

THE ART OF UNCERTAINTY: MANAGEMENT, LEADERSHIP AND THE ARTS

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NOTE

This essay was first written in 2010 and revised in 2012. Ten years later, its anticipated uncertainties have become reality, but its suggestions for better approaches to arts management have had no discernible effect.

THE AGE OF REASON

It is easy to believe that future historians—if there are historians in future—will see the first decade of the 21st century as a turning point. Certainly, many eminent thinkers already seem to do so, though they agree less about the nature of the change humanity is living through. For some, the attack on New York in September 2001 and its aftermath changed everything. For others, the drift of power towards China and India is what matters. Economists point to the 2008 banking crisis¹ or the price of oil reaching \$147 dollars a barrel². But historians may be more concerned with the failure of the 2009 Copenhagen Climate Conference; perhaps James Lovelock³ is right and humans have already lost the power to influence the conditions of their survival. That will be the real end of history. Slavoj Žižek worries about it all, which is why his latest book is called *Living in the End Times*.⁴

One way of interpreting these interpretations of the West's prospects is that they describe the end of the Age of Reason. Faith in human rationality has been the leading, if never the only, European ideology since the

The Art of Uncertainty v.5 (06/22) is was originally commissioned in July 2010 and published online by NESTA and the Clore Leadership Programme. This version was published on 3 June 2022 at <https://parliamentofdreams.com> and <https://miaaw.net> © 2022 François Matarasso, under the [Creative Commons Attribution-NonCommercial-NoDerivatives 4.0](https://creativecommons.org/licenses/by-nc-nd/4.0/) International licence. You are free to copy, distribute, or display the digital version on condition that: you attribute the work to the author; the work is not used for commercial purposes; and you do not alter, transform, or add to it.

Enlightenment. It has been underpinned by and expressed in models of natural science that have given humans great power and with it the illusion of control. Since the 1800s, reason has been applied to every field of human experience, including some, like theology and art, to which it might seem naturally inimical. It has triumphed because it has enabled successful innovation and because, until recently, it promised progress and gave hope.

But the Enlightenment's ideas have always been contested: today's critics and defenders, such as John Gray and Tzvetan Todorov, continue an old argument. However, if the Age of Reason is indeed coming to a close, that may be less because of debates between philosophers than changes in our understanding of science. As quantum mechanics have succeeded Newtonian physics we are learning to think in terms of probabilities not certainties. It just isn't rational any more to believe in rationalist causality, at least not where human affairs are concerned. We've had to recognise too many unknown unknowns.

This essay considers how the arts might respond to the uncertainty that—whether we like it or not—is emerging as a defining characteristic of our time. It focuses on the causes and consequences of the 2008 economic collapse, but the case for recognition of the limits of reason in governing human affairs is broader. Taking a more complex view of people and their interactions is neither a retrograde step, nor a loss of confidence in reason as such. It is to situate rationality within wider human and non-human forces, to reject the simplistic scientism that dominates public culture and to look for more creative routes for the arts in an uncertain world.

THE LIMITATIONS OF RATIONALITY

On Monday 15 September 2008, a stream of jobless investment bankers emerged from Lehman Brothers' New York headquarters before a phalanx of press photographers. Clutching cardboard boxes of personal possessions, they stumbled out blinking, defiant, or merely dazed: it takes a while to adjust, when you've been a Master of the Universe.

Individual failure was the dominant story told by the mass media that autumn as the men and women whose huge personal enrichment had been tolerated because they promised general prosperity plummeted earthwards in humiliation. The venality had always been evident: it was the incompetence that was unforgivable. After Kenneth Lay (Enron) Bernard Ebbers (WorldCom) and Bernie Madoff came more names than even Robert Peston, the BBC's business editor, could remember.

Yet even as they were pilloried in nightly news programmes, new political champions stepped forward to rescue the global economy from the edge of

chaos. The problem was presented straightforwardly both in economic and management terms: restore stability to the financial system and put better people in charge. The necessary degree of state investment and regulation varied according to who was prescribing the cure, but few doubted that the economic system was restorable and, by implication, controllable. In 2012, with stagnating economies in most Western states and a continuing crisis in the Eurozone, that looked hopelessly naïve. In 2022, it is transparent folly.

