From Margin to Institution: Design as a Marketplace for Action in Organizations

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Design at the Periphery

The resiliency of design in organizations has been met with both applause and alienation. On one hand, design thinking—the more familiar label for "design in organizations" as understood by the public—enjoys more fanfare than ever. To illustrate, a Google search for the term yields more than 23 million results with links to articles such as "Design Thinking Comes of Age" from *Harvard Business Review,* "Design Thinking: A Unified Framework for Innovation" from *Forbes,* and "Design Thinking, Explained: Solve Any Business Problem with This Approach" from MIT Sloan. Endorsements like these from centers of cultural production have helped fortify and strengthen design's symbolic and cultural capital. On the other hand, there is a growing base of critics who find design superficial and unsuitable to the task of genuine organizational improvement and change.[1] Design thinking is "kind of like syphilis,"[2] says one critic. "Design Thinking is B.S.,"[3] says another. Among these detractors, there is concern that design is yet another managerial fad that fails to actually improve the performance of organizations and life as it unfolds in them.

To get more precise, the present issue has moved beyond whether there is such a thing as design in organizations or what that is. That organizational interest in design only waxes stronger is a testament to design's unique offerings. What is in question is the quality of design's contribution. Put another way, while overall awareness and appreciation of design is strong, the same cannot be said of design's actual adoption and use. This tenuous connection between design and real impact—made outwardly evident by the divided positions on design thinking as a cure-all by some and a disease by others—reveals a deeper issue in the development of design. It is indicative of a problem of design marginalization in organizations and across the broader field of human affairs. How is it that design enjoys such widespread recognition yet remains restricted in organizations and society at large?

1 Natasha Iskander, "Design Thinking Is Fundamentally Conservative and Preserves the Status Quo," *Harvard Business Review,* September 2018, https://hbr.org/2018/09/design-thinking-is-fundamentally-conservative-and-preserves-the-status-quo (accessed September 1, 2019); Ulla Johansson-Sköldberg, Jill Woodilla, and Mehves Çetinkaya, "Design Thinking: Past, Present and Possible Futures," *Creativity and Innovation Management* 22, no. 2 (2013): 121–46.

2 Lee Vinsel, "Design Thinking Is Kind of Like Syphilis—It's Contagious and Rots Your Brains," *Medium,* December 6, 2017, https://medium.com/@sts_news/design-thinking-is-kind-of-like-syphilis-its-contagious-and-rots-your-brains-842ed078af29 (accessed December 6, 2019); Lee Vinsel, "Design Thinking Is a Boondoggle," *Chronicle of Higher Education* 64, no. 35 (2018).

3 Natasha Jen, "Design Thinking Is Bullsh*t," Vimeo, 2017, https://vimeo.com/228126880 (accessed December 6, 2019); Natasha Jen, "Design Thinking Is B.S.," *Fast Company,* April 9, 2018, https://www.fastcompany.com/90166804/design-thinking-is-b-s (accessed December 6, 2019).

There are at least three ways to respond to this question. First, there is the hopeful view that says, "let's wait and see." For every instance of design gone awry, there is another case of design gone well demonstrating how design has advanced an organization in some way. According to this view, design in organizations is still in its infancy and may simply need time to mature. The second response is a skeptical view that questions meaningful achievements made through design. With mostly partial wins at best, design is perceived as necessary but not sufficient. As one writer of innovation and design at *Bloomberg BusinessWeek* puts it, design thinking in action is "often focused on one small project executed at the periphery."[4] It seems to work, but when positioned by its bullish proponents as a master or general discipline capable of shaping large swaths of the human-made world, it is a failed experiment.[5] In short, design's issue is not that it is an utter failure; on the contrary, its limiting factor has to do with its lukewarm success. The third response is an inquiring view that asks why design seems to have staying power despite inchoate success as conventionally measured. Although organizations might adopt design to improve their performance or for the sake of innovation, there are other reasons they stick with it, especially en masse. Conversely, they might dabble with design at first for reasons other than utility or performance improvement but eventually come to appreciate design's illiberal and technical contributions.

From Complicated Organizations to Complex Institutions

The study of organizations through the lens of institutional theory[6] forms the basis of this third perspective. Theorizing organizations as institutions provides a way of understanding why organizations might appreciate design without accepting it wholesale. For example, organizations often incorporate certain products, services, techniques, policies, and programs because doing so adds legitimacy to their firm.[7] As Philip Selznick—one of the first to study corporate and administrative systems through an institutional lens—points out, an organization cannot be understood simply as "a technical instrument for mobilizing human energies and directing them toward set aims."[8] If that were the case, many organizations with the same technical parts would essentially be the same.

What organizations seek is quite the opposite: a differentiated offering and a unique identity. For organizations to offer goods, services, and even experiences that are more than commodities,[9] they must become distinct wholes that transcend the sum of their parts. This uniqueness applies not only to the value proposition as perceived by the beneficiaries of an organization's offering

4   Helen Walters, "'Design Thinking' Isn't a Miracle Cure, but Here's How It Helps," *Fast Company*, March 24, 2011, https://www.fastcompany.com/90186356/design-thinking-isnt-a-miracle-cure-but-heres-how-it-helps (accessed December 6, 2019).

5   Bruce Nussbaum, "Design Thinking Is a Failed Experiment. So What's Next?," *Fast Company,* April 5, 2011, https://www.fastcodesign.com/1663558/design-thinking-is-a-failed-experiment-so-whats-next (accessed December 6, 2019).

6   The primarily lens here is sociological—called sociological institutionalism—and is in contrast to economic or political interpretations in institutional theory. For a comparative analysis of the different kinds of institutional scholarship, see Walter W. Powell and Patricia Bromley, "New Institutionalism in the Analysis of Complex Organizations," *International Encyclopedia of the Social & Behavioral Sciences,* ed. James D. Wright, 2nd ed. (Oxford: Elsevier, 2015), 764–69.

7   John W. Meyer and Brian Rowan, "Institutionalized Organizations: Formal Structure as Myth and Ceremony," *American Journal of Sociology* 83, no. 2 (1977): 340–63.

8   Philip Selznick, *Leadership in Administration* (New York: Harper & Row, 1957), 5.

9   James H. Gilmore and B. Joseph Pine, *The Experience Economy,* 2nd ed. (Boston: Harvard Business Review Press, 2011).

