A beautiful strategy – bridging the gap between the (aesthetic) perception and (strategic) realization of the organizations purpose

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Abstract

Purpose – Recent literature in the field of knowledge management (e.g. Nonaka and Takeuchi, 2021) asks for new, future-oriented approaches to strategy that allow us to deal with an increasingly complex world. Thus, this paper aims to build an approach to exploit aesthetics (human's sensory perceptions and their felt meanings) to sense an organizations purpose and realize it by means of organizational strategy.

Design/methodology/approach – Conceptual paper, providing a new perspective on the perception of Organizational Purpose. The abductive argument follows Weick's notion of Disciplined Imagination (Weick, 1989).

Findings – The main argument of this paper is that aesthetics contribute to the identification of organizational purpose. Thus, aesthetic perceptions can inform strategy to implement a stakeholders' sense of purpose into strategy.

Research limitations/implications – The argument presented is grounded in recent literature on the concepts of purpose and aesthetics and abductive in nature. Thus, empirical research to validate the argument would be beneficial and worthwhile to be undertaken.

Practical implications – The paper presents the idea to integrate the sense of organizational purpose into a corporate strategy to address stakeholders' value expectations and build more sustainable organizations. By emphasizing aesthetics, the study takes a stand for the inclusion of nonrational knowledge in organizational decision-making.

Originality/value – As far as the author's knowledge goes, the concepts of aesthetics and organizational purpose have not theoretically been connected to each other. However, due to the implicit nature of purpose, aesthetics may serve as the matching knowledge tool to work with organizational purpose.

Keywords Organizational aesthetics, Tacit knowledge, Organizational purpose, Organizational self, Organizational self-enactment, Sustainable knowledge management, Strategy, Nonrational knowledge, Complexity, Stakeholder value

Paper type Conceptual paper

1. Introduction

What is there to guide us? Our world is characterized by a plethora of information that is permanently beating down on us. Still, every day we are required to think, decide and act

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deliberately – in the personal and even more so in the professional sphere. We usually attempt to act on the basis of a selection of whatever we consider adequate information and on the basis of our existing knowledge. Depending on the decisions we are facing, this may be less or more challenging. The more complex and ill-faced a given problem appears, the harder it will be to acquire all necessary information and then digest it to make sense of it. When it comes to decisions that affect integral aspects of personal or professional life, one may well feel overwhelmed by the amount of information and the possible consequences associated with the decision that you see yourself confronted with. An observation that relates to the phenomenon of information overload (Edmunds and Morris, 2000). And in fact, since the rise of internet search engines, the access to possibly relevant information for future-oriented decisions is basically infinite.

In a professional context, for managers and other decision-makers, a common reason why they obtain so much information is that they want to indicate a commitment to rational thinking, as technical rationality is commonly agreed to be the managerial standard for decision-making (Adams and Ingersoll, 1990). Corporate strategy ought to be built on things such as extensive market analysis, a proper business model and the customers' needs (see for example, Porter, 1997). Additionally, rational decisions ought to be justifiable, which requires proof – usually more information. To play it safe, there is a downright hunt for as complete information as possible (Butcher, 1998). Unfortunately, in most situations complete information does not exist or is too extensive to be processed (Simon, 1990).

But even if it did, and we were indeed able to process all available information at once to make perfectly informed rational decisions – would that really help us? Could we guarantee that a decision that is 100% rational is always the best or the "right" decision? There are good reasons to doubt that.

First, when it comes to strategy, there should be more than just the analysis of external information. At least since Nonaka and Takeuchi presented their dynamic model of knowledge creation and brought tacit knowledge into the equation (Nonaka and Takeuchi, 1995), it became clear that explicit knowledge and information are only one side of the coin when it comes to the creation of new knowledge in the organization. As for the case of strategy, the two authors in this regard distinguish between two approaches: the outside-in and the inside-out approach (Nonaka and Takeuchi, 2021). The *outside-in* approach to strategy refers to practices such as the analysis of the external environment, competitors or industry structures on the basis of which the internal activities are developed. This approach uses well-known analytical frameworks (e.g. Porters Five Forces and alike) and relies mainly on already existing (past) information. The second approach, referred to as the *inside-out* approach, turns its back on analytical thinking and puts stronger emphasize on creating a truly desirable future that matters for the people in the company and around it. Following this approach, the company would start from the inside – its founders personal vision, intuition, inspiration, its genuine *purpose* – and strive to improve the (outside) world around it. This, however, cannot be done by any means of rational analysis but must rely on tacit forms of knowledge, like the ideals and dreams of practically wise leaders (Nonaka and Takeuchi, 2019). From this perspective, relying on rationally informed decisions would cover only half the spectrum of strategy creation and good decision-making.

