

**MANAGERIALISM AND THE ARTS –
'A COMPLETE AND UTTER BLOODY WASTE OF TIME'**

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Abstract

Managerialism has been adopted with alacrity by Australian government agencies across multiple sectors. Studies of managerialism in concept and practice have been undertaken in some public sectors but not from a critical management perspective. 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, General Manager and Board in a key Australian community arts organization. We call for further research into the appropriateness of management theory and practice for the arts; and seek better ways of managing our cultural capital.

Taking Critical Management to the Arts

In a recent newspaper article Barry Jones excoriated the Victorian Department of Education and Training for being 'strong in management and weak in strategic thinking, creativity [and] imagination' (Jones 2007). Such a take on management, and the view that its attributes are counter to the promotion of creativity, is becoming an increasingly familiar catchcry 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 position paper attempts to map some of the disjunctions, tensions and repressions wrought by a regime of managerialism on a community arts organization.

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 which 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. Finally, we suggest areas for further research.

Managerialism

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 and Gaebler, 1993). Managerialism can be regarded as a practice, 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 room of management theory, have themselves been a sector subject to mass implementation of managerialism since the 1980s (Deem & Brehony, 2005; Reed, 2002).

Deem and Brehony define managerialism as ‘emphasising the primacy of management above all other activities’ (2005:220). The underlying assumption of managerialism is that the ‘ideas and practices’ of business are superior to public service (Deem and Brehony 2005:220). Regardless of the validity of this assumption, government policy has imposed business models onto nonprofit organizations without consideration of the appropriateness of such 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 to introduce economic rationalism within an organization. Others (Farrell & Morris, 2003; Saunders 2006) consider managerialism in terms of the 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 non profit agency, there is not 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 CEO will continue to be in conflict as the essential task of creating art, is not valued. The skills of 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. 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 to the Australia Council. Described in the media as a ‘marketing guru’ (Martin 2005), the new CEO has an 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 the context of this paper, 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 and the Arts in Australia

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 for the dominance of the business paradigm in the cultural sector.

For well over 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 for the ‘creative industries’, on the 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 a sound financial or social investment. Having the potential to become financially self-supporting or by providing sufficient benefits to the economy or society as a whole, (such as through cultural tourism) is seen to justify the investment of public or private sponsorship (Jeffcutt, Pick and Protherough 2000).

Garnham, 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’ (2005: 25). 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 1994 policy statement, *Creative Nation*, which sought to stimulate cultural activities, particularly by integrating them with communications technology, to

promote their independence and competitiveness with other industries and with international cultural products and services. As Throsby (2006: 14) describes, *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 palpable 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 of arts organizations has provoked debate. Some argue that in the context of the 'cultural industries' paradigm, leadership of arts organizations has come to be dominated by business practitioners (Caust 2003, Hawkes 2001, Protherough & Pick 2002). Caust 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 2005: 157).

She 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 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'. Artistic leadership often provides the vision of 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 conflict is defined by a struggle between leadership of the organization through vision or control. Such a values clash, they argue, can lead to the diminishment and marginalisation of artists and the work they produce.

There is debate within the academy around the issue of skills required for the management of arts (Byrnes 2003, Evard and Colbert 2000, Palmer 1998, Pick 1996, Radbourne and Fraser 1986). Palmer 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, employment practices, on the other hand, indicate a preference for employing those who have a Masters in Business Administration (MBA); employment practices, in other words, which 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 identifies evidence of ‘competing and inconsistent logics brought about by a clash of value spheres between the cultural and the economic’ (Townley 2002: 175). Townley’s 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 artistic director, general manager and the board – suggests that the models imposed on community arts organizations is 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 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 and Brehony, 2005:218). This appears to hold in the case under consideration here, where the interests of managers were held to be superior to those of the artists. This was revealed during in depth, wide ranging interview with the one time Artistic Director.

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, General Manager and Board in a key Australian arts organization. A medium sized, not for profit community arts organization in Melbourne appointed an Artistic Director whose goals, in taking up the appointment, were two-fold: firstly, to secure on-going government funding for the organization (as opposed to the project-by-project support it had received to that time); and secondly, to develop the artistic profile of the organization. In the view of the Artistic Director these two objectives were critically inter-related. 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' (Interviewee 2006). 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' (Artistic Director 2006).

In addition, for the organization to secure on-going 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 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' (Artistic Director 2006).

The Artistic Director was of the view there was no need to have such business expertise on the Board, and that an advisory group would have been more flexible and supportive. A Chair of the Board was appointed who had a business background but no previous experience in either the arts or community sectors. This outcome is consistent with Caust's findings that the majority of arts organizations funded by government appoint Board Chairs with a commercial/business background (Caust 2005).

The call to incorporate business people on arts boards and in arts management positions has come from the Australia Council which is seeking to establish a greater level of connection between the arts and business sectors (Australia Council 2007). Reed 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 (Reed 2002). 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 (Artistic Director 2006).

The Artistic Director describes herself as 'a practising artist' and found that the Board and the Chair devalued 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'* (Artistic Director 2006). As Deem & Brehony point out, one of the key characteristics of 'new managerialism' is the emphasis on the primacy of management above all other activities (2005:220). 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'* (Artistic Director 2006). 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 have noted the potential 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'* (Clarke & Newman 1997:19).

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 (Artistic Director 2006).

Managerialism had so overtaken 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' (Artistic Director 2006).

Macdonald confirms that the manager is expected to make an impact, to change something, and as a result there is no interest in continuity (2004: 60). 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' (Artistic Director 2006).

The Artistic Director goes on to describe such a top-down management process as ‘cultural imperialism’ (Interviewee 2006). In her view it would have been preferable for the Chair, the General Manager and the Board to acknowledge that

‘they were... stepping in to 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’ (Artistic Director 2006).

Instead, she argues, a managerial imperialism asserted itself within the organization. In effect, she says, the Chair’s business background allowed her to dominate on the rationale 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 (Artistic Director 2006).

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 does 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 model(s) 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’ which are directly supported under municipal governments or through business. The goal is that the arts 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 and there is some mutual understanding of how it is going to be valued and assessed.

The ANZAM 2007 conference has focussed on ‘managing our intellectual and social capital’. This paper calls for new ways of thinking about managing the arts in Australia. 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 as management theorists is not to better equip the artists to be artist-managers, managers of stakeholders, general managers, or CEOs. The challenge is to provide ways of

supporting the work of artists and artistic directors in order to give primacy to the essential task.

What lies ahead?

Organization theorists are prone to be confident that if one model or theory does not work, then, like the heads of Hydra, another model or theory will take its place. The history of organization theory supports this view as various fads and fashions have paraded, one after the other. TQM, BPR, Knowledge Management, Management by Objectives, The Learning Organization, have all 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 design, rebadge, or reinvent 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 paper might be that we have simply picked up a ‘bad apple’ out of a barrel of otherwise unblemished fruit. It might be read that our case study merely proves that in one instance 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 paper provides evidence that managerialism in the arts does indeed exist and that, at least on this occasion, it has 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.

Finally we call for more vigorous and sustained investigations of managerialism and 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 determinantal (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.

The hope is that organization theorists take a more critical view of the relationship between managerialism and cultural capital in order that our key creative minds do not throw their collective hands up and declare management ‘a complete and utter bloody waste of time’.

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