The problem is not that imperfect people implemented economic and management theories imperfectly, though they did. It was not even that the theories being implemented were themselves flawed, though they were. The real issue is about how those theories were imagined in the first place: as rational responses to a knowable and predictable reality.

Joseph Stiglitz's analysis of the 2008 financial crisis suggests two important conclusions in this context. First, the dominant economic theories were not just flawed, but *obviously* flawed in that they did not match the available data: as the Nobel laureate says 'the evidence of irrationality, and intellectual inconsistency, abounds'.⁵ This is the divergence between reality and what J. K. Galbraith called 'approved belief', although, as he remarked drily in his last book, 'it is the reality that counts'.⁶ And in reality, the rationalist, scientific claims for economic theory melt away: the theories may still be correct (or relatively so), but the idea that they can be scientifically proven simply does not correspond with the evidence.

The second point emerges from the first: the unknowable and therefore uncontrollable consequences of individual actions. One of the approved but irrational beliefs that Stiglitz sees as contributing to the crisis was that of perfect markets in which perfect information, enabling perfect competition, makes regulation unnecessary.⁷ But, as Galbraith says 'the combined result of the unknown cannot be known'.⁸

It is extraordinary that this should need saying. The collapse was the result of the decisions, large and small, of countless actors, each considered by them not just rational but clearly in their own and their institutions' *individual* best interests. However, and despite their belief in the perfect operation of markets, people's knowledge of and control over the processes of which they were part was exceedingly slight.⁹ The nature of the interactions between all these agents was unknowable: so were their outcomes: 'Even if every bank were, "on average," sound, they could act in a correlated way that generated risks to the economy as a whole'.¹⁰

The banking crisis's complex technical causes have undoubtedly already been expressed as mathematical formulae. But for economists such as Stiglitz and Galbraith, the real problem is a belief that people act rationally in a system that can be understood and therefore whose operation can be predicted and—

by the most skilful—controlled. That thinking is not confined to economics: it is the basis of the Age of Reason. It shapes contemporary politics and all that politics touches, including the arts and culture.

RATIONALIST MANAGEMENT

Ralph Stacey's work on management theory describes parallel processes in how organisations function, including those corporations caught up in and sometimes brought down by the financial crisis. Stacey argues that, in the late 19th century, scientific models provided an emerging class of industrial managers with a professional standing that separated them from both capital and labour. As objective specialists applying scientifically derived ideas for the greater good, they had a claim to independence and integrity. The manager's task 'was that of objectively observing the organization, formulating hypotheses about its efficient functioning and making rational decisions about that functioning'.¹¹ Organisational failure was therefore attributable to 'ignorance, inertia or incompetence'¹² to which list, after Enron and with Galbraith, one must add fraud. As in the media's stories of the banking crisis, it is matter of individual blame not of systems nor, most tricky of all, of how people imagine systems to be and work.

Stacey describes the growing influence of management theory in the past century through the complex interactions of corporations, government, business schools and consultancy firms to its present hegemonic position. But, like Stiglitz, he challenges both the evidence for the scientific basis of management theory and the belief in the predictability of actions in complex processes characterised by a high degree of uncertainty. He questions the validity of a model of organisational management based on the natural sciences where causality may be relatively straightforward. While conventional management discourse has leaders as detached overseers controlling their organisation's future through shrewd adjustments to a complicated but responsive mechanism, Stacey insists that leaders are not in control of very much at all. Rather, they are part of complex adaptive processes where reality is co-created through continual interaction between people within and beyond the organisation itself.¹³

MANAGEMENT PUZZLES AND PROBLEMS

But everything is not uncertain. Nor is the degree of uncertainty always the same. Our ability to know many things fairly reliably is one reason why, even as the financial system was tottering through the autumn of 2008, most people's lives carried on much as before: suppliers delivered goods, salaries were paid and milk bottles set on doorsteps. (People did experience great anxiety, even when they were not directly affected, and that is an important matter to be taken into account.)