Second, referring to the common acronym of a "VUCA world" (volatile, uncertain, complex, ambiguous), it appears as a logical consequence that there is no such thing as a single "right" choice. In a VUCA environment, things are likely to have multiple, oftentimes blurred causalities that disable precise cause-and-effect planning. Consequently, decisions that are solely based on past information are unlikely to meet all expectations (Peschl, 2019). Hence, even a decision that is fully evidence-based can easily turn out wrong because it imputed incorrect causalities. As a result, we require further complementary sources of knowledge. This line of argumentation is consistent with Nonaka and Takeuchi's call for proactive future making instead of just adapting to the changing environment (Nonaka and Takeuchi, 2021).

And third, as we know from the field of cognitive psychology, human decisions are rarely, if ever, truly rational. Much rather, we are subject to a variety of unconscious heuristics in judgement and decision-making that result in cognitive bias whilst thinking that we acted perfectly rational (Gigerenzer, 2007; Kahneman, 2011).

Ultimately, if we assume that a decision could be perfectly rational in an organizational context, we must imply that the scale by which we measure is the same for everybody involved. Think, for example, of the ongoing shift from shareholder value maximization toward sustainability and the creation of shared value for society. Either one of the two approaches could, in isolation, serve as suitable guidance for rational decisions and a measure for their success or failure. When mixed, however, they lead to irreconcilable differences. What this example illustrates is that there can hardly be any "one-fits-all" approach to good strategy or decision-making, as whatever might be a good decision will always be a matter of context and perspective.

To sum up, following the notion of a VUCA world, established ways of planning on the basis of past information are incapable of dealing with the challenges of the increasingly volatile, uncertain, complex and ambiguous environment. Theory subsequently stipulates different approaches and asks for innovation, creativity and radical openness (Mitleton-Kelly, 2003; Peschl, 2019; Cattani *et al.*, 2020). Still, the question of how those claims should be practically met i.e. what decision-makers should do to act accordingly and what knowledge is required therefore remains largely unclear. If we can hardly assess strategic decisions by relying solely on rational and analytic means, we need something else to inform and evaluate our decisions.

That leads back to the question of what there is that can guide people in situations where analytic tools and rationality do not live up to our demands. How can we still generate strategies that work, although we cannot assume that they are perfectly rational, and why should we address that issue from a (future) knowledge management (KM) perspective?

This paper aims to build a theoretical argument for the deliberate inclusion of nonrational forms of knowledge about the organizations purpose in the creation of organizational strategy. In doing so, it highlights the role of sensorial perceptions and their felt meanings (referred to as aesthetics). The contribution thereby addresses a growing number of claims from literature and practice for more human-centered approaches to strategy and the inclusion of all stakeholders as a target audience for organizational value creation (Bartlett and Ghoshal, 1995; Nonaka, 1995; Laloux, 2014; Robertson, 2015; Gartenberg *et al.*, 2019; Gast *et al.*, 2020; Nonaka and Takeuchi, 2021).

2. Method

The presented article is theoretical in nature. It seeks to provide a new perspective through an abductive argument built on the existing literature on organizational purpose and organizational aesthetics. To this end, the key elements of the concept of organizational purpose are explained and then connected to the concept of aesthetics. The rationale behind this idea comes from a gap in the literature between calls for purpose-driven organizations and the shortage of applicable tools to realize them, as has been outlined in the introduction.

Subsequently, the argument consists of the identification of core constructs, in this case, aesthetics, purpose and introduces conjectures on solutions to the problem according to Weick's notion of *Disciplined Imagination* (Weick, 1989).