10 Selznick, *Leadership in Administration,* 9.

11 For Selznick, organization *qua* organization is an expendable and rational tool, whereas organization *qua* institution is a natural, adaptive organism. Dewey makes a similar contrast between a group of people merely working toward a common output versus people who form an authentic community. Selznick, *Leadership in Administration,* 5; John Dewey, *Democracy and Education,* vol. 9 of *The Collected Works of John Dewey* (Carbondale: Southern Illinois University Press, 2008), 7–8.

12 This description is inspired by the humanistic approach to institutions as first put forth by Giambattista Vico in *Scienza Nuova* (1725). David L. Marshall, *Vico and the Transformation of Rhetoric in Early Modern Europe* (Cambridge: Cambridge University Press, 2010); Geoffrey M. Hodgson, "What Are Institutions?," *Journal of Economic Issues* 40, no. 1 (March 2006): 1–25.

13 Selznick, *Leadership in Administration,* 13.

14 Selznick, *Leadership in Administration,* 152–53.

15 Sholom Glouberman and Brenda Zimmerman, "Complicated and Complex Systems: What Would Successful Reform of Medicare Look Like?," Commission on the Future of Health Care in Canada, 2002.

16 According to David Marshall, articulating this essential institutional feature of "judgment without reflection" is one of Vico's great contributions to rhetoric and communication because it makes it possible for people across time and space, who do not share in an immediate co-presence through direct debate, to form a new mode of publicity. In Vichian rhetoric, a community exists as a public insofar as it exists through institutions. Marshall, *Vico and the Transformation,* 222–77.

17 Alasdair MacIntyre, "The Nature of the Virtues," in *After Virtue,* 3rd ed. (Notre Dame, IN: University of Notre Dame Press, 2007), 181–203.

18 As social theorist Pierre Bourdieu puts it, "The 'unconscious' is never anything other than the forgetting of history which history itself produces by incorporating the objective structures it produces in the second natures of habitus." The habitus—or the unconsciously acquired,

but also to the cultural distinctiveness felt by employees who often want to work in an environment where there is "unity of persons rather than of technicians."[10]

To endure by sustaining distinct products for the outside world and flourish by shaping attractive experiences for internal constituents, organizations cannot be organizations just in the technical or transactional sense. Even if a group of individuals coordinate well together and work with maximum cooperation toward a common result, the organization would still be a collection of parts, like a machine, and not a social whole. To produce "unity of persons," or as John Dewey puts it, a community, organizations must also be institutions.[11]

Institutionalization involves shaping distinct human experiences by structuring, constraining, and enabling the key language, resources, behaviors, and ideas of people who work or dwell together in the realm of a firm or social system as defined by the parameters of the organization.[12] To institutionalize, Selznick writes, "is to *infuse with value* beyond the technical requirements of the task at hand,"[13] and the "art of the creative leader is the art of institution-building, the reworking of human and technological materials to fashion an organism that embodies new and enduring values."[14]

Precisely because they are places where human values are considered, contested, inculcated, and communicated, institutions are complex (not just complicated).[15] Yet they bring stability and meaning to social life. They provide the crucial anchoring medium through which beliefs and values are experienced and replicated. Importantly, people's underlying commitments can be embodied in commonsense forms and sustained across time and space through familiar vocabularies, shared objects, social conventions, and ceremonious myths. Because people can share in collective thoughts and dispositions toward action through unreflective judgments,[16] institutions are also bearers of practices[17] and habits.[18] Sometimes these patterns for thought and action are codified as guiding principles or simple rules,[19] which enable people and organizations to regulate social life and practically manage work.

Most notably, not only do institutions conserve and transmit established values, they also provide ways for precarious values, including those associated with design, to be introduced, protected, and tested. This makes possible the idea of design for institution building, where design—as something that fits naturally with the human side of organizational life and experience—can catalyze an organization's "institutional embodiment of purpose."[20] This idea opens up a wholly alternative pathway of how design can grow in organizations from the ones that have been proposed thus

DESIGN MATURITY STAGES	
Organization sees design as ...	Example
NO CONSCIOUS DESIGN EFFORT Design has no perceived value for the organization.	**Mainframe apps on the web** Many government departments use software to automatically pull mainframe applications into web pages, but settle for the automatically generated interface, too.
STYLE Design is the avenue to being hip and cool.	**Target** The retailer has reinvented itself with stylish design. However, beautiful objects become subject to the temporary winds of fashion when design is seen as style.
FORM AND FUNCTION Design makes things work better than they did before.	**Gillette Mach 3 Razor** The Mach 3 is an excellent razor - but the focus on improving its form and performance only make an incremental improvement over predecessors and the competition. In the end, it's still a razor - a known solution to a problem.
PROBLEM SOLVING Design finds new opportunities by solving existing problems.	**The Transtrap** Observation of crowded transit showed the problem of too many people, not enough handgrips. With no precedent, the Transtrap team created a personal handgrip that hooks onto the rail that supports other hand straps.
PROBLEM FRAMING Design redefines the challenges facing the organization.	**Umpqua Bank** Umpqua reconceived banking as high-end retail, and offers lattes and yoga classes at its sumptuous flagship branch in Portland, OR.

Design maturity exists on a continuum: from no conscious effort at all to using design as a way of redefining corporate strategy. The further an organization progresses along the continuum, the more it will recognize the risks of not investing in design. To drive this buy-in, organizations need successes to overcome the comfortable inertia of inaction.

Figure 1
Design Maturity Continuum by Rosa Wu and Jess McMullin.

culturally shaped habits of acting—as "systems of durable, transposable dispositions" can influence human thinking, doing and making by generating "strategies without being the product of a genuine strategic intention." Pierre Bourdieu, *Outline of a Theory of Practice,* trans. Richard Nice (New York: Cambridge University Press, 1977), 72–79.

19   Donald Sull and Kathleen M. Eisenhardt, *Simple Rules: How to Thrive in a Complex World* (Boston: Houghton Mifflin Harcourt, 2015); Chip Heath and Dan Heath, "Simple," in *Made to Stick* (New York: Random House, 2007), 25–62.

20   Selznick, *Leadership in Administration,* 149.

21   Rosa Wu and Jess McMullin, "Investing in Design," *Ambidextrous* (2006): 33–35.

22   Michael Westcott, Steve Sato, Deb Mrazek, Rob Wallace, Surya Vanka, Carole Bilson, and Dianne Hardin, "The DMI Design Value Scorecard: A New Design Measurement and Management Model," *DMI Review* 24, no. 4 (2013): 10–16.

