“I’M HERE TO SAVE YOU”: A CASE STUDY OF THE ARTS AND MANAGERIALISM IN AUSTRALIA

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ABSTRACT

Managerialism has been adopted with alacrity by Australian government agencies across multiple sectors. A few studies of managerialism in concept and practice have been undertaken in some public sectors. Here we challenge the appropriateness and effectiveness of new managerialism generally, and for the arts in particular, through an analysis of conflict between an artistic director, the general manager(s), and the board of directors in a community arts organization. We outline the implications of the implementation of managerialism for the organization generally and the implications specifically for the workplace rights of some of the artistic and administrative staff. We call for further research into the appropriateness of management theory and practice for the arts, and we seek new ways of managing our cultural capital.

“Strong in management and weak in strategic thinking, creativity [and] imagination”: these are the words of a former politician, Barry Jones, describing a federal government department (Jones, 2007). Such a take on management, together with the view that its attributes run counter to the promotion of creativity, is becoming increasingly familiar in recent literature on managerialism and education (Deem & Brehony, 2005; Farrell & Morris, 2003; Reed, 2002;
Saunders, 2006). This view, however, has not been widely adopted in the arts, where managerialism is a dominant force. As discussed below, a new era of business modelling over the past decades has seen key leadership roles in the arts taken by business practitioners; arts managers are trained in business management, and arts organizations are experiencing organizational change through regimes of managerial discipline. These changes, as we note here, are not without costs. This article attempts to map some of the disjunctions, tensions, and repressions wrought by a regime of managerialism on a community arts organization. Our particular focus is on the relationship between the board, the artistic director, and the general manager of a particular organization as they respond to increasing government demands for the adoption of management techniques from commerce. We look at how the shift in focus from the arts has led to the infringement of workplace rights.

We begin with definitions of managerialism, as discussed in the organizational theory literature, and establish their theoretical and practical implications. We look at the development of managerialism in the arts in Australia and, in particular, at recent studies that indicate a dominance of business practitioners in key leadership roles in the arts. We then examine a case study of a particular arts organization experiencing a managerial crisis and argue that it provides an exemplar of the potential (and actual) values clash that can exist in this environment. The impacts on the rights of the artists and administrative staff are discussed. Finally, we suggest areas for further research.

**MANAGERIALISM**

In the context of this article, managerialism is defined as privileging political and economic measures of success (such as meeting budgets and reporting deadlines), rather than seeking to facilitate the cultural value of the arts as integral to the nation’s intellectual and social capital.

Managerialism commenced as a policy and process in Australia in the 1980s as a means to increase efficiency and economic performance in public agencies. Considine and Painter (1998) see that the demand for efficiency is intrinsically linked to renewed calls for public accountability. The reforms of the 1980s were based on the assumption that corporate processes and structures were superior to those of public administration (Osborne & Gaebler, 1992). Managerialism can be regarded as a practice, as a policy, and as an ideology (Deem & Brehony, 2005). Often discussed in terms of public administration reform, it has not been prominent in management or organizational behaviour theory. This is surprising, as universities, the engine rooms of management theory, have themselves been a sector subject to the mass implementation of managerialism since the 1980s (Deem & Brehony, 2005; Reed, 2002).

Deem and Brehony (2005: 220) define managerialism as “emphasising the primacy of management above all other activities.” The underlying assumption
of managerialism is that the “ideas and practices” of business are superior to those of public service (Deem & Brehony, 2005: 220). Regardless of the validity of this assumption, government policy has imposed business models on nonprofit organizations without considering the appropriateness of such a coupling. This policy, which insists that there is a universal model and pays no attention to the type and essential task of the organization, is a one-dimensional response to a complex environment.

Considering managerialism within organization studies theory, it would appear that there is no difference in the management required of “a university or a motor-vehicle company . . . and that the performance of all organizations can be optimised by the application of generic management skills and theory” (Quiggin, 2003). This one-size-fits-all solution has been adopted by management theorists, who have proceeded to write books, present seminars, and develop universal models of management. Such theoretical packaging is intended to provide the manager with the skills and understanding required to manage a nonprofit arts organization in the same way as they would a private freight distribution company. We assert that the underlying assumption is incorrect and needs to be challenged in both practical and theoretical terms.

In theoretical terms, there is no single definition of managerialism. Hughes (1998) refers to managerialism as a process; it is the means by which to introduce economic rationalism within an organization. Others (Farrell & Morris, 2003; Saunders, 2006) consider managerialism in terms of its political and economic consequences. This focus means that the political and the economic are valued more highly under the managerial regime than the technical (Clarke & Newman, 1997; Exworthy & Halford, 1999). Considine and Painter (1998) see that the reforms of managerialism are not appropriate to deal with the sometimes conflicting, often challenging goals of public policies. In the nonprofit agency, there is not just one stakeholder but many, often with differing and competing goals for the organization.

