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# Designing Organizations for the Betterment of Society

The Ethic-Aesthetic  
Scaffold

Rodrigo Magalhães

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# Designing Organizations for the Betterment of Society

“Rodrigo Magalhães’ book stimulates students and scholars of management and organization to understand organizational designing in a new light, where ethics is deeply linked to aesthetics and creative aspects.”

—Antonio Strati, *Dept. of Sociology & Social Research, University of Trento*

“By prioritizing morality, collaboration, and purpose over material and instrumental concerns, this book develops a human-centered design approach. Magalhães argues that the field of Management and Organization Studies must include a concern for ethics and aesthetics if it wishes to help organizations contribute to the betterment of society.”

—Charles Snow, *Professor Emeritus, Penn State University*

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## PREFACE

After my PhD studies in Organizational Information Systems, at the London School of Economics, and throughout my post-PhD career, I have always felt that something is missing in the connection between IT and the organization. Then, after years of researching and debating the problem from many points of view, I have come to the conclusion that organization design is the missing piece. IT is just part of the artefacts that make up organization design, but quite a major part, because when IT changes, the organization's design changes. This seems to indicate that the level at which to tackle the consequences of IT is indeed the level of organization design, and if this is the case the new questions can be asked. We see the growth of the digital, the opportunities it creates the profits it brings, but we do not see the benefits in terms of the societal and environmental problems the world is grappling with. In other words, how can we harness the power of the digital for the common good?

On the other hand, we, MOS (Management and Organization Studies) researchers go on, oblivious of some of the most serious crises that the world has seen regarding the environment, social inequality, public health and even threats to democracy. Is there a role for us, and for organization design in particular? Organization design does have a role, if it is agreed that everything that happens in the organization has to be designed, and that designing the organization *in its entirety* falls within the remit of our responsibilities, as a professional group. Organizational purpose seems to be a good place to start the process. In managerial circles, purpose

is usually understood as the organization’s vision and mission; however, experience shows that rosy vision/mission statements on most websites, endless promises of generous stakeholder inclusion, well-intentioned plans for doing good for the poor and pledges of good governance, have produced negligible results, as well as shaky credibility for many.

Thus, the solution seems to lie at a level *above* organizational purpose, that is, a meta level. This is something that has been suggested by design scholars as part of the paradigmatic shift known as “meta-designing” and described as a major challenge faced by the design discipline in the Anthropocene (Wood, 2022). In organization studies, some writers have anticipated this shift, using designations such as “platform” or “virtual organizing scheme” (Ciborra 1996), “meta-capability” (Snow et al. 2005) or “design gestalt” (Yoo et al., 2006) to describe organization design. Some unorthodox writers have suggested that organization design should be seen as a cultural construction (Clegg 1994; Bate et al. 2000), thus reinforcing the meta-level conceptualization. In this book, I stand on the shoulders of these pioneers, and try to put meat on the bones of the concepts of platform, meta-capability and design gestalt, while going beyond the symbolic understanding of culture, and introducing practices, aesthetics and ethics, as the non-representational<sup>1</sup> components of organizational life.

If organization design can be seen as a *supra-organizational* force, with ethic and aesthetic overtones, this would mean a 180° turn in relation to the old school, where organization design was about contingency, fit, structure or configuration. The new approach places the spotlight on a new conception of the organization designer, as a managerial incumbency aimed at building/looking after the organization’s ethic-aesthetic scaffold and making it thrive. The scaffold is built from the bottom, where artefacts (including IT), as well as the interactions, relationships and experiences of people need to conform to the letter and the spirit of a newly

<sup>1</sup> Oxford Reference.com (2024) provides the following entry: “Non-representational theorists consider how researchers might ‘represent’ what they encounter in their field-work, since, they argue, ‘representational’ theory generates an unwavering, deadened picture of the world. They emphasize knowing through connection and participation; the spotlight is on the process, rather than the outcome—‘it ain’t what you get but the way that you got it’. This means that academics have to move beyond mere representation”. The expression “non-representational theory” has been used by several writers in MOS (Beyes and Steyaert 2012; Gherardi 2017; Juhlin and Holt 2022; Vitry et al. 2020).

inspired kind of organization purpose. This, I suggest, is the way to make organizations contribute to the betterment of society.