23   Selznick, *Leadership in Administration,* 3–4.

far. Consider two accepted frameworks: the "Design Maturity Continuum"[21] (see Figure 1) and the Design Management Institute's "Design Value Framework"[22] (see Figure 2). Although slightly different, these frameworks start with design entering an organization through the ability to stylize or enhance production and then gradually arrive at a pinnacle state where it becomes a full-fledged engine for driving executive functions, such as strategic or vision planning. They share the assumption that design can first enter organizations and then make an impact by fulfilling the technical demands of production. What they do not explicitly account for is what Selznick refers to as a new logic that emerges as the needs going up the "echelons of administration" shift from production-related problems to problems of management.

Especially as design ascends and expands in organizations, the "logic of efficiency," which works well under conditions where there are "clearly defined operating responsibilities, limited discretion, set communication channels, and a sure position in the command structure,"[23] becomes less of a reliable guide. This is because administrative issues faced by managers and executives often have less to do with technical problems than with human problems. For this reason, design might look to a more familiar guide in the "human relations" or "organizational culture" (including "organizational aesthetics") school of thought. Here, rather than production, there is an emphasis on consumption and

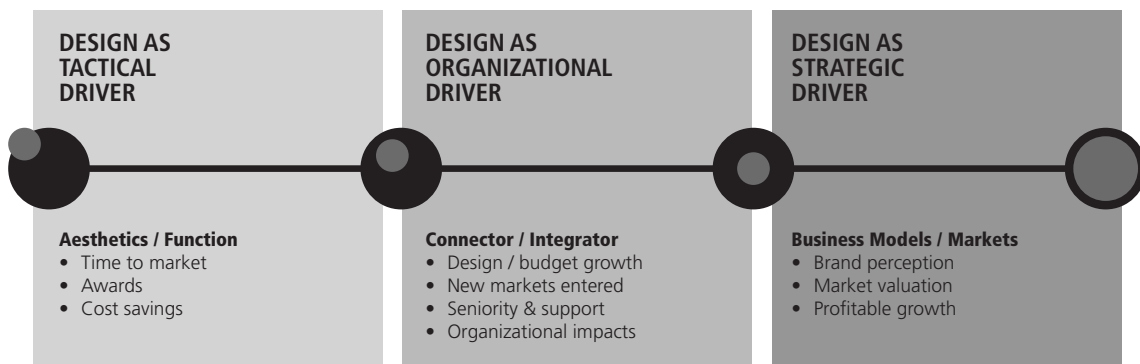| DESIGN AS TACTICAL DRIVER	DESIGN AS ORGANIZATIONAL DRIVER	DESIGN AS STRATEGIC DRIVER
Aesthetics / Function • Time to market • Awards • Cost savings	**Connector / Integrator** • Design / budget growth • New markets entered • Seniority & support • Organizational impacts	**Business Models / Markets** • Brand perception • Market valuation • Profitable growth

Figure 2

Design Value Framework by Design
Management Institute (dmi.org).

the internal social world, where "work experience and working relations may, in themselves, be seen … as something that intrinsically gratifies a need."[24]

This guide also proves inadequate when the scope of interest is enlarged to include large enterprises that are influenced by their established histories, social environments, and external conditions. In such cases, considering the interpersonal aspects of social life does not provide a complete framework because they do not address the influencing power that social, political, and economic structures have on individual and collective human interactions. Accounting for macro influences, such as legal or regulatory systems, or cultural dimensions, such as socioeconomic structures, requires probing the institutional experiences in and through organizations.

Although design might straightforwardly start out as a way to fulfill local production needs within organizations, it can gradually become entwined in the broader narrative of innovation institutionalization. A more accurate and sophisticated design maturity model in organizations must depict how desirable values associated with innovative firms—such as consumer experience, employee well-being, or agility—are institutionalized through design. Such a model of innovation institutionalization via design must encompass both the constraining and enabling possibilities imposed by organizations and what is at stake in the progression from infancy to maturity.

As values associated with design become more institutionalized, constraining forces can make them become doxic, or "taken for granted,"[25] in a highly reductive and superficial form. For example, perhaps the worst offenders in the proliferation of designerly values are groups of enthusiasts who find in design thinking a pragmatic, catch-all terminology that helps advance their work. Case in point: the countless "upgraded" departments and units in organizations that describe their work as user experience, experience design, or human-centered design despite functioning more

24   Robert W. Witkin, "The Aesthetic Imperative of a Rational-Technical Machinery: A Study in Organizational Control through the Design of Artifacts," in *Symbols and Artifacts: Views of the Corporate Landscape,* ed. Pasquale Gagliardi (New York: Walter de Gruyter, 1990), 334.

25   Peter L. Berger and Thomas Luckmann, *The Social Construction of Reality: A Treatise in the Sociology of Knowledge* (Garden City: Anchor Books, 1966); Ronald L. Jepperson, "Institutions, Institutional Effects, and Institutionalism," in *The New Institutionalism in Organizational Analysis,* ed. Walter W. Powell and Paul J. DiMaggio (Chicago: University of Chicago Press, 1991), 143–63; Walter W. Powell and Paul J. DiMaggio, "Introduction," in *The New Institutionalism in Organizational Analysis,* ed. Walter W. Powell and Paul J. DiMaggio (Chicago: University of Chicago Press, 1991), 1–38.

or less the same way as before (and probably hereafter). The risk in this is that at some point, it becomes much more difficult to imagine a richer and more adaptive understanding of what design can be because a certain notion of it has already been reinforced and established. Ironically, design or any creative undertaking is susceptible to becoming a barrier to alternative ways of thinking and imagining once the gradual process of sedimentation brought on by institutionalization has finished its course.

Conversely, a program of design in organizations can follow the enabling contours of how institutions are established. If institutions are key functioning vehicles or "production systems"[26] by which "living enterprises,"[27] and the myriad levels relating to them—intraorganizational, interorganizational, and international[28]—are constituted and shaped by humans, they ought to be a strategic area of interest for managers who are committed to what design, in its most architectonic form as systems design, can do for organizational studies and practical value creation.

The movement of design in organizations does not end with efforts to enable the shift from organization to institution. An organization may realize its full design maturity as design itself becomes an institution. In other words, when an organization is not simply seeking out the proxy values of design—for example, consumerism, user experience, engagement, product development, or innovation—design has the potential to become a marketplace for positive collective action. Similar to how Shakespeare, Jane Austen, and biblical selections have provided a repertoire of thought, action, and expression for English-speaking people, or how Homer did so for the ancient Greco-Roman world,[29] design as an institution has potential to provide a deep well of source material for potential forms of participatory, purposive action in organizations.

