



# Leadership in Chinese Art Auction: Increasing Influence and Future Value

Zuguo Fu<sup>(✉)</sup>

Massey University of New Zealand, Albany, Auckland 0752, New Zealand  
Zuguo.Fu.1@uni.massey.ac.nz

**Abstract.** Over the past decade, the art auction market in China has developed very rapidly, forcing dramatic changes in the scope of services and organizational structures of auction companies, resulting in dramatic changes in the relationship between employees, leaders, and stakeholders. When the art market is undergoing drastic changes, how do we view and discuss the needs and construction of the auctioneer's art auction leadership? This paper explores and describes auction leadership in a multi-professional collaborative environment through communication skills, listening and feedback, and the construction of communication networks. In order to support the establishment of a more specific concept of art auction leadership, this paper uses the case of Mr. Huang Zhou's artwork auction to analyze. This case is relatively typical in the whole art auction industry and can well illustrate the importance of the art auction industry. In a multi-professional collaborative environment, establishing leadership in art auction is the key to successfully influencing leadership and other professional targeted research, which will drive the market demand for the art auction industry and increase its professional influence and visible future value.

**Keywords:** Art auction · Leadership · Communication · Multi-professional cooperation

## 1 Introduction

China is a country with a long history, its art attainments in the world's history of civilization are also very high value, in the past decade, China's art auction market has developed very rapidly. The increasing share of the art trade, as well as the increasing number of art auction companies across China, has forced dramatic changes in the scope of service and organizational structure of auction companies, resulting in a change in the relationship between employees, leaders, and stakeholders [1]. The function of the auction company has changed from the original art auction sales, gradually into a combination of an art gallery, exhibition planning company, and financial financing company. Such a change in nature requires auction practitioners to have a high level of knowledge and knowledge [2]. They should not only be familiar with Chinese art history but also have the ability to curate exhibitions and financial knowledge. However, when the art auction market and leadership skills are in high demand, the profession remains

poorly visible to the general public, and while we see ourselves as “good auctioneers and cultural researchers,” most people see us as simple brokers of buying and selling [2]. To address this misconception, it is necessary to elaborate on the auctioneer’s most important role, that of precise guidance [3]. The current demand in this field is for auctioneers to be able to lead multi-disciplinary teams to design a precise process for a successful auction. For example, a successful auction process includes the process of collecting art from collectors for auction, holding pre-auction exhibitions of art, investment consulting services, holding live auctions, handing over auction items, transferring art into financial products, etc. [4]. Ordinary sales are limited to short-term transactions. In the auction process, only rich and powerful professional skills are not enough to support the whole complicated and precise process, but also need effective and experienced art auction leadership [4].

Auction leadership is the auctioneer’s use of their influence and communication skills to guide the multi-professional team to take the best approach and decisions according to the existing resources and capabilities to complete the entire auction process [5]. The purpose of this paper is to explore and describe auction leadership in a multi-professional collaborative environment, through communication skills, listening and feedback, and communication network building. At the same time, it introduces the relationship between leadership style, communication skills, and employee and customer satisfaction, and illustrates it through the auction case of artist Huang Zhou’s works. Part of this paper will discuss the stakeholders directly involved in building art auction leadership, such as professional appraisers, collectors, auctioneers, curators, and auction practitioners themselves. In order to support the establishment of a more specific concept of art auction leadership, the cases cited in this paper are from my 10 years of experience in the art auction industry. These cases are relatively typical in the entire art auction industry and can well illustrate the importance of leadership in the art auction industry. This case encourages other auction practitioners to share their leadership examples to promote the development of the industry. Establishing leadership in art auctions is the key to successfully influencing leadership and other professional targeted research in a multi-professional collaborative environment, [5] which will drive the market demand of the art auction industry and enhance its professional influence and visible future value.