Kuwait

Rodrigo Magalhães

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## Introduction

**Abstract** This chapter starts by highlighting that contingency-led thinking, the dominant school of thought, has had a reductionist effect on the understanding of what organization design is, so that in managerial circles organization design continues to mean a simple formula for efficiency-seeking and profit-maximizing performance, oblivious of anything to do with the ethical, environmental or social consequences of the organization’s activity. In the last couple of decades, there has been a growing trend aimed at bringing design closer to management, with management being depicted as a practice that goes beyond decision-making and plays an active role in the ongoing design of the organization. This trend has begun a shift in organization design from what organizations “are” to what they “could be”, with a focus on warmer, livelier and more engaging approaches, incorporating the sensory, aesthetic and ethical sides of design. Building on this background, the book proposes a new framework with a solid normative foundation, built primarily on the principles of morality and humanism from the design discipline and highlighting a *new managerial responsibility*—holistic organization designing. This managerial responsibility is complementary of strategic management, in the sense that the designing role is also required to assess and evaluate organizational performance but using a new type of yardstick—sensory/aesthetic/experiential—in addition to the regular rational and instrumental measures.

**Keywords** Design discipline · Holistic · Humanism · Managerial responsibility · Morality · Organization design

Although economic measures are often used to determine inequality, it is also necessary to consider the ways in which social structures, including organizations, are *designed* and/or evolve to advantage some groups over others (...) Our purpose in this editorial is to call for us – a community of engaged management scholars – to take inequality seriously because organizations are centrally implicated in the reification of societal inequalities. (Amis et al. 2021, italics added)

Increase in the magnitude and the complexity of moral behaviour is first the result of increased *specialization*, especially in economic activities and in the machinery and materials which are employed for materialistic purposes. Attention is increasingly given to the technical knowledge now required and to the technical skills arising from specialized experience. The moral factor involved in these activities seems to be almost entirely neglected. (Barnard 1958: 12, italics added)

The key words of the modernist business universe of the past 150 years may have been those of logic, reason, science, technical expertise, instrumental rationality, wealth maximization, and moral rectitude. But the key concepts of the *aesthetic business* era will be such things as harmony, balance, sustainability, aesthetic excellence, judgment, context, compassion, community, beauty, and art. Those corporate cultures that recognize this shift will flourish both financially and aesthetically and will genuinely contribute to quality of life. (Dobson 2007: 45, italics added)

The first citation above, from an editorial note in the Association of Management Review, serves as a reminder that organizations not just evolve but they are also intentionally designed, and that *design* has many consequences. The second citation comes from a little-known paper by Chester Barnard published in the California Management Review and drawing our attention to the fact that the issue of business morals contained within organizations as social artefacts seems to be slipping out of control, mostly due to the technical knowledge and the unbridled deployment of *material artefacts*, which have dominated the organizational landscape for the last 65 years. Essentially, the two articles highlight

with great clarity the apparent inability of organization and management scholar or practitioners to propose, prescribe or adopt the *morality* and the *designs* that are needed to harness the technology and the extraordinary efficiency gains it provides for curbing social inequality, global warming, toxic workplaces, dishonest corporate governance and the multitude of ills that affect us all as members of society. The third citation, by John Dobson, brings a degree of hope, talking about a new era of *aesthetic business*, and painting a scenario for the future of management and inherently for the future of organization design.

Unlike other disciplines, management does not have to follow a deontological code, and in most organizations, it is unclear where the responsibility lies for issues of a moral or ethical nature. Organization design would seem to be a candidate for a focal point on organizational ethics; however, organization design does not have an obvious role in terms of regular organizational functioning, and although some see it as being at the core of many contemporary organizational ills, interest in organization design as an academic topic has waned dramatically over the years. The reasons for this demise are manifold. Firstly, the definitions and intellectual approaches behind organization design theory date back to the industrial age and are no longer relevant today. Secondly, contingency-led thinking has had a reductionist effect on the understanding of what organization design is (Van de Ven et al. 2014), so that in managerial circles organization design continues to mean a simple formula for efficiency-seeking and profit-maximizing performance, oblivious of anything to do with the ethical, environmental or social consequences of the organization's activity. Thirdly, as a scholarly area, organization design receives little or no input from design as the discipline dealing with the creation of artefacts (Simon 1996), a lacuna that has implications for the way we think about the social responsibility of management. Indeed, this is part and parcel of a broader trend in management and organization studies (MOS), where morality continues to be "a victim of [the] endeavor of business academics to make management a science" (Ghoshal 2005: 79).