In summary, institutions are the storehouses of social systems, where values worth preserving can be sustained as rigid categories and values in need of adapting can be used as malleable topics.[30] Of particular interest is what a theory of design institutionalization can practically do for systems transformation, as the demand for organizations to adapt is as high as ever. Is there a way for leaders, managers, and other agents tasked with generating innovation and directing transformation in organizations to use design to shape or reshape institutions? Before we answer this question, we must confront one of the barriers to change by design: a problem of stifled agency due to structure.

26 Jepperson, "Institutions."

27 Selznick, *Leadership in Administration,* 8.

28 Thomas B. Lawrence and Roy Suddaby, "Institutions and Institutional Work," in *Sage Handbook of Organizational Studies,* ed. Stewart R. Clegg et al., 2nd ed. (London: Sage Publications, 2006), 215–54.

29 Vico's use of Homer as a marketplace for aesthetic ideas is illustrative of how design can serve as a marketplace for innovation and transformation in organizations. In his theory of Homer as coauthored by a community of oral poets and their audiences, Vico presents Homeric things as a master *topos* of possibility and practice that enables a public across time and place to communicate and strengthen a cultural institution. In the Orient, where there was no equivalent of a single heroic epic ("China had no Homer"), anthologies of poems—such as *The Book of Songs (Shijing)*—served the similar purpose of providing the means for collective expression. Marshall, *Vico and the Transformation,* 229–46; François Jullien, *Detour and Access: Strategies of Meaning in China and Greece,* trans. Sophie Hawkes (New York: Zone Books, 2000).

30 For a discussion of categories versus topics, see Richard Buchanan, "Wicked Problems in Design Thinking," *Design Issues* 8, no. 2 (Spring 1992): 12–13.

31   Paul M. Hirsch and Michael Lounsbury, "Putting the Organization Back into Organizational Theory: Action, Change, and the 'New' Institutionalism," *Journal of Management Inquiry* 6, no. 1 (March 1997): 79–88; Royston Greenwood and C. R. Hinings, "Understanding Radical Organizational Change: Bringing Together the Old and the New Institutionalism," *Academy of Management Review* 21, no. 4 (October 1996): 1022–54.

32   Paul J. DiMaggio and Walter W. Powell, "The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields," *American Sociological Review* 48, no. 2 (1983): 147–60.

33   In the United States, for example, there is great pressure for hospital systems to inaugurate an office of patient experience or a chief patient experience officer because reimbursement through federal support largely depends on standardized measurements of patient satisfaction through the Consumer Assessment of Healthcare Providers and Systems surveys.

34   Meyer and Rowan, "Institutionalized Organizations." Interestingly, at the end of 2014, *Modern Healthcare,* a leading US healthcare magazine, published "Chief Experience Officer Role Gains Traction Under ACA." Less than five years later, it published an article about the diminution of chief experience and chief innovation officers in healthcare because it is unclear how much of a direct impact these roles have on traditionally measured outcomes in health systems. Maria Castellucci, "Use of CXO Role Fades as Other Leaders Take on Responsibilities," *Modern Healthcare,* July 27, 2019, https://www.modernhealthcare.com/providers/use-cxo-role-fades-other-leaders-take-responsibilities (accessed December 6, 2019).

35   Arthur Stinchcombe, *Economic Sociology* (New York: Academic Press, 1983), 188.

36   In a 2013 Accenture report on the state of corporate innovation in the United States, the number one barrier to entrepreneurship in organizations—selected by over one-third of respondents—was "employees are too busy to focus on entrepreneurial ideas." "Corporate Innovation Is Within Reach: Nurturing and Enabling an Entrepreneurial Culture: A 2013 Study of

The Entrapment of Design by Design

In organizational studies literature, an ongoing and dynamic relationship between agency and structure is evident. Although presented as two equally important parts of a larger whole, they are seldom portrayed as two halves in balance. In the literature, despite the revival of agency and change, institutional theory skews toward stability and persistence.[31] Perhaps this is because structure bears much weight on the formation of institutions. Regardless of the origin of scholarly bias, overt advancements in favor of agency only seem to complicate the narrative of organizational change when viewed through the lens of institutional theory.

Consider the organizational trend of establishing chief experience, innovation, or customer officers to make experience, innovation, and customer-centricity more significant in organizations. Although such new formal positions are encouraging, we can equally consider their emergence in light of macrotrends[32] or regulations[33]—that is, because of structures at play—and not just from their possible effect on system efficiency. As such creative C-suite positions, which have spread widely, are often placed in figurehead roles and positioned somewhat at the periphery (as opposed to other "core" positions of power, such as the chief financial officer), they tend to function as myths and serve a ceremonial purpose as much as an operational purpose.[34]

For organizations that want to take such design-related domains seriously, they often take a gradual approach rather than adopt an all-at-once investment. This approach typically comes with a two-part challenge. First, they start with a systemwide declaration that innovation is a strategic priority and depends on existing leaders and managers to assimilate innovation by adjusting their work accordingly. Arthur Stinchcombe calls such an add-on method of creating roles, where "various rights and duties are added in small bundles to the 'estate' of a given person,"[35] "role accretion." Managers or all employees are given a company mandate to innovate, and they are expected to somehow discover their inner creativity and grow into this newly added role.

However, people are already too busy.[36] The new role goes against the one for which they were hired. This other, primary role, which is devoted to the core driving mechanisms that favor efficiency in organizations, contains an inherent bias against change because of an adherence to a proven business model. Gerard Tellis calls this problem the incumbent's curse,[37] as past success, which is operationalized and built into a set budget, book of business, and business plan, makes it difficult for "required" innovation work to replace required basic work.[38] This is the first challenge.

Beyond this vague systemwide challenge, some organizations move on to a trial-sized access to innovation by launching a home-grown center for innovation or a small taskforce unit.[39] In this case, roles are created through "status creation." In status creation, "a job description for a role is worked out in the abstract, with corresponding rights and duties … and this vacancy is filled by recruitment."[40] Through this vehicle and language of innovation, design and formal designers are increasingly being brought into organizations. The recognized and formal work of design as innovation becomes relegated to a few newly hired people who are seen as the heralds of new thinking and production for the rest of the organization.