On a practical level, we argue that, in a managerialist paradigm, no matter how much training the manager is given in preparation for the task of managing a nonprofit arts organization, the board and the chief executive officer (CEO) will continue to be in conflict. The skills of the directors reflect managerialist values, with accountants, lawyers, and marketers as board members, utilising corporate strategic planning, marketing planning, and commercial human resource management to run community-based organizations.

Managerialism and the Arts in Australia

In Australia there is a particular focus on the development of partnerships between business and the arts, as evidenced, arguably, by the appointment of a new CEO for the Australia Council for the Arts. Described in the media as a “marketing guru” (Martin, 2005: 11), the new CEO has a master’s in business
administration (MBA) and a background in corporate management, and comes to the position as head of Australia’s key arts funding agency with significant business contacts and a commitment to further enhancing the relationship between business and the arts.

In Australia and the UK, since the 1980s, the arts have been constructed as an industry, valued for their contribution to the economy. New managerialism has been a key strategy in assuring the dominance of the business paradigm in the cultural sector. Australia, unlike North America, does not have a culture of corporate philanthropy. Managerialism, therefore, has been the response of government as it seeks to reduce its financial commitment to the arts and to insist that artists and arts organizations become more self-reliant. For well over a decade, Australian arts organizations have seen the dominance of a business model in the way financial and regulatory support is provided by targeted government policies and funding programs (Caust, 2003, 2005). Government policy in Australia (and in the UK) has experienced a shift from the ideology of public support for the arts as a public good to that of government funding for and regulation of the “cultural industries” and more lately the “creative industries,” on condition that they provide tangible economic or social benefits (Glow & Johanson, 2006). This new policy framework provides for cultural organizations and projects according to whether they can be considered sound financial or social investments. Having the potential to become financially self-supporting or providing sufficient benefits to the economy or society as a whole (for example, through cultural tourism) is seen as justifying the investment of public or private sponsorship (Jeffcutt, Pick, & Protherough, 2000).

Garnham (2005: 25), writing about the shift to a business paradigm for the so-called creative industries, notes that what underpins it is the belief that these are “the key new growth sectors of the economy, both nationally and globally, and thus, against a background of manufacturing sector decline, they are the source of future employment growth and export earnings.” This belief underpins the promotion of cultural policies within Australia and Britain (Glow & Johanson, 2006). In Australia, the industries approach was first articulated in the Keating Government’s policy statement, Creative Nation (DCA, 1994), which sought to stimulate cultural activities, particularly by integrating them with communications technology, to promote their independence and their competitiveness with other industries and with international cultural products and services. As Throsby (2006: 14) declares, Creative Nation “saw itself unapologetically as being not only a cultural policy, but also an economic policy.”

Culture creates wealth. Broadly defined, our cultural industries generate 13 billion dollars a year. Culture employs. Around 336,000 Australians are employed in culture-related industries. Culture adds value; it makes an essential contribution to innovation, marketing and design. It is a badge of our industry. (DCA, 1994: 7)
One of the most visible outcomes of the new business approach to the arts and culture is the advent of managerialism in the arts. The question of how best to provide leadership and management for arts organizations has provoked debate. Some argue that in the context of the “cultural industries” paradigm, the leadership of arts organizations has come to be dominated by business practitioners (Caust, 2003; Hawkes, 2001; Protherough & Pick, 2002). Caust (2005: 157) notes, for example, that the employment trend for CEOs of major arts organizations is “that they be ‘business leaders’ and ‘managers’ first, rather than people who demonstrate a knowledge of the artform involved.”

Caust has noted the recently changed profile of leadership in the arts, with arts organizations appointing board members and managers who have mainstream business backgrounds (Caust, 2005). Her research revealed that 51% of the board members of arts organizations funded through the Australia Council’s Major Performing Arts Board had a commercial/business background, and 84% of those arts organizations had chairs with a commercial/business background; such a preponderance, she argues, means that the business paradigm is exerting a considerable influence on the governance and management of the arts in Australia (Caust, 2005: 160).

McDaniel and Thorn (1993) have shown that within arts organizations there are often two or even three distinct “cultures.” The artistic leadership often provides the vision for the organization, but the business manager provides positional leadership. There is potential here for a conflict of values, a conflict that may then be compounded by the role and expectations of the board. For McDaniel and Thorn (1993), such a conflict is defined by a struggle between leadership of the organization through vision and leadership through control. Such a values clash, they argue, can lead to the diminishment and marginalisation of artists and the work they produce.