In this, the article takes up a pragmatist approach to theorizing and aims to point to *interesting* findings (Weick, 1989) – findings that are not yet well explained by current theories and can, thus, trigger a further inquiry into the subject area (Burks, 1946; Peirce, 1974). Building such a theoretical argument is a delicate subject, particularly for phenomena for which not much theory yet exists (Hambrick, 2007). This is because there do not exist many concepts and arguments that have already been validated and reassured (Sutton and Staw, 1995). However, according to Lindblom, the main criterion for the quality of new theory in such cases is plausibility. Plausibility is, hence, a substitute for, at this stage, unattainable validity (Lindblom, 1987). According to this view, the contribution of social science is rather the provision of new perspectives through the suggestion of relationships and connections that had previously not been suspected (Weick, 1989). In this, the present article follows Lindblom and Weick's suggestions and presents plausible conjectures as an attempt to provide a new perspective on the subject of strategy that can be built upon organizational purpose.

3. Knowledge management, aesthetics and the organizations purpose

KM is an interesting field of study also because its object of inquiry, knowledge, is so hard to grasp. Following the most cited works and the definitions of knowledge provided therein, it becomes clear that by knowledge, we understand something "greater" than mere information. Davenport and Prusak, for example, define knowledge as "a fluid mix of framed experience, values, contextual information, and expert insight that provides a framework for evaluating and incorporating new experiences and information" and state that it "originates and is applied in the minds of knowers" (Davenport and Prusak, 1998 p. 5). Similarly, for Nonaka and Takeuchi, knowledge consists of both the explicit and the tacit, highly experiential aspect that has, in their eyes, been widely overlooked in modern western epistemological tradition. They argue that many theorists had put their focus too much on explaining how organizations function instead of how they could innovate from the inside-out (Nonaka, 1995 p. 56). Here, it is important to notice that by innovation, they refer not only to product, service or process innovation but also to the development of the organization itself. This development should be driven by the people that constitute the organization and provide them with a strong narrative of the organizations purpose that guides their actions (Nonaka and Takeuchi, 2021).

With this view, Nonaka and Takeuchi are not alone. A look into practitioner's literature reveals that purpose is more and more becoming an important topic in the world of business. In his well-received book "Reinventing Organizations", former management consultant Frederic Laloux suggests that a viable way to deal with uncertainty and the perceived lack of meaning in today's business environment is to rely on a sense of purpose that each individual member of an organization has. His organizational model is built around the shared purpose of the members of an organization. Purpose holds the organization together and guides all organizational actions. At the same time, every individual is actively and continuously involved in shaping and refining the purpose of the organization (Laloux, 2014). This is a notion we can also find in Robertson's Holacracy model for organizing which promises better, more efficient organization and more meaningful work by focusing and organizing around the purpose of the organization (Robertson, 2015). In Robertson's model, all organizational action is centered around the fulfillment of the organizations purpose. Instead of a pre-given hierarchy or authority, the whole system is self-organizing on the basis of organizing rules and does continually adapt to its purpose. Besides those authors, also the World Economic Forum and the US Business Roundtable recently revealed an increasing interest in the topic of organizational purpose with the call to elevate stakeholder interests to the same level as shareholder interests (Gast *et al.*, 2020; George *et al.*, 2021).

However, speaking about purpose as a guiding principle, an essential question yet remains unanswered (or seems to be broadly taken for granted): what is organizational purpose, and how can we know about it? Or in other words: how do people know about their organizations purpose to realize it?

As simple as this question seems in the first place, it leads up to a number of follow-up questions. First and foremost, one could ask whether every member of the organization even needs to be aware of the organizations purpose. While for explicitly purpose-driven models of organizing, the answer to that question will likely be yes, it is undoubtedly questionable for more common organizational forms. After all, there have been flourishing businesses for decades, if not centuries, long before people started to agonize explicitly about organizational purpose. Also, despite purpose is said to have a motivating influence on employees (Reyes and Kleiner, 1990), it can be questioned whether it is an indispensable prerequisite for working in an organization. Further, it is not clear whether people do not always feel some kind of purpose anyway when they get in touch with an organization. A thought that raises the question about the ontological quality of purpose – is it tacitly inherent in every organization subject to discovery (Koslowski, 2000; Quinn and Thakor, 2018) or is it rather something that can be deliberately created and explicitly defined by management (Christopher, 1977)?

To answer those questions, we should begin our analysis by finding a working definition of purpose and a respective method to either access or construct it. Only then we can think about the generation of an appropriate strategy to realize it. The benefits of such a purpose-driven strategy, however, may be well worth the effort for companies as they are believed to include an increase in customer trust and loyalty, faster growth and higher stock prices (George *et al.*, 2021). Additionally, purpose-oriented organizations find it easier to attract young employees looking for meaning in their work (Gartenberg *et al.*, 2019; George *et al.*, 2021).