Conventional management—performance targets, financial planning, risk assessment etc.—provides useful concepts, processes and tools for everyday working life. Most of the time, in or outside work, people are concerned with operational tasks: the business of getting things done. Operational work involves little uncertainty or disagreement. What is to be done and how to do it is generally the subject of consensus. Individual and organisational capacity to do it can be increased through education and training, including the competencies typically taught in business schools. Operational work presents challenges in the form of puzzles: i.e. difficulties to which it is agreed that a solution exists, even if it is not known.¹⁴ At worst, puzzles present known unknowns. Tasks may be *complicated*, but they are not *complex*. Leadership's role in this area is limited: ensuring that people know what they need to do (the 'shared vision' so precious to management theory and the arts) and that they have the resources, capabilities and motivation to do it. It is at this level that ignorance, inertia and incompetence (as well as fraud) can be decisive.

But in moving from operational to strategic questions, uncertainty and disagreement may increase sharply. Organisations, and societies, face problems as well as puzzles—that is, they face questions to which there is not a single answer but a range of possible responses. How they see those responses, indeed whether they see them at all, is governed by human factors including psychology but also values and culture—the business of art. This is the territory of unknown unknowns, where the outcomes of people's interactions are infinitely complex and where how things seem may indicate more about the viewer than the viewed. If the results of choices are not predictable, rationalist causality is not a helpful tool of analysis. The most urgent issues now facing humanity—economic security, climate change, nuclear proliferation, social justice etc.—are characterised by high uncertainty *and* high disagreement. In the economy, the problem is not just how to restore stability, which is hard enough, but what stability actually means. In particular, should it involve rethinking the economic conception of poverty, resources, energy and infrastructure?¹⁵

Like everyone else, people leading cultural organisations are caught up in these problems, not least how to respond to the consequences of the financial crisis. There is uncertainty and disagreement not only about obvious issues, such as public spending cuts or a contracting consumer economy, but also about cultural problems, including the role of artists in making meaning from this experience. The arts and cultural sector also face strategic problems of their own, for instance in the cultural effects of new technology, or how to demonstrate value in an increasingly utilitarian public discourse.

The results of any response is unpredictable because they emerge from the interactions of a complex, adaptive process. The scientist-leader (detached, impartial, skilled and visionary) has little to offer in these circumstances. Indeed, the inappropriate application of such management theory produces unanticipated and perverse results, as evident in areas of the health service¹⁶ and the cultural sector itself¹⁷. So are there alternatives?

LEADERSHIP IN UNCERTAINTY

Responding to uncertainty requires what Stacey calls 'extraordinary management'—processes that enable organisations to move beyond an existing shared paradigm.¹⁸ Faced with strategic decisions involving high uncertainty and high disagreement, organisations need processes that are different from those on which they normally rely for operational ones. Leaders need to recognise both the situation and the anxiety that it naturally produces: that depends on a high degree of openness, honesty and trust.¹⁹ Developing this in organisations usually managed in rigid, hierarchical and rationalist models is evidently difficult. Distant, autocratic or unreliable leaders are not easily trusted when they invite people to be open about their ideas or feelings.

Extraordinary management sees instability as a creative force. It seeks a balance between paralysing anarchy and the stability needed for operational management. This is the 'edge of chaos', a form of controlled instability between order and disorder. Stacey describes five parameters that control this creative instability:

- The rate at which information circulates freely within an organisation;
- The degree of diversity within the group, which allows for nonconforming voices to emerge;
- The richness of connections between individuals, including weak links to lessen the risk of excessively self-affirming behaviours;

- The level of contained anxiety (just enough for it to be experienced constructively); and
- The degree of power differentials, which must avoid both authoritarianism and the irresponsibility that creates a power vacuum.²⁰

In the face of uncertainty, disagreement and the complex problems of organisations today, extraordinary leadership finds a shifting, temporary balance between these parameters to open a space for creative responses. Reason is essential: but so are other human qualities. If knowledge were only rational, humanity would not have invented art.