There is a debate within the academy around the issue of the skills required for the management of the arts (Byrnes, 2003; Evard & Colbert, 2000; Palmer, 1998; Radbourne & Fraser, 1996). Palmer (1998) argues that the task of managing creative people and aesthetic products requires different management skills than those found in mainstream business. However, as Caust (2005) points out, there is a disjuncture between theory and practice. While on the one hand the literature tends to emphasise the distinctive nature of arts management, on the other hand, employment practices indicate a preference for employing those who have an MBA; employment practices, in other words, reinforce the notion that knowledge of the specificity of the area is a low priority in filling leadership positions in the cultural field (Caust, 2005: 161).

Other sectors that traditionally received public funding are also experiencing a clash of management strategies and objectives as managerialism enters the field. In her analysis of the impact of new management strategies in the public sector, Townley (2002: 175) identifies evidence of “competing and inconsistent logics brought about by a clash of value spheres between the cultural and the
economic.” Townley’s (2002) conclusion, that the introduction of business planning and performance measures into the public sector produced “competing legitimacies” and a clash of values, is of relevance to the arts sector, which is also experiencing this clash of values between culture and business. All this leads to the question posed by Caust: how does the current imposition of managerialism affect the nature of the creative work? Our case study of an arts organization experiencing a three-way struggle between the artistic director, the general manager, and the board suggests that the models imposed on community arts organizations constitute a case of management for management’s sake.

Using the one-size-fits-all approach, current management theory regards the management of the arts as the same as the management of any corporation. Deem and Brehony (2005) see that managerialism is in fact an ideology that may be broadly analysed in Marxist terms. Ideology, they believe, “may be distinguished by the extent to which it serves to promote interests and maintain relations of power and domination” (Deem & Brehony, 2005: 218). This appears to hold in the case under consideration here and was revealed during an in-depth, wide-ranging interview with the one-time artistic director.

A COMMUNITY ARTS CASE STUDY

We challenge the appropriateness and effectiveness of new managerialism as a concept of value for the arts through the following analysis of conflict between an artistic director, the general manager(s), and the board in an arts organization. A not-for-profit community arts organization appointed an artistic director whose goals, in taking up the appointment, were two-fold: first, to secure ongoing government funding for the organization (as opposed to the project-by-project support it had received up to that time); and second, to develop the artistic profile of the organization. In the view of the artistic director, these two objectives were critically interrelated. To secure funding through the state and federal arts agencies required that the quality of the output of the artistic program had to be large and high quality.¹ The goals of this community group were challenging, to create art for its own sake and as a therapeutic engagement for victims of crime. The funding models in Australia required a high-quality arts program to come out of

a group of people who were 100-odd members constantly shifting and changing, whose skill level was from sub-zero to average to okay. . . . So you are working with a large and unwieldy community group to create very good quality art in order to achieve your funding. Tricky situation to begin with.

In addition, for the organization to secure ongoing funding from the government’s arts funding agency, the Australia Council, it was required to establish a board consisting of an accountant, a lawyer, a marketing person, a businessperson, two community members, and the general manager, leaving only one spot on
the board for an arts person. So there was one person who actually had experience in the arts and community sector on that board, apart from the two staff. Major problem.

The artistic director was of the view that there was no need to have such a preponderance of business expertise on the board, and that an advisory group would have been more flexible and supportive. A chair of the board, with a business background but no previous experience in either the arts or community sectors, was appointed. This outcome is consistent with Caust’s (2005) findings that the majority of arts organizations funded by government appoint board chairs with a commercial/business background.

The call to incorporate business people into arts boards and in arts management positions has come from the Australia Council, which is seeking to establish a higher level of connection between the arts and business sectors (Derricourt, 2007). Reed (2002) has argued that governments, across widely different public services, have been key proponents of managerialism and that they seek to establish organizational and managerial change through a regime of managerial discipline. This is borne out in the case study discussed here, where the artistic director reported that the new chair and board instituted top-down managerial change, which meant that she spent more time engaged with the CEO and the board on matters of structure, personnel, and funding. Creating community art became a secondary pursuit.