The second challenge results from the presence of these new members. When a small unit is labeled the standard bearer of innovation, it sends a strong signal to the rest of the firm that the collective job of innovating is now formally taken on by a designated group of people. Consequentially, the existence and visibility of formal innovation is easily perceived by the rest of the organization, who are all too eager to pass the buck, as a license to check out when it comes to innovating. In giving innovation a place to which people within an organization can point, the received message, is clear: innovation is important, but not for me. Innovation is somebody else's problem.[41]

When the mandate to innovate from the first challenge is paired with a group whose job is to deliver that innovation, the innovation narrative appears complete to inside observers. From the outside, however, the organization as a whole seems to be caught in a paradox. The distinction between "them" and "us" brought on by the well-intentioned effort to activate innovation creates the conditions for innovation's own diminution. In their book, *Strategy Without Design,* Robert Chia and Robin Holt argue that this paradox is pervasive throughout human affairs: the more directly and deliberately a specific strategic goal is single-mindedly sought, the more likely it is that such calculated actions eventually work to undermine and erode their initial successes—often with devastating consequences.[42]

It is not surprising that design is also a victim of this type of direct strategy. On one hand, having formal designers generates a greater appetite for design. On the other hand, the curse of design being seen as another subject matter domain and designers as subject matter experts makes it all too easy for others to exploit designers to satiate that appetite. In the end, design falls victim to a paradox of design efficacy whereby the aftermath of designing through deliberate making and production undermines its usefulness and value; the pathway that creates design's demand also dampens it.

US Companies and Their Entrepreneurial Cultures," Accenture, 2013.

37 Gerard J. Tellis, *Unrelenting Innovation: How to Build a Culture for Market Dominance* (Hoboken: John Wiley and Sons, 2013), 18–21.

38 Kanter refers to this as administrative versus entrepreneurial management in Rosabeth Kanter, "Supporting Innovation and Venture Development in Established Companies," *Journal of Business Venturing* 1, no. 1 (1985): 47–60.

39 According to the Boston Consulting Group, companies are increasingly launching internal innovation labs. See Michael Brigl, Max Hong, Alexander Roos, Florian Schmieg, and Xinyi Wu, "Corporate Venturing Shifts Gear: How the Largest Companies Apply a Broad Set of Tools to Speed Innovation," *BCG Perspectives* (2016). In healthcare, where I work, 72 percent of hospitals with more than 400 beds are planning or have already built an innovation center, according to a 2017 executive report by the American Hospital Association. "AHA & AVIA Digital Innovation Survey: Executive Report," 2017.

40 Stinchcombe, *Economic Sociology,* 188.

41 Simone Ahuja, "Why Innovation Labs Fail, and How to Ensure Yours Doesn't," *Harvard Business Review,* July 22, 2019, https://hbr.org/2019/07/why-innovation-labs-fail-and-how-to-ensure-yours-doesnt (accessed October 12, 2019).

42 Robert Chia and Robin Holt, *Strategy Without Design: The Silent Efficacy of Indirect Action* (New York: Cambridge University Press, 2009), x.

Institutional theory elucidates this problem of innovation/ design inhibiting innovation/design through what has been called the "paradox of embedded agency."[43] Described as the main "remaining obstacle to the introduction of agency to institutional theory," the paradox of embedded agency "refers to the tension between institutional determinism and agency."[44] This puzzle is articulated as follows: "How can actors change institutions if their actions, intentions, and rationality are all conditioned by the very institutions they wish to change?"[45] This paradox also relates to "how organizations or individuals whose beliefs and actions are determined by existing institutions can break with these very same institutions and innovate."[46]

In summary, although agency and structure are posited as key, dual-functioning elements of social architecture according to institutional theory, it is difficult to fully actualize agency's potential for transformation because of how much it is influenced by existing structure. As a consequence, in cases where innovation exists or persists, it gets contained, resulting in only the partial fulfillment of original intentions. Design is also vulnerable to such plateaued stagnation; although an all-out demise of design may not be a real concern, its increasing diminution in the contemporary climate continues to haunt practitioners and frustrate managers.

Indirect Strategy: Design as Action for Institutions
An effort to modify the structures of social systems directly through production has not been helpful because it perpetuates the cycle of design undermining design. Yet design remains incentivized to build on its tried-and-true approach as organizations have long acknowledged design's ability to drive the production of useful, usable, and desirable products. Design has even been idolized and venerated in some cases for its role in shaping "insanely great products." The general public and the academy—in the form of design science, in particular—have been comfortable grasping this form of straightforwardly productive design that leads to concrete and clearly definable artifacts. People immediately "get" house-building, architecture, industrial design, and the design of interior space and software in the same way that they get dentistry and accounting. For companies whose financial health and identity are directly tied to visibly designed products, the significance of design for production and a kind of fabrication rationality behind production work is self-evident.

The problem of marginalization arises when organizations shift design from this easily definable location into domains where performing technical skills are not the only determinants of successful outcomes. Aristotle's philosophy, modes of knowledge, and threefold division of the sciences,[47] with their associated spheres of

43 Raghu Garud, Cynthia Hardy, and Steve Maguire, "Institutional Entrepreneurship as Embedded Agency: An Introduction to the Special Issue," *Organization Studies* 28, no. 7 (2007): 957–69; Myeong-Gu Seo and W. E. Douglas Creed, "Institutional Contradictions, Praxis, and Institutional Change: A Dialectical Perspective," *Academy of Management Review* 27, no. 2 (April 2002): 222–47; Julie Battilana, Bernard Leca, and Eva Boxenbaum, "How Actors Change Institutions: Towards a Theory of Institutional Entrepreneurship," *Academy of Management Annals* 3, no. 1 (2009): 65–107; Petter Holm, "The Dynamics of Institutionalization: Transformation Processes in Norwegian Fisheries," *Administrative Science Quarterly* 40, no. 3 (September 1995): 398–422.

44 Battilana, Leca, and Boxenbaum, "How Actors Change Institutions," 67.

45 Holm, "The Dynamics of Institutionalization," 398.

46 Battilana, Leca, and Boxenbaum, "How Actors Change Institutions," 72.

47 Aristotle's idea of scientific rationality— determined by subject matter and rooted in the discovery and understanding of causes—is divided into theoretical science, practical science, and productive science. Walter Watson, "Aristotle's Arts and Sciences," in *The Lost Second Book of Aristotle's "Poetics"* (Chicago: University of Chicago Press, 2012), 19–46.