The reductionism imposed by the traditional approach has several profound and long-lasting consequences. Firstly, the principle of hierarchy, upon which much of organizational theory was built, dates back to a time when environments, as well as organizational structures, could



be classified as stable. With the advent of the information age, globalization and the knowledge economy, the relationship between organizational structures and their surroundings has changed beyond recognition. Secondly, the development of digital infrastructures in all types of organizations has led to a subversion of hierarchical rules and to a dramatic loss of relevance of the traditional precepts of organizational design. This has created new challenges in terms of the form and content of organizational interactions and relationships, which have not yet been systematically theorized (Zammuto et al. 2007). Thirdly, the contingency-dominated approach maintains the misleading assumption that organizational design refers only to the macro level of organizational structure, with a rigid separation between the formal and informal organizations (McEvily et al. 2014). However, despite the many studies that show that informal organization is as important or more important than formal organization, and that the principles of hierarchy and unity of command are not as relevant as they were in the industrial era, the teaching of organizational design still remains unchanged.

In reflecting upon the reasons why the traditional approach(es) to organization design have not produced results that can credibly advance organization theory, Weick (2004: 40) suggests five erroneous beliefs, which lie at that at root of the problem: (i) the presumption of a central designer, (ii) alignment with formal authority, (iii) the organization as a material entity, (iv) the prescribed rather than the emergent and (v) choices rather than construction. To these, a sixth point could be added to express the lack of a *normative ambition* about designing with aesthetic and moral values. And herein lies the problem which has impeded organization design from becoming a more effective MOS construct: *the status of “design”* in organization design. We posit that this problem will not be solved until “design” is detached from its current status as a metaphor and is allowed to assume a *foundational role* in organization (design) theory. In practice, this means allowing organizations to be seen as objects of design and considering in their theorizing, the principles from the design discipline, including the domain of design ethics.

## THE TREND TOWARDS GENERATIVITY, SELF-ORGANIZATION AND HUMANISM

In the last couple of decades, there has been a growing trend aimed at bringing design closer to management, with management being depicted as a practice that goes beyond decision-making and plays an active role in the ongoing design of the organization (Boland and Collopy 2004; Van Aken 2004; Van Aken and Romme 2009). And in one of the most recent calls for a new paradigm for organization design, Snow and Fjeldstat (2024) reinforce the point that the focus needs to change from structure to the “means that enable goal-directed self-organizing” (ibid.: xvii). Thus, rather than a linear and material process of setting up organizational structures, organization design is conceptualized as a virtual (Ciborra 1996), circular (Romme and Endenburg 2006), morphing as a whole (Rindova and Kotha 2001; Yoo et al. 2006) and never-ending (Boland et al. 2008; Dunbar et al. 2008; Garud et al. 2008) process of designing, driven by not only technical-structural rules but also generative ones (Garud et al. 2006; Parrish 2010). And rather than being determined by the environment, designs are now seen as capable of shaping and even creating new environments (Saravathy et al. 2008). An offshoot of this trend develops a perspective focused on the human aspects of design (Avital et al. 2006; Avital and Te’eni 2009) and the idea that organization design should be aimed at shaping hopeful organizations, with positive experiences for stakeholders. This is pursued by Jelinek et al. (2008) in urging organization design researchers to adopt a design science approach, asking questions about what organizations “could be”, rather than what they “are”, and focusing on how their research might lead to “the betterment of the human condition” (ibid.: 317). Barry (2011), on the other hand, predicts “a shift in organizational design thinking towards a warmer, livelier, and more engaging field that incorporates the sensory, aesthetic, artful, and creative sides of design” (cited in Van de Ven et al. 2014: 417).

Although rich in analytical content, this trend has not succeeded in debunking the traditional emphases of organization design on structure and hierarchy, or in taking the topic into new directions of ethics or morality. Unlike other professional groups, such as medicine or the law, the communities behind MOS have opted to remain neutral on issues of moral conduct, or quality of life, in spite of the many voices that