

Management and the Arts

There's more to the arts than meets the eye. Yes, the performing and visual arts are supposed to be entertaining, but behind every creative endeavor exists a more profound concept without which a Community shrivels up and dies: the arts remind us of our power to innovate. The act of creation is the essence of our purpose and is essential to our progress as a humanity.

“The Importance of the Arts in a Community,” Craig W. Johnson, April 2006

KEY TERMS

Review these terms from the chapter and begin to incorporate them into your day-to-day thinking about management and the arts.

Manager	Functions of management:
Organization	■ planning, organizing, leading, and controlling
Organizing	
Open system model	Functional areas of work for an arts manager:
Levels of management: operational, managerial, strategic	■ planning and development
Types of managers: frontline, functional, general, administrative	■ marketing and public relations
Division of labor	■ personnel management
Hierarchy of authority	■ fiscal management
Formal and informal structures	■ board relations
Corporate culture	■ labor relations
	■ government relations

In this introductory chapter we will engage in a quick overview of the field of arts and entertainment management. You will see there are numerous options for working in the field. The general process of management and the required skills to work in this area will be discussed. We will also introduce basic definitions of terms and concepts that will be applied throughout this book. Lastly, we will cover the basic management process and the key functional areas an arts manager will need to use if he or she is to be successful and effective in managing and leading in the arts.

THE BUSINESS OF ARTS AND ENTERTAINMENT

By a unique combination of historical circumstances and our consumer-driven economy, the United States has created a multibillion-dollar arts and entertainment industry that is a dynamic mix of professional for-profit and many smaller professional and nonprofessional not-for-profit, arts-related businesses. Unlike many other nations, the federal and state government provides minimal direct support to the arts and entertainment industry in the United States. However, the often maligned and complex income tax system in America does provide support that is a form of subsidy.

Museums and many performing arts centers are often owned by cities or states, but the vast majority of performing arts organizations, media companies, and sports teams are privately owned businesses, public companies with stockholders, or tax-exempt not-for-profit corporations. Figure 1.1 provides an overview of some of the various types of organizations where one may find employment in arts management.

Both for-profit and not-for-profit arts and entertainment organizations depend on the revenue from sales and other investments for income and special tax breaks to support day-to-day operations. For-profit organizations are able to take advantage of numerous tax laws that allow them legally to minimize their liabilities. Not-for-profit organizations enjoy the additional benefits of being exempt from paying many taxes and being permitted to raise money through the solicitation of tax-deductible contributions.

The roots of the current system of for-profit and not-for-profit arts businesses were established at the end of the nineteenth and beginning of the twentieth century as advances in technology began to change the way people experienced entertainment. The new technologies created the potential for establishing audiences on a mass scale never before possible. People tuned in to the radio, went to the movies, and eventually stayed home to watch television, videotapes, and DVDs, or to be entertained by any number of emerging personalized technology systems from MP3 players and online gaming. High Definition (HD) home entertainment systems costing thousands of dollars