DIVISION OF PHILOSOPHY	MODES OF KNOWLEDGE	HUMAN ACTIVITIES DIVIDED INTO SCIENCES BASED ON SUBJECT MATTER		
		Theōria Thinking and abstraction	*Poiēsis* Making and production	*Praxis* Doing and action
Theoretical, *or suitable to the Natural* Suited to contemplation of universal and invariable things but not always useful for the practical business of life	***Epistēmē*** Scientific knowledge	*Epistēmē-Theōria** *This pairing is related to Aristotle's first philosophy or his Metaphysics (he describes God as thought thinking itself); while there is much within design concerned with contemplation and the divine, this is too vast a topic to be covered here*	***Epistēmē-Poiēsis*** Theorizing a scientific basis of production, e.g. design science (i.e., Simon's *Sciences of the Artificial*) or procedure-based design	*Epistēmē-Praxis** *The science of action is usually given the name of a natural science, psychology; the idea of a value-free science of action may succeed in a limited way, but it cannot inform actions tied to value judgments, e.g., "what we ought to do"*
Practical, *or suitable to the Artificial* Highly relevant in human affairs, and suitable to particular circumstances and concrete occurrences	***Technē***** Technical reasoning or skill	***Technē-Theōria*** Conventional design thinking	***Technē-Poiēsis*** Producing graphical and industrial artifacts	***Technē-Praxis*** Shaping forms of human action, e.g., designing for services and experiences
	Phronēsis Practical wisdom	*Phronēsis-Theōria** *Aquinas saw that one might envisage a theoretical ars (technē-theōria) but scarcely a theoretical prudentia (phronēsis-theōria); likewise, Gadamer insists that "I cannot really make sense of a phronesis that is supposed to be scientifically disciplined"*	***Phronēsis-Poiēsis*** Wisdom and political insight that guides making, e.g., design management, or managing design in organizations	***Phronēsis-Praxis*** Building institutions (i.e., social infrastructure and culture) that reflect and carry all that is excellent via/about design in order to guide practical action in organizations and society

*   These three possible pairings have been deemphasized in the schema as their potential implication for design work is not as evident or would be too vast a topic to be covered here (See Dunne pp. 441–42; Watson pp. 29–30, 36).

** In addition to the standard paradigm of fabrication related to the form-giving of durable products (the dominant understanding that is used interchangeably with *epistēmē*), Dunne describes a "*technē* of the *kairos*" that has a close affinity with *phronēsis*. These two uses of *technē* by Aristotle may account for his different approaches to making as a science appropriate for analysis, i.e., *Poetics*, and as an art of actual making closely knit with decorum and occasion, i.e., *Rhetoric*. In the former, the designer is maker-as-knower whose intentional object is *poiēsis*, or grasping how products come into being; in the latter, the designer is maker-as-doer whose real object is a *poiēton*, or an actual product (See Dunne, pp. 317–18).

Figure 3
Design Knowledge-Activity Schema for Human Systems Inspired by Aristotle.

operation based on distinct subject matter, offer help in making sense of this challenge. The first distinction is between theoretical (*epistēmē,* or real knowledge in contrast to mere opinion) and practical knowledge.

48 Although straightforward on the surface, the pairing has a rich and complex legacy. Aristotle uses *technē* in two ways: the ability to analyze and the ability to actually make. In the *Poetics,* he is primarily interested in the scientific analysis of made things rather than making itself. Similarly, in the *Metaphysics,* he emphasizes the knowledge of making, to objectify it for the purpose of instruction. In the *Nicomachean Ethics,* according to Dunne, his usage does not clearly discriminate between the two interpretations. In the *Rhetoric,* Aristotle's use of *technē* is grounded in the practical activity of making-as-doing aimed at bringing about an actual effect (persuasion rather than instruction). In other words, *technē* in the *Rhetoric* has an affinity to *phronēsis* rather than *epistēmē*. Historically, there is a trace of rhetoricized poetics based on blending the two interpretations of *technē* by Aristotle's successors. Joseph Dunne, *Back to the Rough Ground: "Phronesis" and "Techne" in Modern Philosophy and in Aristotle* (Notre Dame: University of Notre Dame Press, 1993), 253–74, 315–19; Richard Buchanan, "Rhetoric, Humanism, and Design," in *Discovering Design: Explorations in Design Studies,* ed. Richard Buchanan and Victor Margolin (Chicago: University of Chicago Press, 1995), 56–57; Watson, "Aristotle's Arts and Sciences," 45.

49 Iskander, "Design Thinking Is Fundamentally Conservative."

50 Though distinct from and portrayed as inferior to *epistēmē* because productive knowledge leads to the analysis of made things that are neither necessary nor eternal, *technē* has often been used interchangeably with *epistēmē* by ancient thinkers such as Aquinas and Aristotle. Today, this underlying theoretical framing is the foundation for design science and arguably the predominant way design has been embraced by organizational theorists.

51 Chia and Holt, *Strategy Without Design,* 105.

52 Hintikka's "paradigm of the craftsman" cited in Dunne, *Back to the Rough Ground,* 250–68.

53 Dunne, *Back to the Rough Ground,* 251.

Second, within practical knowledge, there are the productive and practical in the stricter sense. The connection between *technē*, which alludes to technical expertise and skill, and *poiēsis* (activity of production) remains fairly uncontentious.[48] Perhaps this most intuitive of pairings—the tight coupling between the activity of making (*poiēsis*) and the knowledge of making (*technē*)—explains why design as commonly understood is so graspable. The variable relationship between human knowledge and action presented in this natural *technē–poiēsis* pairing can be used to understand and explore other combinations (see Figure 3).

Although design as *technē* has led to many fruitful outputs, its foray into nonproductive areas, such as shaping organizational culture, continues to receive pushback and progresses clumsily at best. In an article titled "Design Thinking Is Fundamentally Conservative and Preserves the Status Quo," Natasha Iskander writes,

> Although it [design thinking] is often advertised as a method that is as innovative as the solutions it promises to produce, it bears an uncanny resemblance to an earlier model of problem-solving, celebrated in the 1970s and 1980s for the superior solutions it was supposed to produce. Called the "rational-experimental" approach to problem solving, it was a simplified and popularized version of the scientific method. … The similarities between the steps in the two methods are so literal that design thinking can come across as a knock-off. Rational-experimental problem solving was built around a series of stages, each leading up to the identification of a solution. Likewise, design thinking is generally described as being made up of modes, stepping stones in the design process, with each mode reflecting a different aspect of design thinking.[49]

What Iskander criticizes is the propensity among users of design to bring design as production and science (*epistēmē*) too close together.[50] When this occurs, design as productive (*poiētikē*) knowledge often gets reduced to "precise, codified technical instruction often expressed through quantitative measures and rigid procedures."[51] This tendency to view large swaths of human activity through a kind of universalized or generalizable production has been described by Jaakko Hintikka as "the paradigm of the craftsman."[52] Because of how illustrative and intuitive it is, even Aristotle frequently invokes the paradigm of the craftsman as a go-to model for topics as diverse as animal morphology and his metaphysics.[53] The unfulfilled promises of the design methods movement of the 1960s, which some have criticized has having focused too much on logical-rational methods and abstract theories, also illustrates the consequences of a tight *epistēmē–poiēsis* pairing.