3.1. A working definition for organizational purpose

Organizational purpose has been investigated from the perspectives of many different fields (George *et al.*, 2021). Very broadly speaking, the term usually describes the reason why an organization exists. This is because an organization would likely not be there if it did not have any purpose after all. Having said that, more accurate definitions of what organizational purpose means differ considerably and span across a wide body of literature. To give an overview of the concept of organizational purpose, I will, hence, refer to two recent review works on the topic that systematically presents the current state of research and carves out the different characteristics of approaches to organizational purpose.

The first literature review by George *et al.* (2021) examined different streams of literature on organizational purpose and found two main distinctive features that guide the understanding of the concept: goal-based and duty-based understandings of purpose. The *goal-based view* relates to purpose as an "organizational objective defined and chosen by the firm itself without necessarily recognizing the wider role of corporations in society as moral actors" (George *et al.*, 2021, p. 3). Characteristic of that approach is research on mission statements, corporate vision or strategic intent. In contrast, the *duty-based view* is about *ethical and/or moral positions.* This approach is broader than the goal-based one and considers explicit values and social and/or environmental duties as core to the firms existence. Typical research in this stream is about values, social service and stewardship

(George *et al.*, 2021, p. 5). Based on their literature review, George *et al.* attempt a synoptic definition that describes the purpose of the *for-profit firm* as:

> [. . .] the essence of an organization's existence by explaining what value it seeks to create for its stakeholders. In doing so, purpose provides a clear definition of the firm's intent, creates the ability for stakeholders to identify with, and be inspired by, the firm's mission, vision, and values, and establishes actionable pathways and an aspirational outcome for the firm's actions. (George *et al.*, 2021, p.7).

In another recently conducted research, Kragulj (2022) approaches the definition of purpose also via a literature review but enhances his work with a qualitative empirical interview study on the topic. Based on both the results of the literature review and the empirical findings, he defines organizational purpose as "the fundamental configuration of those value expectations of legitimate stakeholders that cause them to organize as and engage in an organization in order to fulfill them" (Kragulj, 2022, p. 132). It is important to notice that said value can manifest itself either through positive effects but also in the form of avoiding negative effects. What is also worth noting is that Kragulj includes persons with agency but also social or natural systems without agency in his conception of legitimate stakeholders. This means that, for example, nature or future generations may also be considered stakeholders of an organization. Kragulj's definition applies not only to the for-profit sector but also to nonprofit organizations which makes the definition suitable for a greater range of applications.

From both of the presented definitions and the underlying literature reviews, it shows that organizational purpose trends toward a holistic concept of the organizations reasons to exist. Financial success (or profit) is not or no longer, seen as an end in itself but rather as a consequence of purposeful action. Conversely, without purposeful action, organizations must sooner or later expect economic problems. What also shows from the definitions, and this is an important point for the argument presented herein, is that organizational purpose is something completely individual for every organization. This is because the configuration of stakeholders and their value expectations toward an organization is generally unique. In that regard, purpose, as defined through stakeholder value expectations, is value-free in the sense that it is free from universal moral concepts or values that would apply autonomously for every organization. This clarification is needed because the term can also be associated with doing the right things from a values-perspective. According to these recent definitions, however, we cannot distinguish between a "good" or "bad" organization in a moral or ethical sense. Good or bad, according to the definitions presented, is rather to be seen in relation to the purpose of the organization and must be measured against the organizations stakeholder value expectations (See also Duska, 1997; Quinn and Thakor, 2018):

Conceptually, George *et al.* report three dimensions of activities that help implementing purposeful organizing, namely:

(1) framing purpose into a cohesive mission and vision and a narrative that unifies goal- and duty-based understanding of purpose;

(2) embedding purpose into organizations processes and practices; and

(3) allocating resources to purpose to generate multistakeholder impact (George *et al.*, 2021).

Those activities, however, require knowledge of the organizations purpose. And consequently, if there is knowledge about the organizations purpose, this knowledge must be properly translated into the three constituent dimensions that lead to purposeful organizing.

