koestler, 1964), considering the managers' creativity as resulting from the opposing of antagonistic value systems ("artistic management/control management" and "general interest/private business interest"). We articulate the structural dimensions' approach of management tools (Hatchuel, Weil, 1992) with that of their appropriation process (Grimand, 2006) to identify the development phases of innovations. Relying on this conceptual framework and the fours case studies, we intend to unfold and describe accurately the process of emergence and stabilization of managerial innovations in cultural enterprises. The research is based on four case studies of French cultural performing arts companies who have managed to overcome a sharp break in their financing resources in the 2000s.

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# Keywords

Management tools – Cultural firms – Innovation – Bisociation – Case studies – processual approach

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# Managerial Innovation in Cultural Organizations: Bisociation and Development of Management Tools in Cultural Organizations

Cultural and creative enterprises are adorned with a set of virtues, among which those of constituting a laboratory of managerial creativity which is intended to spread in a broad part of the economy. First, this field is exemplary to observe innovations in terms of management tool, having a long history of producing specific management practices apart from conventional forms of management and from the standard corpus of management sciences. These indigenous practices (Chiapello, 1997) have always been a relevant reservoir of renewal for the management of the traditional sector (Aubouin et al., 2012; Benghozi, 2006; Boltanski, Chiapello, 1999; Lampel et al., 2000; Menger, 2002; Paris, 2010...). In addition, these organizations appear as a source of inspiration with regards to the imperative of permanent innovation imposed by the new rules of the economic game (Busson, Evrard, 2013; Cohendet et al., 2010; Foray, 2004; Oakley, 2009).

More recently, these cultural enterprises were confronted in France to what can be qualified as an extreme management situation, according to Lièvre (2016), generated by the LOLF ('Loi Organique relative aux Lois de Finances'), a French specific and important law which had heavily modify the rules of public funding in 2006 (Négrier, Teillet, 2013; Horvath, Chabrillat, 2015). They suffer jointly a reduction of their resources and a hardening of the administrative rule, which makes the conditions of their management more complex and uncertain. Despite facing this difficult situation, and due to their innovative nature, some enterprising managers have been able to cope with it and adapt their organizations. We are interested here in those organizations that have managed to overcome this difficult context thanks to the creativity (Koestler, 1964; Amabile, 1996) of managers whose innovative practices have been expressed in the invention of management tools (De Vaujany, Grimand, 2006), resulting in a transformation of their organizations. How did these new tools appear, and how did they develop?

We intend here to describe and identify the process of emergence and construction of this type of managerial innovations, based on a research conducted in organizations of the performing arts sector. Our theoretical framework is organized in two parts. We rely first on Koestler's concept of bisociation (Koestler, 1964; Cohendet, 2016) to account for the initial creative mechanism of the emergence of the new management tool. This principle of bisociation corresponds to the crossing of reference systems a priori discordant: Koestler forges the concept of bisociation to describe the creative act that occurs when two systems of thought and action, two frames of reference each having their own coherence, what he calls matrices, a priori independent or even incompatible, find an intersection through the transfer of a situation or idea from one matrix to another, to give rise to an original solution to a problem that arose. In the case of cultural managers, this will allow us to highlight two bisociation processes defined by the confrontation between antagonistic thought matrices, as triggers for the phases of emergence of their new tools: one is characterized by the opposition between the matrices "artistic management *versus* control"; and the second by the opposition between "public interest *versus* private commercial interest" matrices.

Second, we will try to identify how these management tools develop, after their initial spark, which sequence of stages they go through for their constituting and stabilizing, what kind of actors are involved and the values that drive the managers in this process. We will so rely, on one side, on the structural approach of Hatchuel and Weil (1992), in order to distinguish three dimensions of the management tools: artifactual (the tool itself, the problem it is supposed to solve, where it comes from, how is it defined, what it makes to the organization), relational (the game of actors involved and the changes in their respective positions) and the management philosophy (the peculiar value system that drives managers towards unexpected directions). On the other side, the processual approach of Grimand (2006, 2012) will make it possible to identify and characterize the successive

steps of constitution and stabilization of the tools, the way the managers drive the innovation of the tool toward its acceptation and stabilization, while solving his own management problem according to his management philosophy. In this approach, the morphogenesis of the tools is achieved through a succession of iterative loops during which the artifacts adjust and the relationships between actors are modified, around a management philosophy of the manager who imprints his mark on the direction taken by the innovation that appears. So doing, we propose to articulate these theoretical approaches, which constitutes an output of our research.

The methodology we used can be described in four points:

- a Grounded Theory based study (Glaser, Strauss, 1967);
- a case study (Yin, 2009): four organizations have been selected among performing arts companies for their particularly exemplary success (development of means, autonomy, and legitimacy), a success largely due, for each of them, to the innovative management tool they had each produced; these cases are considered as exemplary cases according to David (2005), which is particularly adapted to the study of innovative situations, and the study has been carried out on these innovative management tools;
- a participant observation, with two main principles: a precise attention to the goings-and-comings games between the managers and the various actors involved (Chiapello, Gilbert, 2013), and a special care for the nature and the quality of the relationship between the researcher who carried out the cases and the managers studied (De La Ville, 2000);
- a methodical opportunism (Girin, 2011), which means taking care of the concomitant and unexpected discoveries along the course of the study.

So in each organization, we conducted studies (from one semester to one year) on the four following specific management tools: a moving co-production contract; an open organization chart; an umbrella companionship convention; an analytical budget backed by an original reversion calculation.

What we plan in the body of this paper is to account accurately for the processes and conditions of emergence of innovative management tools, relying on our theoretical framework and what it can reveal about the four observed stories:

- the initial spark, the invention of the tool, through the bisociation process articulating matrices of thought and action in the cultural field;
- the steps of the trajectories of tool's appropriating by actors, particularly the way the managers drive it, through the structural dimensions of these tools;
- the stabilization of innovation, which signs the finalization of the new tool and its positive effects. We intend to process in two steps: first, we will account in a detailed manner for the process of emergence and constitution of the management tools studied. Second, we will try to synthetize in an overall table the unfolding of the four processes of constitution of new management tools, seeking to highlight the invariants of the process of emergence of these managerial innovations.

We plan to conclude with some lines of research, in terms of widening this work to other types of organization and deepening the theory of the bisociation in the cultural field. We then suggest some managerial perspectives, in terms of managers' support, to identify their bisociation matrices, as well as in helping them for a fine management of the emergence process and implementation of their new management tools.

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