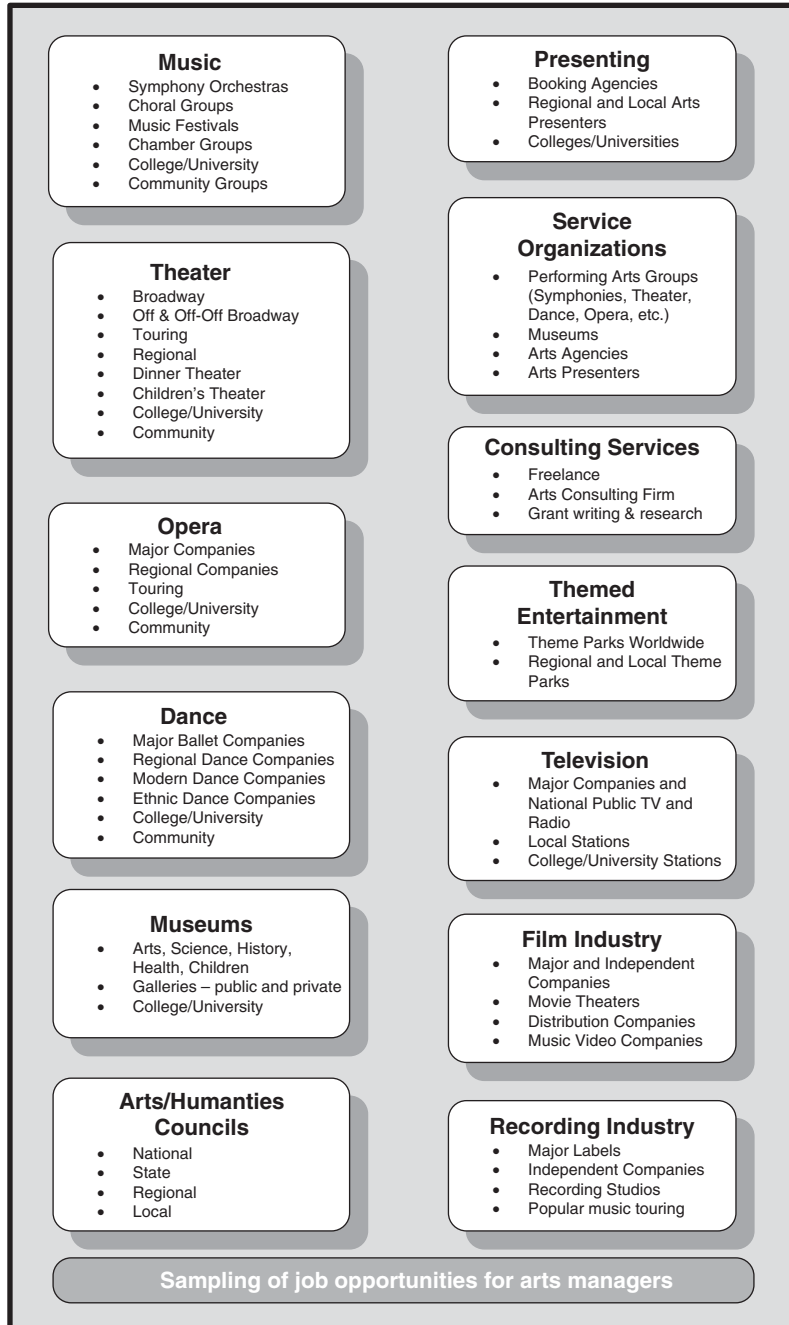


Figure 1.1
Arts management opportunities.

are becoming more common in homes across the nation. Along with these new technologies, the evolving area of media arts has found its way into the landscape of for-profit and not-for-profit organizations.

By the latter part of the twentieth century, the concept of home entertainment centers built around ever-advancing computer technology allowed people even more entertainment options. In addition, family-oriented theme parks provide active entertainment experiences to millions annually with events and rides tied directly to film and television industry products. The profits attained by packaging and distributing entertainment to millions of people led to the creation of an industry based on appealing to the broadest possible audience.

Meanwhile, the live performing arts groups continued to face the inherent limitation of seating capacity, fixed schedules, and the rising costs of delivering the product. Fortunately, the rising levels of education, population, and income fed by economic growth after World War II, along with financial contributions by individuals, foundations, corporations, and state and federal arts agencies, helped support the art forms in the face of the continued migration to the mass media.

The media arts sector has also seen extraordinary growth tied to the rapidly declining cost of computing. Completely new design areas integrating film, video, and the Internet have come into existence in the last twenty years. A 2002 publication by the RAND Corporation¹ featured the important role media artists have in shaping the future of how people interact with organizations and the types of programmatic activity available to the public.