## **2 Auction Leadership in a Multi-professional Collaborative Environment**

Auction leadership in a multi-professional cooperation environment is to use influence and coordination ability to accurately guide multi-professional teams in the design of the auction process, auction strategy, and final decision based on authoritative opinions in the context of authority in multiple professional areas [5]. Chinese art auction industry, from the basic sale of auction products and a series of current including collection consulting services, exhibition services, and art as financial products for lending and financing. Based on the importance of each project specialty in the whole auction process, multi-specialty cooperation will be formed and experts and authorities will participate in each specialty. Such a multi-professional team forms a network of relationships, which are not hierarchical, but in practice, it is challenging for auctioneers to use leadership to coordinate multi-disciplinary authorities and experts.

## **2.1 Listen to and Understand the Opinions of Each Profession, Build a Network and Use Fluent Communication Skills**

The key to art auction leadership is to listen to and understand the opinions of every profession, build a network and use fluent communication skills [5]. It is not easy to acquire these skills, so leaders are required to master the knowledge of each profession, guide and coordinate team members in the auction process, and form effective communication [6]. Moreover, leaders are required to carry out continuous professional development to deal with the unexpected situation of a single profession in the team.

Listening to and understanding the opinions of a multi-professional team is essential to the success of leading a team [6]. Leaders go from listening to asking questions, which is a process and ability. Leaders need to actively listen and present their perspective on the problem and ask team members to analyze and tally other relevant information to avoid misunderstanding the problem to ensure an accurate understanding of the problem from multiple disciplines [7]. For example, for determining the initial auction price of a work of art, the auctioneer first needs the evaluation team to evaluate his artistic value and background. Secondly, the financial team needs to find out similar artworks and sales prices in the market. According to this information, the auctioneer needs to put forward any questions that may lead to price deviation, and finally make decisions based on this information. Understanding complex issues requires listening patience and proper problem analysis to parse out what is important to the event [8].

Establishing and developing a network of communications is very important for multi-professional collaborative teams to promote successful art auction leadership [9]. In a multi-professional collaborative environment, team leadership requires understanding how team members fit together in the context of an auction process. In the face of authority and experts in professional teams, coordination and respect for team members and their knowledge is the foundation of a good cooperative relationship [9]. For example, appraisers believe that the most historic items should be placed first in the exhibition, while curators believe that the most marketable items should be placed. To solve this contradiction, auctioneers should establish communication channels in the early stage, understand the needs of each profession, make the members of each profession interact, determine the theme of the auction based on market value, and avoid such conflicts in the later stage. Creative advice often happens early in a team, and building a network of interpersonal communication is critical to successful leadership [10].

For auctioneers, communication with various professionals is the best chance to complete the auction [11]. As the leader of a team, the auctioneer can get lost in many details, such as could not date the artwork exactly; misjudging the price of artworks, etc. The auctioneer's preparation before an auction is to communicate fully with a multi-professional team and share ideas [11]. In communication, only by condensing the information of artworks and clients in the exhibition into key points can the auction process be truly successful [12].

## **2.2 The Influence of Leadership Provides Direction for the Team**

Auctioneers can use these capabilities to influence and direct the work of multi-professional teams [13]. Influence is a part of leadership and a process. After establishing

a network, it is very important to use influence to persuade the authority and experts in a professional team to change a certain direction. The auctioneer should try to avoid ambiguity when proposing changes to the team. For example, the price of the auction items should be determined according to the opinions of the multi-professional team [13]. The auctioneer needs to collect the opinions of customers in the exhibition, modify the price given by the evaluation team, and give a definite price opinion. When the expectations of multi-expertise teams for accurate advice are not fulfilled, they will feel inadequate as leaders and the team will lack cohesion [14]. Auctioneers should pay special attention to not being too quick to reject a team's internal suggestions, which need to be supported by other data or historical empirical theories. Too fast negotiation will cause pessimism and weaken the respect needed for constructive cooperation [15]. A leader with strong leadership has a good understanding of risks in different directions, avoids limitations in choices, and influences his team to choose the best design and decision within the scope of feasibility [16]. However, when auctioneers focus too much on the risks of changing the proposal, they may become so resistant or pessimistic that they overlook the advantages of the new proposal. Leaders use influence to change the team to adopt the best strategy. By listening to and understanding the work needs of each team, while analyzing the information of the team and sharing their ideas, they will guide the team to produce better research and convey a creative work attitude [16].