Fortunately, other successful combinations have advanced the design discipline. Where design has been successful in organizations beyond the production of "durable, reified products" has been in the positioning of *technē* away from production and toward action. For example, in the same way Aristotle illustrates musical performance as having a *technē* that is not concerned with production, it could be said that service and experience design—which prize human action, performance, and the dramaturgical—exhibit a *technē* whose exercise is *praxis* or action, not *poiēsis.* This shift in *technē* toward human action has opened up new possibilities for designers. That designers influence the shaping of processes, human behavior, and user journeys are examples of a *technē–praxis* pairing.

How far can *technē* tied to the paradigm of the craftsman take us?[54] Might the current problematic situation of design's marginalization in organizations be attributed to a narrow interpretation of design primarily or solely as the knowledge and activity of making? In "The Importance of Aristotle for Design Thinking," James Wang, in an effort to protect designers from those who seek to use design toward ends motivated by social activism, suggests that making is the primary if not sole mode of design:

> Designers are makers. … In Aristotelian terms, making is what makes them happy, what fulfills and perfects their rational souls as designers. The reason, that architects and engineers—indeed, all designers—are often reluctant to become enthusiastic about cultural and ethical demands, is that they are primarily makers, not doers, and it is Aristotle's theory of the practical intellect that permits us to understand this distinction. … The critics of design want designers to be doers too, but because designers are essentially makers, transforming themselves into public servants is often difficult, if not impossible.[55]

We can sympathize with Wang and his intention to guard designers from progressive politics and programs of production that are all too easily hijacked by populist consumerism. However, initiatives dedicated to ecological sustainability and social justice are just two domains in the broader field of human affairs that call for practical wisdom, political maneuvering, and reflection regarding the consequences of one's actions.

One domain within human affairs where prudent doing rather than making is prized and sorely needed is in the realm of organizations. In these human systems, managers as the primary actors are held accountable by their ability to "get things done." In many cases, the bias for action can be summarized by "ready-fire-aim," for "There is no more important trait among the excellent companies than an action orientation."[56]

54 Dunne distinguishes between the "official" concept of *technē*, or *technē poiētikē*, oriented toward fabrication of stable materials from what he calls the philosophically orphaned "*technai* of the *kairos*" or "phronetic" *technai* oriented toward a flexible kind of responsiveness to situations not fully specifiable in advance, characterized as experiential, charged with perceptiveness, and rooted in the sensory and emotional life. He sets the former in contrast to *phronēsis* and the latter in comparison to it. Dunne, *Back to the Rough Ground*, 253–74, 315, 355.

55 James Wang, "The Importance of Aristotle to Design Thinking," *Design Issues* 29, no. 2 (Spring 2013): 14.

56 Thomas J. Peters and Robert H. Waterman, *In Search of Excellence* (New York: Harper & Row, 1982), 154–55.

57 Peter F. Drucker, *The Practice of Management* (New York: Harper & Row, 1954), 11, 341–50.

58 Tim Brown and Roger Martin, "Design for Action," *Harvard Business Review* 93, no. 9 (September 2015): 59.

59 Referencing Victor Papanek's *Design for the Real World*, Margolin and Margolin summarize a list of social products that designers might make to address social needs. Victor Margolin and Sylvia Margolin, "A 'Social Model' of Design: Issues of Practice and Research," *Design Issues* 18, no. 4 (Autumn 2002): 27–28. The idea of the sociotechnical as extensively covered in the information systems literature and the sociomaterial after Bruno Latour both analyze the power of nonhuman things, in their interaction with humans, to shape social experience. While action is a key theme, it is grounded in relation to things. Enid Mumford, "The Story of Socio-Technical Design: Reflections on Its Successes, Failures and Potential," *Information Systems Journal* 16 (2006): 317–42; William A. Pasmore, "Social Science Transformed: The Socio-Technical Perspective," *Human Relations* 48, no. 1 (1995): 1–21; Erling Björgvinsson, Pelle Ehn, and Per-Anders Hillgren, "Design Things and Design Thinking: Contemporary Participatory Design Challenges," *Design Issues* 28, no. 3 (Summer 2012): 101–16.

60 Ezio Manzini, *Design, When Everybody Designs*, trans. Rachel Coad (Cambridge, MA: MIT Press, 2015), 62–63.

61 Herbert A. Simon, *The Sciences of the Artificial*, 3rd ed. (Cambridge: MIT Press, 1996), 138.

62 Rosabeth Kanter, "The Middle Manager as Innovator," *Harvard Business Review* 60, no. 4 (1982): 13.

63 In another possible pairing of *phronēsis–poiēsis*, making and production are still central but guided by political and strategic insight. This is what is now referred to as design management or the managing of design practice or practitioners. This combination of "forethought in making" was embodied in the person of the master builder or craftsman in ancient times. The idea of the "wise master builder" has been a topic of interest from Vitruvian architecture to Pauline and Judeo-Christian theology. Buchanan,

Peter Drucker points to five basic things managers do as forms of "creative action" that "make the desired results come to pass": setting resources, organizing, motivating and communicating, measuring, and developing people.[57] These core activities may inform production, but they are clearly separate from traditional making. They are also distinct from the kinds of design work aimed at advancing a program of action through production. For example, in "Design for Action," Tim Brown and Roger Martin call for a dual approach to design work in organizations where making an artifact must be accompanied by making the intervention that brings the artifact to life. When they write, "Treat the introduction of the new product or system—the 'designed artifact'—as a design challenge itself,"[58] they imply that the intervention should be designed as if it were also a kind of artifact. Those involved in social design and social innovation work might also claim that in their work, design is already tied to action. Yet again, the real focus in design for social action in many cases is production of "the kinds of social products designers might create."[59]

To clarify the different kinds of design action discussed here, it is helpful to make a distinction between action as means versus action as ends. Design *for* action often relies on making things, which serves as a means to influence actions and behaviors. Ezio Manzini writes, "Design for social innovation is not a new kind of design: it is one of the ways in which contemporary design already functions … [it] is the expert design contribution to a co-design process aiming at social change"[60]—in a sense, a variation of the *technē–praxis* pairing. The social designer uses advanced but still "normal" skills and what is new is that these expert capabilities are directed toward accomplishing value-laden ends. In design *as* action, design activity is both the means and the end. A careful rereading of Herbert Simon's popularized definition of design as devising "courses of action aimed at changing existing situations into preferred ones" reveals the profound distinction. Design, the kind that Simon presents as "a core discipline for every liberally educated person,"[61] is fundamentally grounded in doing through and toward action.