Without a doubt, there exist organizations that operate very well in alignment with their purpose, Laloux (2014), for example, provides us with vivid examples of companies that implemented evolutionary, purpose-driven practices into their organization. Other examples include the outdoor brand Patagonia (Chouinard, 2006) or the energy provider AES (Bakke, 2006). One of the difficulties, however, is that purpose, unless there is an explicit purpose statement, is rather a set of intangible common beliefs held by the organizations members (Gartenberg *et al.*, 2019). Thus, it is considerably harder to implement than other, more explicit types of action-guiding artifacts such as concrete goals, the organizations vision or a mission statement. People seem to have a hard time making all different facets of purpose explicit, as Kragulj notes as a result of his interview study with practitioners on the topic of organizational purpose. This concerns, in particular, those facets of purpose that are not obviously part of the organizations core business (Kragulj, 2022, pp. 99 f.). Considering that usually only a few of the stakeholders are actually involved in the core business, the observation suggests that holistic knowledge of organizational purpose seems to be, for the most part, tacit knowledge. Not surprising if we look back at where purpose is rooted. Internal drivers such as inspirational convictions and commitments (George *et al.*, 2021) or founders dreams, beliefs and ideals (Nonaka and Takeuchi, 2021) are stereotypical forms of tacit knowledge, as are external drivers of purpose like social movements, environmental challenges and the different stakeholder value expectations. All of the above are best understood if experienced first-hand through interacting with the organization. Such experience and the meaning that results from it is referred to as the aesthetic experience of an organization.

3.2 Organization and aesthetics

The concept of aesthetics describes "knowledge that is created from our sensory experiences" and "how our thoughts and feelings and reasoning around them inform our cognitions" (Taylor and Hansen, 2005, p. 1212). Sensory experiences can either result from objects and material components of organizing, such as artifacts or physical settings (Baldessarelli *et al.*, 2022) or from lived experiences in the organization, such as leadership or identity (Hansen *et al.*, 2007), group performance (Marotto *et al.*, 2007) or the connection between passion and knowledge (Mack, 2007).

The word "aesthetics" itself has its roots in the ancient Greek word *aisthetikos*, which literally translates *of or for perception by the senses, perceptive* [1] and considerations about aesthetics were already included in the works of Plato and Aristotle. In western philosophy, the term first appears in Alexander Gottlieb Baumgarten's "Aesthetica" in the mid-18th century, where the German philosopher used the term for a judgement based on the senses instead of the intellect (Baumgarten, 1988). Baumgarten took up the term to argue in opposition to the logico-deductive thinking resulting from the separation of body and mind that developed out of Descartes' rationalist doctrines. For Baumgarten, knowledge was just as much about feelings as it was about cognitions. Thus, he (re-)introduced the term aesthetics for the study of sensory, experiential knowledge as a counterpart to rational, conceptual knowledge in western philosophy. Aesthetics is thus considered one of two components in the theory of knowledge (Taylor and Hansen, 2005; Baldessarelli *et al.*, 2022).

In the 1930s, Barnard already provided an account for aesthetics in an organizational context when he emphasized the highly tacit component of management, saying that management could be best described as "feeling, judgement, sense, proportion, balance, appropriateness" and that it is "a matter of art rather than science, and is aesthetic rather than logical" (Barnard, 1968, p. 235). Barnard further describes it as essential for an executive to sense the organization and its relevant context as a whole, which transcends merely intellectual methods. Yet, mainstream social and, in particular, management science seems to have lost sight of it for some part and time. Only recently had there been an uptake of the topic again.

At this point, it may be worth mentioning that albeit its use in colloquial language, the term aesthetics is not always necessarily concerned with the beautiful or arts but instead relates to all sorts of sensory experiences. Thus, an aesthetic rather refers to a set of criteria for judgement (Taylor and Hansen, 2005). An example of such an aesthetic would be the ideal of efficiently executed operations that are considered as "working beautifully" (White, 1996). The set of criteria for this specific judgement would be the principles of Taylorization and Scientific Management (Guillen, 1997).

Speaking about sensory experience leads to the key aspect of all approaches to aesthetics, which is the requirement of direct personal experience. Dewey, for example, describes the aesthetic experience as "pure experience", a form of experience that precedes and unifies all other forms of experience in its immediate wholeness (Dewey, 1958). In terms of the quality of aesthetic perceptions and resulting knowledge, there is a strong connection between aesthetics and Polanyi's concept of tacit knowing (Strati, 1999; Hansen *et al.*, 2007). In his philosophical analysis, Polanyi explains how people are capable of doing things that they cannot put in words and how it is possible to inquire for new knowledge that we are initially unaware of. Polanyi's comprehensive treatise is often summarized with the popular quote saying that "we [humans] can know more than we can tell (Polanyi and Sen, 2009, p. 4)" which actually falls short to encounter for the extensive reasoning that stands behind Polanyi's conception of tacit knowledge.