### **3 Art Auction Leadership Case Analysis: Huang Zhou's Artwork Auction Case**

The concept of art auction leadership in different environments can be illustrated through cases. The background information covered in the case, the problems arising, and the various elements of leadership involved in solving the problems show the role of leadership in a unified manner.

#### **3.1 Background**

On December 2nd, 2013, at the Autumn auction of Poly In Beijing, a painting named "Jubilant Grassland" by Chinese artist Huang Zhou was sold at 112 million RMB after 35 rounds of bidding. This work of art was given to Armand Hammer, a famous American businessman, as a state gift by Chinese leader Deng Xiaoping in 1984. The Hammer Foundation has been trying to sell "Jubilant Grassland" and has contacted auction houses in mainland China without success, with some experts questioning its authenticity. When the Poly staff approached the Hammer Foundation, they heard that the painting was already in China, sitting in the Shanghai free trade zone, with plans to sell it to China for \$300,000, but failed to close the deal. In order to auction this work successfully in the Chinese market, the team of Beijing Poly Auction Company persuaded The Hammer Foundation to submit this work to Beijing Poly Auction, design a reasonable auction process, and re-enter the Chinese auction market for auction.

### **3.2 Explain the Crisis in the Event, and the Important Role of Art Auction Leadership in the Crisis**

Three problems that may lead to the crisis are analyzed from the case. Firstly, the judgment of the authenticity of the paintings. If the fake works flow into the Chinese market, it may lead to a crisis of confidence in the auction company. Secondly, the inflow of paintings into the Chinese market at a low price will cause the price fluctuation of Mr. Huang Zhou's works, which will hurt the art market. Thirdly, the painting could not be sold in China, resulting in the loss of valuable works of art to other countries. These three problems are interrelated, not independent. These problems require the communication team to form strategies and establish a communication network in the process of solving them, to form opinions and make the best final decisions [17].

The leadership of auctioneers is reflected in the fact that they can accurately guide the team to solve problems when events and crises occur [17]. In this case, the auctioneer did not simply analyze the information, but guided the evaluation team to correctly solve the problem of authenticity of the painting works, and compared the appraisal results of other institutions to raise questions and solve problems. For example, through ink and paper identification to determine the accurate time of the painting, compared with Mr. Huang Zhou's other works, to determine the painting skills. The open comparison method demonstrates the individual leadership of the auctioneer [17]. This required the auction leadership coordination evaluation team to compare multiple works in a short period and ensure accuracy, and the results of the analysis were accepted by the Hammer Foundation. Art auction leadership is critical to helping the team understand the best course of action on a multitude of issues and identify the key data needed to address the important issues [18].

Auctioneers can demonstrate leadership in art auctions by influencing strategy or decision-making through leadership [18]. In this case, the auctioneer seized the opportunity to formulate a plan for the return of Huang Zhou's valuable art paintings to the Chinese market. After completion of the appraisal, the selection of the initial auction price involves a series of decisions that are directly related to the significant financial risk to the organization [19]. If the initial price is too high, the works will fail to be auctioned, and the company will pay for publicity, organization, and other expenses. If the initial price is too low, the commission of the company will be reduced and even the auction price of Mr. Huang Zhou's other works of art will be affected. In this state, art auction leadership is demonstrated by influencing stakeholders throughout the business. Influence the exhibition team to collect accurate information about intended customers in the exhibition process, analyze customer assets, and then accurately guide the evaluation team to strategically analyze the price of Huang Zhou's other works, establish a communication network, share information, and accurately guide the financial team to formulate the value-added analysis report of the painting in the next 5–10 years. Finally, the media should be used to publicize and influence the intended customers to generate investment desire. Develop a convincing starting price based on all information collected and analyzed. In influential multi-professional decision analysis, the results obtained from the evaluation of accumulated data meet the demands of all stakeholders, from the general situation to the ideal result, fully demonstrating the powerful influence and coordination ability of auction leadership [17].