UNCERTAINTY AND ART PRACTICE

These ideas have been developed in disciplines seemingly far removed from art practice, including management, cognitive psychology and complexity science. But it is striking how consonant they are with the practice of successful cultural organisations, especially in the artistic process that is naturally characterised by high degrees of both uncertainty and disagreement. The parallels may be seen in research undertaken in 2008 by Anne Douglas and Chris Fremantle at Gray's School of Art, Robert Gordon University.²¹ In examining how artistic practice could itself be a form of leadership, they reviewed published research, conducted interviews with artists and held a creative laboratory with a diverse group of participants. Drawing together the experiences of this wide range of artists, in a process that reflects the collaborative values they advocated, they suggested that a good artist-leader is 'a cultural animator; analytical; inclusive; collaborative; connected; organised; flexible; a revolutionary; a good negotiator; entrepreneurial; and a lover'.²²

Three things are immediately striking about these words. First, with the exception of 'revolutionary', which may just reflect the art world's weakness for rhetoric, they are all far from the popular stereotypes of the Romantic artistic genius: visionary, tortured, solitary, self-righteous etc. Douglas and Fremantle's approach to leadership is collaborative and social, not self-justifying.

Secondly, many of the words are relational, in the sense of positioning the artist leading through practice in a relationship with others: 'animator', 'collaborative', 'connected', 'negotiator'—even 'lover'. This kind of leadership involves being with people, working together, responding and interacting. Though the idea of 'analysis' could reflect scientific ideas of leadership, a separation between observer and observed in neither implied nor necessary.

Finally, the idea of vision—whether of an organisation or some distant idealised future goal—is quite absent from this type of leadership, despite the

widespread expectation that this is the most important thing that an artist brings. But visionary self-confidence is not helpful in fog; it's dangerous. In fact, reading the accounts of artistic practice on which Douglas and Fremantle base this analysis, it is evident that where there is vision, it emerges through the creative process, rather than being set beforehand and worked towards.

THE ART OF UNCERTAINTY

The similarities between Stacey's edge of chaos and the artistic practices described by Douglas and Freemantle are striking. Both accept the complexity of human experience and the impossibility of predicting any but short-term outcomes. They value creativity as a resource for opening up problems and finding better ways forward. They recognise the value of rationality but also that of the senses, feelings, group dynamics and the unconscious mind. Above all they see that what matters, in human experience, is the process. Its tangible signs—whether they are artworks or business plans—are only as good as how they have been produced.

Management theories drawn from the corporate world and rooted in rationalist and scientific models have become influential in the British arts and cultural sectors, directly and indirectly. Undue confidence in these concepts and their capacity to deliver predictable results contributed to the near collapse of the economy, with consequences we still experience but cannot account for. In the face of this evidence, it would seem unwise—irrational, even—not to examine their validity in arts management or public cultural policy. At an operational level, in managing what Galbraith bracingly but rightly calls corporate bureaucracy, these ideas and tools have value, although even here their natural capacity for expansion needs guarding against.²³

But in responding to the bigger problems faced by arts organisations, and the communities where they work, more creative ideas and more open processes will be more helpful. In management theory, the arts may gain more from creative thinkers like Ralph Stacey than from the simple nostrums of big consultancy firms, though the demand for snake oil never seems to diminish, even in the Age of Reason. But the arts also need confidence in their own methods and processes and their own epistemology.

That is not a solution, but only puzzles have solutions. There is no easy way forward: beyond immediate, operational concerns, our actions have consequences that are neither foreseeable nor controllable. It's an uncertain world.

ACKNOWLEDGEMENTS

I am grateful to those who took the time to read early drafts of this essay: Claire Antrobus, Geraldine Byrne, Emma Chetcuti, Sabine Frank, Sue Hoyle, John Tusa, Yuri Vulkovsky, Simon Webb and Claudia Zeiske. Their advice was invaluable, though of course they bear no responsibility for its unpredictable results.

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