Despite the recently growing number of publications, scientific inquiry into aesthetics has always been scattered throughout a variety of different fields and has only recently started to consolidate itself toward a shared understanding and research agenda of *organizational aesthetics* (Baldessarelli *et al.*, 2022). Still, the methodologies used for the study of aesthetics differ substantially (Strati, 2010). The same holds true for the intentions and research interests of the research conducted. Taylor and Hansen thus categorize the field in publications that follow the common instrumental approach, which is concerned with aesthetics as a tool to improve the condition of the organization on the one side, and publications that address aesthetic issues that concern the feel of the organization without necessarily contributing to improving the condition of the organization on the other side (Taylor and Hansen, 2005).

According to the analysis of empirical works on the topic, Baldessarelli *et al.* have identified three dominant perspectives on organizational aesthetics in management research. Aesthetics can thus be seen as a directed stimulus, as a knowledge tool or as an open-ended outcome. A directed stimulus would be an input that triggers individual or collective behavior; a knowledge tool describes aesthetics as a form of tacit knowledge that is implemented in work tasks and whereas an open-ended outcome refers to the personal aesthetic experience that emerges from the interaction with artefacts or surroundings (Baldessarelli *et al.*, 2022).

In conclusion, aesthetics refers to sensory perceptions and the meaning that results from them. It is highly personal in nature and requires direct experience. Concerning its ontological quality, it closely resembles tacit knowing. Thus, it is an important source of knowledge for organizations, especially in situations that are complex and involve uncertainty or ambiguity – common characteristics of modern organizations and their surroundings.

3.3 The aesthetics of organizational purpose

This section explains the connection between the concepts of aesthetics and organizational purpose, and it seeks to explain why aesthetic perceptions can be a tool to access and work with organizational purpose.

As has been outlined, a considerable part of an organizations purpose consists of tacit knowledge. Therefore, to potentially use this knowledge and implement it as a form of purposeful organizational action, we ought to find a way to either make it explicit or share it; otherwise, if else, it will remain in isolation and not bear fruit in the organization as a whole. The required task can be described as a sort of knowledge transfer or knowledge sharing of tacit knowledge, which is a characteristic area of research in the field of KM (Mooradian, 2005; Fteimi and Lehner, 2016). However, the content of the knowledge that has to be shared somewhat differs from the stereotypical functions of KM as it is not concerned with some sort of domain-specific knowledge related to the execution of certain tasks or routines but rather with something that can be best described as the "feel" of or for the organization or the "feeling" for what the organization should become in the future. The words *feel* or *feeling* again indicate the tacit and thus inherently experiential nature of most knowledge about purpose. One has to engage in (or with) the organization to experience its purpose. Yvon Chouinard provides a vivid example, therefore, when he describes how the outdoor brand *Patagonia* permanently seeks to reduce the negative impact of their business on the environment, even though this might lessen their profits. The company does this because its stakeholders – many of them outdoor sports enthusiasts – actively engage in nature and thus experience the consequences of irresponsible corporate actions first handedly (Chouinard, 2006). In doing so, they are confronted with a strong aesthetic perception that influences their decisions and how they conduct business in the future. It is an aesthetic perception that shapes an image of the organizations purpose. And it is also the aesthetic perception of *Patagonia's* purpose that attracts or distracts people from the organization. Resulting from the underlying working definition of purpose as the *shared value expectations of legitimate stakeholders of the organization,* we can identify two main directions of knowledge flows:

One leads from stakeholders to the organization and consists of the stakeholders value expectations (i.e. what people want from the organization). Some of them may already be explicit (e.g. legal requirements, contracts and sustainable development goals), whereas the majority are tacit (e.g. customer needs, employees expectations for a good place to work and reputation). And although some of the tacit components could be made explicit, the majority remains inherently tacit. To this end, the organization, represented by its members, must have the capacity to engage with its stakeholders and perceive their different value expectations. In the above example, this would be the process of *Patagonia's* decision-makers experiencing the impact of their business on the environment. Here they would, for example, perceive the harm that industrial production can cause, which would respectively influence the organizations actions.