Rosabeth Kanter calls this form of action-based craftmanship, when applied to change, managerial innovation, in contrast to technical innovation.[62] To carry on with Aristotle, it is the practical intellect (*phronēsis*) applied to activities of doing (*praxis*),[63] or nonproductive action. This phronetic action is distinct from making in three important ways. First, unlike *technē/poiēsis*, where there is a distinction between the producer and what is produced, *phronēsis/praxis* makes no distinction between the deed and the doer. *Technē/poiēsis* allows Oscar Wilde to say, "The fact of a man's being a poisoner is nothing against his prose."[64] In *praxis*—by which we mean "conduct of one's life and affairs primarily as a citizen of the *polis*; it is activity which may leave no separately

identifiable outcome behind it and whose end, therefore, is realized in the very doing of the activity itself"[65]—the kind of person one is or has become is inseparable from what that person does. "Action emanates spontaneously from the internalized disposition of the individual; it is an act of disclosure more than an act of production."[66] In being one and the same with the human agent, agency is profoundly and uniquely human-centered here. Second, phronetic action is less about skill (for that would be *technē*) and more about striving for self-cultivation through sustained and immersed action. "*Phronēsis* is not a consciously acquired ability; it arises in situations in which the self is drawn into action to realize itself."[67] For example, one need not have a business degree to be a great manager because managerial craftsmanship is often cultivated through opportune situations that arise in practice. One cannot design for such situations in advance but can meet them creatively with a design *ethos*. Finally, in the absence of formulated knowledge, phronetic action puts a premium on experience and perception. Because phronetic action is cast as nonproductive and noninstrumental action, it illuminates the character-refining aspect of craftsmanship and the idea of "design as action" being a liberal art. In other words, if design were understood purely as *technē,* it would just be an instrumental and illiberal art. Through *phronēsis* and purposive action, design as a liberal art of self-expression and beauty is realized.

The Sublimation of Design
It goes without saying that designers *qua* makers need proper social structures to protect and foster their imaginative and creative work. Yet the social conditions that enable the work of making can also function as structural impediments; in the realm of organizations, where the lingua franca is phronetic and the modus operandi is action, the assumption that designers are only or essentially makers has become a barrier to what they can accomplish. Doubling down on production exacerbates matters. Practitioners who rely on a production-based design maturity model without awareness of the arenas in which action is privileged and the greatest influence in organizational culture is exerted run the risk of being preoccupied with one-off "small projects at the periphery." This is the reality that design finds itself in today: although recognized for its ability to make great things, it has become marginalized in organizations.

In contrast, a program of design for institution building and design as an institution seeks to move beyond the received dogma of design as making and production. It does so by forming a new place for possibilities of subsequent novel action in the realm of human affairs. Even with small opportunities, the institutional approach focuses on building an arrangement of symbolic and social capital where leverage in the larger culture is greatest.[68]

"Rhetoric, Humanism, and Design," 30–32; H. H. Drake Williams, "The Master Builder, Builders, and the Temple," in *The Wisdom of the Wise: The Presence and Function of Scripture Within I Cor. 1:18–3:23* (Boston: Koninklijke Brill, 2001), 257–300.

64   Gregory Wolfe, *Beauty Will Save the World* (Wilmington, DE: ISI Books, 2011), 94.

65   Dunne, *Back to the Rough Ground,* 244.

66   Chia and Holt, *Strategy Without Design,* 110.

67   Chia and Holt, *Strategy Without Design,* 107.

68   Even small projects, strategically positioned, can become small wins. Citing Braybrooke and Lindblom, Weick writes, "a small change is either a change in a relatively unimportant variable or a relatively unimportant change in an important variable" (43). It takes practical wisdom to discern between them and know how to position the work wisely. Karl E. Weick, "Small Wins: Redefining the Scale of Social Problems," *American Psychologist* 39, no. 1 (January 1984): 40–49. See also James Davison Hunter, *To Change the World* (New York: Oxford University Press, 2010).

69   According to Marshall, Vico locates the central expression of Vichian institutionalism in the character of a community. Likewise, Selznick uses "organizational character" interchangeably with "institution." The idea of design for institution building or design as an institution also shifts the location of design character from individual designers to the design *ethos* of an entire organization or community. Marshall, *Vico and the Transformation,* 243–44; Selznick, *Leadership in Administration,* 135–42.

70   One interpretation of design actions comes from a McKinsey Design report, where the authors used more than 100,000 design actions to inform a new design index for companies. "An example of a design action would be putting someone on the executive board with a responsibility for design, user experience, or both. Another would be tying management bonuses to design quality or customer-satisfaction metrics." Benedict Sheppard, Hugu Sarrazin, Garen Koyoumjian, and Fabricio Dore, "The Business Value of Design," *McKinsey Quarterly* (October 2018).

71   "Sublimation" is the term Marshall uses to describe the Vichian inquiry of transforming rhetoric from its classical form as *technē*—or the art of persuasion, limited to the immediate appearance of institutions in the Greek *polis*—to communication. This was done not only to address the problems in his realm of Naples but also to expand rhetoric as a way to shape and connect much larger publics across space and time. Marshall, *Vico and the Transformation.*

Insight into when and where to act (or not act), with whom to engage or rally together, how to get something done amid adversity, and what to use to influence others—all as extensions and the natural outworking of an *ethos* grounded in design as a social practice[69]—are just few examples within the possible courses of action that can be established through the institution of design as practical wisdom and action. Serving as a place where there is perpetually a provision of means for design actions,[70] design and its associated values can be an enduring yet dynamic marketplace where new design acts and practical doings are crafted and circulated throughout organizations.

Designers need courage to believe that their identity is not wholly defined by their ability to make and their made creations; likewise, managers need imagination to recognize and value a new discipline of creative action that has its basis in the impulses, sensitivities, and integrity of designers. Those invested in the journey of design as a discipline and practice will need to shift their perception and understanding: like any worthwhile discipline in the realm of human affairs, design's growth also consists of critical moments, including periods of sublimation,[71] when it is less visible and developing silently. It may be that the marginalization of design in organizations is part of the transformation process it must undergo to be reborn as an undeniable agent for systems change and impact. In full maturity, there is potential for a culture of design where it is an institution fiercely liberated for human action.

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