The artistic director describes herself as a practising artist, and she found that the board and the chair undervalued her status and skills as a practitioner. Against the wishes of the artistic director, the chair and the board appointed a general manager who had little or no background in the arts, but she’d done an MBA, which of course us little things went oh, MBA, she must be good, must know what she’s talking about. As Deem and Brehony (2005: 220) point out, one of the key characteristics of new managerialism is the emphasis on the primacy of management over all other activities. In this case, the emphasis on the primacy of management resulted in the appointment of a business-trained manager whose skills were valued by the board, according to the artistic director, because she knew how to work the business side of stuff and work the board. This resulted in what the artistic director felt was a marginalisation of her role and her skill base; she was, effectively, silenced. Clarke and Newman (1997: 19) recognise the potentially silencing effect of new managerialism when they note that “not to be able to speak management leaves one marginal, disenfranchised or rendered speechless—using words no longer recognised.”

The board members were engaged in their responsibilities to the organization to varying degrees. With two notable exceptions, and despite significant encouragement from the artistic director, very few board members came to understand the work of the organization and even fewer attended any performances.
I was basically saying to the board members they had to come and meet the community, they had to come and see the work, they had to know what we're doing. They never came; the show went up and none of them came; well, two of them came. The chair and one arts rep were the only members of the board who came to the show which is the outcome of the whole year's work.

Managerialism had so appropriated the efforts of the board that the art was not considered important. In fact, six months down the track at one stage I realised that we never, at any board meeting, had ever talked about any of the program, never. It was like it didn’t exist.

MacDonald (2004: 60) confirms that the manager is expected to make an impact, to change something, and as a result there is no interest in continuity. The primary feature of managerialism is its underpinning in the notion that it is a generic activity, which entails the application of given procedures and practices, regardless of the activity that is being managed. This was also the experience of the artistic director, who reported that [The board] were saying . . . that we had a lot to learn from the corporate sector. Absolutely we had a lot to learn about business and management . . . but they had a lot to learn from us, too, which they didn’t bother to learn.

The artistic director went on to describe such a top-down management process as cultural imperialism. In her view, it would have been preferable for the chair, the general manager, and the board to acknowledge that they were stepping into this new culture and [needed to] take [their] time as anthropologists to find out about this culture and how it really works and what its benefits are and what its drawbacks are, and therefore how we might work together. Instead, she argued, a managerial imperialism asserted itself within the organization. In effect, she said that the chair’s business background allowed her to dominate, on the grounds that

“You need me. I’m here to save you. Here, I’m the person with all the answers and information and the skills and you poor little artists are struggling away here. You’re doing such a good job, but it’s cute and quaint and we’re going to give you all these amazing corporate processes so you’re going to become incredibly successful.” Now all the different processes [she] took [us] through in order to bring us up to speed were a complete and utter bloody waste of time.

This case study suggests that the theoretical and practical implications of managerialism in the arts need to be further explored. We argue that the current thinking and discourse in relation to arts management do not consider the value of the art and the artist as significant in the design and implementation of organizational forms and structures.

Quiggin (2003) argues that other models of managing the arts could be considered. One possibility is to adopt the model of a small owner-run business—a style much more familiar to the crafts. Other models worthy of consideration include patronage that is tax deductible; and “projects” that are directly supported
by municipal governments or through business. The goal is for the arts to have
more independence from markets and from governments. Whatever approaches
might be considered, there needs to be agreement that the goal is the creation of
art in community, and there needs to be some mutual understanding of how it
is going to be valued and assessed. In this case study, on the contrary, the arts
were a very minor consideration at board meetings, being mentioned only in a
two-minute report by the artistic director. The clash of direction and values led,
on more than one occasion, to the violation of workplace rights.

The Rights of the Artistic Director and Staff

The interviewee, the artistic director, identified several ways in which
managerialism impacted on the workplace, including increased staff turnover,
increased workload, problems with emotional health, and failure to adhere to
the employment contract. The organizational structure included the position of
general manager. The working environment under managerialism was so fraught
that there was a turnover of three general managers in less than two years.

The board’s expectation was that the staff would absorb within their existing
workloads all the additional duties, such as strategic planning, marketing, and
reporting. This required significant out-of-hours work by the staff. However, the
artistic director recalled that the chair of the board refused the request for time
in lieu, thereby infringing the right to work only a reasonable number of hours
per week and to receive a fair wage for the work done. We believe that the
staff of small not-for-profit organizations participate in a culture where the tacit
psychological contract (Rousseau, 1996) includes the expectation that staff will
work out of hours without compensation. The artistic director explained that
there was no way to take time in lieu; we were already working 9 am to 9 pm and
most weekends. So there was no time to do it. The underlying assumption is
that they do the job “for the love of it.”

Excessive hours, along with the necessity of working in a values clash
between the making of art and the imperatives of managerialism, exacerbated
the stress levels of the staff In her assessment of her position within the
organisation, the artistic director came to the conclusion that this job is bad
for my health. The demands of the new practice of managerialism within the
organization had so extended the demands on the staff that the workplace was
psychologically unsafe.