The second knowledge flow leads from the organization toward the outside world, consisting of partly the organization's current stakeholders but also potential future stakeholders and relatively uninvolved third parties. Concerning the quality of knowledge, the same principles apply to the first direction. Some knowledge may be explicitly stated (e.g. mission statement, the firms brand and certain aspects of work culture), whereas other knowledge remains tacit (actual work culture, values, reasons for action). Whether the organization actively manages its public relations (George *et al.* refer to the deliberate dissemination of purpose as *framing* (George *et al.*, 2021)) or not, it will inevitably be subject to (public) perception. People that get in contact with the organization will develop a perception of the gestalt of the organization – including a tacit (aesthetic) understanding of the organizations purpose. In our example, this could be customers looking for sustainable clothing who would feel attracted not only by the product but also by *Patagonia* as a company that shares their values and their aesthetic image of the world. As a reader of this paper, just think about any of your preferred products or services – be it a piece of clothing, your favorite book, a piece of music or a restaurant or holiday destination – you will likely perceive a positive aesthetic. Vice versa, if thinking about an organization whose purpose does not match your value expectations, you will perceive a negative aesthetic and probably seek to avoid it, if possible.

What this little thought experiment shows is that an organizations purpose can be aesthetically experienced through interacting with the organization, just as the consumers of art aesthetically experience art through interaction with the artwork. Both processes are inherently tacit and require personal experience. And in both cases, the immediate aesthetic experience can evoke a variety of feelings. Just as one person may consider a piece of art beautiful, ugly or tragic, that person may feel a certain way about an organization (Strati, 1996), which, in turn, influences how people interact with that organization. What we experience when we interact with organizations and their purpose respectively is aesthetic in nature (Strati, 1992). Without questioning the reasons, we strive toward what we find aesthetically appealing.

Having made the argument about the connection between aesthetics and organizational purpose, we must now think about the consequences that arise from it. This leads back to the claims for human-centered approaches to strategy and the emphasize on organizational purpose as the basis for organizational value creation (Bartlett and Ghoshal, 1995; Nonaka, 1995; Laloux, 2014; Robertson, 2015; Gartenberg *et al.*, 2019; Gast *et al.*, 2020; Nonaka and Takeuchi, 2021). The question is how to consciously induct the described sense of purpose into organizational actions.

4. Aesthetics as a driver for purpose-driven strategy

Mintzberg distinguishes five perspectives on strategy – strategy as plan, ploy, pattern, position and perspective. Those partially contrary, partially complementary views together serve as an instrument for collective perception and action (Mintzberg, 1987). Thus, if we seek to elevate individual aesthetic perceptions onto an organizational level, we must aim at the process of strategy creation. And indeed, every of the above views on strategy offers the potential to deliberately include nonrational knowledge as an important pillar that complements and enhances rational strategizing.

Hence, conclusively, the whole argument reads as follows: to guide organizations in VUCA environments, the literature suggests considering organizational purpose as the root for appropriate actions(Bartlett and Ghoshal, 1995; Laloux, 2014; Quinn and Thakor, 2018; Gartenberg *et al.*, 2019; Nonaka and Takeuchi, 2021). Therefore, the strategy should be led by the organizations purpose. The organizations purpose can be defined as the shared value expectations of the stakeholders for which the organization seeks to create value for (George *et al.*, 2021; Kragulj, 2022). Those value expectations are only partly available as explicit knowledge; important parts are only present in the form of tacit knowledge. To access these tacit parts, we must actively engage with the organization. This participation in organizational life generates an aesthetic understanding of the organizations purpose that can then be translated into deliberate or emergent strategy. In turn, this results in a strategy that is built upon the organizations purpose. Thus, it is the process of strategy creation that transfers the individual experiential knowledge rooted in aesthetic perceptions into the organization. In the process of strategy making, the essence of what used to be a personal tacit experience is converted into organizational knowledge. Whether the strategy is generated deliberately or rather emergent (Mintzberg, 1987) does not matter for this mechanism because, in each case, it is the individuals tacit knowledge that leads to a set of actions on an organizational level.