## 4 Construct the Future Value of Art Auction Leadership

Auctioneers with strong leadership in art auctions are scarce resources in the future auction industry. Building leadership in art auctions is a necessary point to enhance the competitiveness of auction organizations in the future, and also a necessary process to reflect the future value of auctioneers [18]. The stakeholders most interested in building the leadership of art auctions are the shareholders of the auction company, auctioneers, appraisers, curators, financial experts, auction consignors, collectors, and so on. The inclusion of art auction leadership by auction agencies in their programs is a way to reflect the future value of building art auction leadership [16]. For example, Sotheby's has established the Sotheby's Institute of Art as a way to train talented artists, appraisers, curates, or, and auctioneers. Provide knowledge of collaborative leadership to auctioneers through study and training. Under the attention of multiple stakeholders, auctioneers themselves must devote more energy and actively seek guidance from others to further develop their leadership to realize their future value.

The construction of art auction leadership is realized through long-term experience with colleagues in various professional fields at different levels, forming tacit team cooperation, and effective cross-professional communication, integrating multiple skills and researching and formulating strategies and plans for auction projects. However, the construction of art auction leadership depends on the enormous changes and reconstruction of auction institutions in the auction market. On the other hand, art auction leadership also affects the brand-building ability of auction institutions, financial product design, integration of multiple professional teams, academic co-construction and capital collision of art history, incremental innovation, and provides many possibilities for the future development of the art auction industry [15].

## 5 Conclusion

How do we view and discuss the demand and construction of auctioneer's art auction leadership when the art market changes dramatically? The first thing to resolve is a precious and invisible paradox of the profession: an auctioneer is a person who can accurately direct multiple teams and make decisions, not a salesman. Auctioneers need to be able to lead art auctions and have the unique ability to effectively communicate with multiple professional teams, increase cooperative relationships with other professionals, and have a strong influence to accurately guide team collaboration and decision-making [20]. Making art auction leadership part of the auctioneer's training and development, with a greater focus on auction leadership and the basic abilities to listen, understand, network and communicate effectively, will facilitate successful multi-professional team collaboration and enhance the visibility and future value of the profession. The auction case of Huang Zhou's artworks better illustrates the way that art auction leadership solves problems and crises in the whole auction process, as well as the leadership role in influencing team decision-making. Among them, the use of data and theoretical support, accurate decision-making, and dispelling the pessimism of team members, is a strong embodiment of the leadership of art auctions [19].

Leadership in building art auctions will drive the value and visibility of the auction industry. Its construction needs the emerging auction market environment, the reconstruction of organizational structure, and the accumulated experience of time so that the art auction leadership will become a scarce resource in the future, of course, auctioneers with excellent leadership will also become scarce human resources [20]. At the same time, auctioneers with excellent leadership will also create amazing future value for their auction companies. In the future, art auction leadership will be illustrated by more cases, and more and more organizations and institutions will attach importance to and construct it.

