

Liminal Spaces and Human-Centred Design (HCD) for Resilient Business Models

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Extended abstract

In the current VUCA (Volatility, Uncertainty, Complexity and Ambiguity) landscape, organisations confront continuous ambiguity and uncertainty due to various external factors such as global warming, resource depletion, access to energy and water, armed conflicts, supply chain shortages, social inequalities, and health crises, among others. These factors are evolving rapidly, intensifying the challenges faced by organisations (Cousins, 2018). Hence, the imperative to bolster resilience—defined as the capacity to maintain or enhance performance despite adversarial conditions—has emerged as a fundamental necessity for organisations (Grego et al., 2024). In this context, agile design processes assume a pivotal role, enabling faster and more flexible decision-making for adaptation. This agility accelerates the development and implementation of more resilient business models and value propositions (Cousins, 2018). However, effective implementation of strategic change goes beyond the simple adoption of new methods and practices: it involves a cultural transformation and a reassessment of the organisation's identity and conditions (Doz and Kosonen, 2010). It is in this context that the concept of liminality emerges as a relevant conceptual framework, offering a unique perspective on organisational transition and transformation processes (Winkler and Kristensen, 2022).

The term liminality derives from the latin *limen*, which means "threshold" or "boundary". It was first theorized by French anthropologist Arnold Van Gennep (1909) and it refers to the transitional stage between two states or identities. However, it was not until the late 1960s

that British anthropologist Victor Turner discovered the significance and relevance, particularly in the context of modern life. Turner's exploration of liminality portrays individuals finding themselves temporarily undefined, existing beyond the confines of normative social structures. This state, while potentially weakening individuals by depriving them of societal rights, also grants liberation from structural obligations. By deliberately disrupting traditional role and status hierarchies, liminality fosters an environment conducive to deep reflection, playful exploration, and the pursuit of novel possibilities. Within this realm, individuals are encouraged to actively engage with their instincts and new ideas for action, contemplating the potential to construct fresh cultural resources and reshape their predetermined strategies of action (Turner, 1969). Scholars such as Söderlund and Borg (2018) advocate for exploring liminality in management and organisational studies, citing its potential to offer valuable insights into understanding the challenges and tensions inherent in organisational transitions. This approach has shed light on the profound implications of navigating multiple identities and conflicting value systems.

Söderlund and Borg (2018) revised the literature systematically to understand the prevalence, meanings, and the use of the concept of liminality in management and organisational studies. Their findings highlight three main approaches to understanding liminality: as an individual occupying a liminal position, as a broader process rather than a specific transition, and in relation to specific spaces or "threshold zones". The examination of liminality as place or space underscores research exploring the establishment of physical realms (and, to a lesser extent, psychological realms) serving as liminal stages. These spaces act as environments where customary routines, norms, and activities are either paused or redefined. Consequently, studies within this field predominantly scrutinise the spatial dimensions of liminality. Within this framework, liminality refers to specific zones and various forms of 'third places', providing settings where activities can unfold without the constraints imposed by conventional norms and traditions (Söderlund & Borg, 2018). On an individual level, the focus is on people working in non-traditional physical work contexts or transitional spaces, exploring the spatial elements of liminality and its impact on individual learning and working conditions. On a collective level, emphasis is on organisations that venture into new territories or engage in activities outside their facilities, examining the function of liminal places for the organisation as a whole and its implications for innovation, change, and knowledge creation. Therefore, it closely aligns with the objectives of implementing strategic changes at the organisational level.

In fact, various authors, such as Johnson et al. (2010) and Piironen (2022), have used the notion of liminal space to characterise strategy workshops for business model innovation. This occurs since these strategy workshops represent places of transition where participants temporarily free themselves from the usual structures and constraints of their daily roles (Johnson et al., 2010; Piironen, 2022). Consequently, flexibility and experimentation are encouraged, creating a conducive environment to challenge established norms and explore new perspectives for organisational change interventions.

Collaborative interaction in these environments also establishes a framework for the co-creation of innovative solutions. Co-creation in these spaces facilitates the alignment of mental models, enabling the creation of a holistic vision from diverse perspectives (Calabretta et al., 2016; Iriarte et al., 2023; Magistretti et al., 2021; Solem et al., 2022). Likewise, the active participation of users and stakeholders in the design process provides valuable data that lays the foundation for understanding cause-and-effect relationships. Bennett and Lemoine (2014) emphasise the importance of information in reducing uncertainty. Co-creation, by introducing new data and considering novel perspectives, fosters understanding and engagement, enhancing the acceptance of new norms and routines in mayor business model transformation cases (Calabretta et al., 2016; Iriarte et al., 2023; Magistretti et al., 2021; Solem et al., 2022).

However, while liminality literature has explored its theoretical aspects, practical insights on fostering and facilitating workshops as liminal spaces are lacking. On a parallel side, studies have supported the potential of Human-Centred Design (HCD) as a facilitator of strategic and organisational change (Kurtmollaiev et al., 2017; Liedtka, 2020). HCD has assisted organisations undergoing disruptive transformations of their business model. For example, recent research explores the contribution of HCD in realising service value propositions in the processes of digitalization and servitization in Industry 4.0 (Iriarte et al., 2023). The application of design practices at the micro-level benefited manufacturers immersed in digital servitization processes, facilitating adaptation to Industry 4.0 changes.

Therefore, we propose the hybridisation of HCD co-creation practices and liminal spaces for facilitating organisational change. In particular, we seek to provide practical guidance for fostering and managing liminal spaces through HCD. To achieve this, the work will follow an exploratory approach divided into three stages: a review of the literature on liminality as a space, an analysis of HCD case studies related to liminal spaces, and a conceptual reflection based on the analysed cases. With all this, this study aims to bolster resilient business models for organisations in VUCA environments by fostering a cultural transformation and the reassessment of the organisation's identity and conditions.

Keywords

New business models, liminality, liminal space, human centred-design, co-creation

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