According to this argument, strategy that is built upon the organizations purpose – and thus, from the inside-out – is most likely to be perceived as something worth following by the organizations stakeholders as it incorporates their expectations toward the organization in an actionable plan. The aesthetic recognition of organizational purpose is also complementary to the implementation of purposeful organizing into the three dimensions of activities (framing purpose, formalizing purpose and realizing purpose) identified by George *et al.* (2021). It helps members of the organization to understand and perceive the organizations purpose and its narrative; plus, it formalizes purpose into organizational actions via an accurate stakeholder-value creating strategy.

This being said, the argument as it has been outlined may appear naturally. Which it probably is, unless we consider the factual reality of contemporary management that is dominated by rationalist and functionalist ideals (Adams and Ingersoll, 1990). The *managerial metamyth* as Adams and Ingersoll have coined it, offers no room for decisions based on nonrational knowledge or noncausal knowledge (Strati, 1999) or, as Gherardi and Turner pointedly put it as a title of a booklet on qualitative methods in organization sciences, "Real men don't collect soft data" (Gherardi and Turner, 1987). As controversial as such a title reads nowadays is as it accurately describes the issue we are facing. Decisions, especially on the C-level of an organization require adequate justification. People in charge can and should not be blamed for that. If would neglect to back up his or her decisions with an adequate basis for decision making, the person is at serious risk to face legal actions for all negative consequences that arise from their alleged shortcomings. Not to mention the likelihood of losing their position and credibility as a capable leading executives.

I want to make clear that I acknowledge how utopian it would be to think that the study of aesthetics in organizations could change the greater mechanism of how organizations and, in particular, business organizations function nowadays. Yet, I argue that further research on the matter would lead to a wider appreciation of tacit types of knowledge in practice. If there exists a wide body of scientific literature and in particular empirical accounts for the use of experiential knowledge, it would be more likely acknowledged in practice. The field of KM could be an avenue for such inquiry as it considers tacit knowledge a key concept of the field (Mooradian, 2005; Fteimi and Lehner, 2016). Thus, we ought to set up an inquiry to better understand and evaluate what happens when decision-makers adhere to aesthetic, nonrational, noncausal or other forms of tacit knowledge to (re)establish those types of knowledge as a viable basis for decision-making.

5. Conclusion

This article responds to calls from literature and practice for more purpose-oriented approaches to strategy. Those claims would be hard to meet without profound knowledge about the organizations purpose. To this end, the article introduces the concept of aesthetics to the study of organizational purpose and develops a theoretical argument of how this experiential, nonrational knowledge can be implemented in organizations. On the basis of recent definitions of organizational purpose, it argues that purpose consists of explicit but mainly tacit knowledge. To identify the tacit components of purpose, one has to interact ("feel") with the organization. The aesthetic experience and knowledge acquired therein are then transferred to the organization in the process of strategy creation.

For the field of KM, considering aesthetics as a knowledge tool, similar to the perspective suggested by Baldessarelli *et al.*, the concept can broaden our understanding of tacit knowledge. Aesthetics, for example, can be used to further explain how work is done (Ewenstein and Whyte, 2007) or how the conversion from individual tacit knowledge to explicit organizational – like a corporate strategy – is influenced by our aesthetic understanding of work.

In that, the title "a beautiful strategy" reflects both the argument that to create purpose-oriented strategy, we need to rely on our aesthetic judgement *and* the resulting implications for research to disseminate aesthetics and other forms of nonrational or noncausal knowledge into practice.

It is by no means my intention to say that all aspects of strategy should be built entirely on tacit knowledge and aesthetic perception. Instead, I argue that tacit knowledge in Polanyi's sense can enhance our basis for decision-making, especially in a nowadays complex environment. A better understanding of the influence of aesthetics and other forms of nonrational or noncausal knowledge is relevant because it first helps to create better, meaningful and ultimately beautiful organizations. Second, if we assume that research should have an impact on practice, understanding those conceptions of knowledge and undermining it with empirical valuation can lead to a greater acceptance of aesthetic, experiential practices in managerial decision-making. Thus, it would foster the realization of purpose-oriented strategies for sustainable organizations. Further research should explore how each of Mintzberg's five perspectives on strategy could be enhanced by acknowledging the active perception and integration of organizational purpose. Additionally, further empirical accounts of aesthetics in decision-making and strategizing are needed to brighten the image of the present impact of aesthetics on corporate strategy.

Note

1. According to www.etymonline.com/word/aesthetic

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