## References

1. R. E. Riggio, H. R. Riggio, C. Salinas, E. J. Cole, Applying “The role of social and emotional communication skills in leader emergence and effectiveness”, *Group Dynamics: Theory, Research, and Practice* 7(2) (2003) 83–103. <https://doi.org/10.1037/1089-2699.7.2.83>.
2. A. R. Zaki, Applying “Influence of Emotional Intelligence on Employees Leadership Skills-Strategic Approach towards Organizational Stability”, *IOSR Journal of Business and Management* 4(3) (2012) 32–40. <https://doi.org/10.9790/487x-0433240>.
3. E. W. Gibson, Applying “Leadership in Statistics: Increasing Our Value and Visibility”, *The American Statistician* 73(2) (2018) 109–116. <https://doi.org/10.1080/00031305.2017.1336484>.
4. G. Seres, Applying “Auction Cartels and the Absence of Efficient Communication”, *International Journal of Industrial Organization* 52(2) (2017) 282–306. <https://doi.org/10.1016/j.ijindorg.2017.03.002>.
5. P. Jehiel, Applying “Manipulative Auction Design”, *Theoretical Economics* 6(2) (2011) 185–217. <https://doi.org/10.3982/te687>.
6. Y. Hu, M. Broome, Applying “Leadership Characteristics for Interprofessional Collaboration in China”, *Journal of Professional Nursing* 36(5) (2020) 356–363. <https://doi.org/10.1016/j.profnurs.2020.02.008>.
7. C. Duggan, Applying “Multi-Professional Collaboration: Examples and Experiences”, *Pharmacy Education* 4(2) (2004) 111–113. <https://doi.org/10.1080/15602210410001727272>.
8. B. W. Kliewer, Applying “Listening: New Horizons in Leadership Theory and Application”, *Journal of Leadership Studies* 15(4) (2022) 34–36. <https://doi.org/10.1002/jls.21799>.
9. A. J. Wefald, Applying “Coaching, Listening, and Leadership”, *Journal of Leadership Studies* 15(4) (2022) 58–62. <https://doi.org/10.1002/jls.21793>.
10. A. Shahzad, Applying “Development Support Communication: Problems and Suggestions”, *Journal of Mass Communication & Journalism* 4(5) (2014). <https://doi.org/10.4172/2165-7912.1000191>.
11. M. Banwart, Applying “Communication Studies: Effective Communication Leads to Effective Leadership”, *New Directions for Student Leadership* 2020(165) (2020) 87–97. <https://doi.org/10.1002/yd.20371>.
12. G. Luria, A. Kahana, J. Goldenberg, Y.Noam, Applying “Leadership Development: Leadership Emergence to Leadership Effectiveness”, *Small Group Research* 50(5) (2019) 571–592. <https://doi.org/10.1177/1046496419865326>.
13. B. J. Ali, A. Govand, Applying “Strategic Leadership Effectiveness and Its Influence on Organizational Effectiveness”, *International Journal of Electrical, Electronics and Computers* 6(2), (2021) 11–24. <https://doi.org/10.22161/eec.62.2>.

14. J. S. Russell, O. Pablo, Applying “Public Communications Leadership: CrisisComms and the Manchester Arena Attack”, *The RUSI Journal* 165(5–6) (2020) 22–35. <https://doi.org/10.1080/03071847.2020.1845099>.
15. P. T. Balwant, Applying “Crisis Leadership: Teaching External Corporate Communications via an Experiential Learning Exercise”, *Journal of Education for Business* 96(5) (2020) 335–342. <https://doi.org/10.1080/08832323.2020.1829526>.
16. C. Johansson, B. Emelie, Applying “Strategic Leadership Communication for Crisis Network Coordination”, *International Journal of Strategic Communication* 11(4), (2017) 324–343. <https://doi.org/10.1080/1553118x.2017.1341889>.
17. A. K. Othman, Applying “The Influence of Leadership Styles on Employee Engagement: The Moderating Effect of Communication Styles”, *International Journal of ADVANCED AND APPLIED SCIENCES* 4(3) (2017) 107–116. <https://doi.org/10.21833/ijaas.2017.03.017>.
18. T. G. Marx, Applying “The Impact of Business Strategy on Leadership”, *Journal of Strategy and Management* 8(2) (2015) 110–126. <https://doi.org/10.1108/jsma-06-2014-0042>.
19. M. E. Shadi, and A. M. Noor, Applying “New Approach to Leadership Skills Development (Developing a Model and Measure)”, *Journal of Management Development* 34(7) (2015) 821–853. <https://doi.org/10.1108/jmd-03-2013-0046>.
20. P. Koutroumpis, C. Martin, Applying, “Auction Design and Auction Outcomes”, *Journal of Regulatory Economics* 53(3) (2018) 275–297. <https://doi.org/10.1007/s11149-018-9358-x>

**Open Access** This chapter is licensed under the terms of the Creative Commons Attribution-NonCommercial 4.0 International License (<http://creativecommons.org/licenses/by-nc/4.0/>), which permits any noncommercial use, sharing, adaptation, distribution and reproduction in any medium or format, as long as you give appropriate credit to the original author(s) and the source, provide a link to the Creative Commons license and indicate if changes were made.

The images or other third party material in this chapter are included in the chapter’s Creative Commons license, unless indicated otherwise in a credit line to the material. If material is not included in the chapter’s Creative Commons license and your intended use is not permitted by statutory regulation or exceeds the permitted use, you will need to obtain permission directly from the copyright holder.