In our interview, the artistic director characterised the workplace relationship
as paternalistic, with the staff being infantilized by the board and the processes
it insisted on implementing. Artists are used to managing themselves, being
resourceful . . . and focusing on outcomes . . . but here you had to ask for
permission. . . . It created unnecessary hierarchical structures that worked
against the production [of creative outcomes].”
The artistic director commented that the arts are not procedural, reflecting her view that the advent of managerialism shifted her essential task away from creativity to what she described as a tick box mentality.

The Rights of the Community

This arts organization exists to assist people who are victims of crime, by engaging them in the making of physical theatre for an audience. The expectation of the funding bodies and the community participants was that there would be one public performance per year. In the period under discussion, the artistic director had to postpone the performance in order to accommodate the reporting requirements of the board, and this led to disappointment in the community served by the organization. Despite the fact that there were two community representatives on the board, the new corporate processes determined the decision making and, in this way, disenfranchised the organization’s most defining stakeholders, the victims of crime. The implication here is that the board members were operating on the assumption that their key task was to satisfy the reporting requirements of the funders, putting this ahead of their responsibilities to the artists and the community. This suggests that managerialism has destroyed much of the focus on what we assert is the right of the primary stakeholders to ask the organization to put their needs ahead of compliance requirements.

The advent of managerialism in this arts organization resulted in the resignation of the artistic director and all three of the general managers who worked there over the period under discussion. In this sense, the organization became dysfunctional, although it remains in operation and has subsequently employed new staff.

WHAT LIES AHEAD?

We see that managerialism may devalue the arts and contribute to the decline of community-based organizations that are not equipped to fight unyielding and uninformed stakeholders. The challenge for management theorists is not to better equip the artists to be artist-managers, managers of stakeholders, general managers, or chief executives. The challenge is to provide ways of supporting the work of artists and artistic directors in order to give primacy to the essential task. Academics, artists, and theorists all have a role to play in the protection of workers in all sorts of organizations, corporate or community based. Therefore we look to the disciplines of arts management, organization theory, and industrial relations for ways to move forward from the strictures of managerialism.

Organization theorists are prone to be confident that if one model or theory does not work, then, like the heads of the Hydra, another model or theory will take its place. The history of organization theory supports this view as various fads and fashions have been paraded, one after the other. TQM, BPR, Knowledge Management, Management by Objectives, and the Learning Organization have
graced the pages of academic journals for many decades. This paper is not about management style(s) or the wholesale adoption of a particular technique. We want to intervene in this thinking; rather than designing, rebadging, or reinventing a management theory, we suggest that the philosophical premise of management, as applied in particular contexts, needs to be reviewed and assessed.

One reading of our article might be that we have simply picked up a “bad apple” out of a barrel of otherwise unblemished fruit. It might seem that our case study merely proves that in one instance the combination of an inefficient board, an incompetent and uncompromising chair, and an artist struggling with the role of CEO produced a personality clash that made the organization inoperable. However, we have painted a bigger picture here: this article provides evidence that managerialism in the arts can have a problematic, if not destructive, relationship to the essential task of the organization—creating art. Further, our analysis, beyond the single instance discussed here, and supported by examples of managerialism in education (Deem & Brehony, 2005; Jones, 2007), suggests that there is a fundamental values clash between the work of managerialism and the work of creating art.

In conclusion, we call for more vigorous and sustained investigations of managerialism and the arts. Future studies will gather data from multiple stakeholders such as artists, members of the community, board members, and general managers so that we can gain a more complete understanding of the causes and effects of managerialism in the arts. We need to undertake further studies of organizations where managerialism is in evidence, and analyse the circumstances in which it is beneficial or detrimental (or a combination of both) to the task. Studies of arts organizations could include reviews of the characteristics of the board, its governance, its understanding of the essential task, and the skill base of arts managers.

An international arts entrepreneur is reported as saying that “filling the boards of arts companies with business appointees has been a dismal failure that has stifled creativity” (Morgan, 2008), and a radical rethink of the ways in which arts organizations are run is required.

McMaster (2008: 12), in a report for the UK Department for Culture, Media and Sport, has put this case strongly: “the boards of cultural organizations should be the guardians of innovation and risk taking. Artists and practitioners need a Board with the expertise to support them artistically and to give them the authority to do what is innovative and risky.” The hope is that organization theorists will take a more critical view of the relationship between managerialism and cultural capital, in order to ensure that our key creative minds are protected and respected.

ENDNOTE

1 Quotations in italics throughout this article are taken from our 2006 interview with the artistic director.
REFERENCES


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