On paper, the future looks bright. For example, in 2005 the National Endowment for the Arts (NEA) reported that consumers spent \$12.7 billion on live arts events.² The NEA reported 2.1 million Americans were employed in the arts in 2005.³ And, in 2007, the National Center for Charitable Statistics at the Urban Institute reported there were approximately 1.4 million nonprofit organizations registered with the IRS. Of the total, 32,056 were classified as arts, culture, and humanities organizations.⁴

Opportunities

As you will see, there are a large number of organizations needing effective managers and leaders. As Figure 1.1 demonstrates, there are many different types of arts and entertainment organizations and companies seeking skilled managers. Popular music, theater, theme parks, television, other media companies, and the film and recording industry all need managers to help fulfill the primary purpose of the business. The entertainment industry is, of course, very concerned with maximizing revenue and creating a profit. In fact, we live in a world that delivers the majority of the entertainment we watch or attend

through a for-profit business model. Although the risks of failure are very high, there is still a substantial number of people willing to take the chance of making a profit from the hit show, popular event, or artist.

Growing businesses

With the expansion of new ways to experience live and prerecorded entertainment and the increase in wealth among the general population came the proliferation of both profit and nonprofit businesses designed to meet the rising demand for entertainment. Thousands of new jobs were created for managers as companies expanded their operations. Each of these enterprises needed people with special skills and knowledge to ensure that the product was created and distributed in a way that realized the organization's goals, as stated by the owners or boards of directors.

For-profit theater, film, television, videos, nightclubs, popular music, radio, and spectator sports are big businesses employing highly visible stars and hundreds of thousands of support people. A report published by Rand Research noted that over 20,000 companies were in the broadcast, publishing, or wholesaling business of delivering entertainment product in the United States.⁵ The total includes broadcasting and cable companies, film companies, and music stores.

Not-for-profit professional arts organizations in theater, music, dance, and opera and museums make up a great many of these businesses, providing year-round employment at all levels of management. There are also many smaller not-for-profit amateur community groups in music, theater, and dance that often hire a manager to help administer the organization. As noted earlier, these sectors of the entertainment market account for more than 2.1 million workers. People working in the arts in turn contribute to the national economic system with their purchases of goods and services. The arts help to foster economic growth in communities across America. Chapter 10, Economics and Financial Management, will elaborate on the economic impact of the arts.

Concerns about the future

Despite a history of growth, many people in the visual and live performing arts are anxious about the future. Some of these concerns stem from the changing demographics in America and the preference among young people for recorded or electronic media as their source for entertainment. The question about where future audiences will come from is very much on the mind of arts managers. Arts organizations are grappling with the future positive and negative implications of what has been termed the "digital divide."⁶ Others see the political pressure at the state and federal level to limit or reduce taxes as only further increasing the demand on limited resources. Government policy has

become more focused on delivering essential services at the expense of what is often perceived as more marginal activities, such as supporting arts and cultural groups.

The for-profit entertainment industry is also concerned about the plethora of entertainment opportunities available to consumers. As the capabilities of the Internet to deliver TV and movies on demand continue to improve, the multiplex movie theater owners are just as concerned about attracting customers as the managers of the many performing arts centers across America. The trend of flat or declining attendance numbers at movie theaters is a reality.⁷ In addition, rising production and salary costs are driving ticket prices up for live and recorded arts products.

New technology has permitted entertainment to become more personalized and miniaturized. The change from mass media to more individualized entertainment systems, coupled with the often lagging resources for arts education in the schools, appears to many arts managers to be creating audiences with different attitudes about what they see and hear. Performers often note that audiences do not know how to “behave” any more at a concert, theater, dance, or opera event.

The often-predicted dramatic increase in leisure time seems to have vanished as people choose to do more in the day. With leisure time at a premium, consumers are making careful choices about how they spend their entertainment dollar.

Many arts leaders and their supporters also fear that too many groups are chasing too few patrons. Although many organizations agree that it is a sign of a thriving community to have many types of arts organizations existing side by side, they also recognize that their potential audiences only have so much time and money to spend on and to donate to the arts. These concerns have prompted several studies about the economic and cultural impact of the arts in communities across America.⁸

In Chapter 4, *The Adaptive Arts Organization*, we will delve into a more detailed examination of the forces and trends that affect arts organizations. The development of trend analysis skills can prove to be very useful in plotting the future of an arts organization.

MANAGERS AND ORGANIZATIONS

This book will examine how the arts manager can use the processes of *planning*, *organizing*, *leading*, and *controlling* to facilitate the operation of an organization and fulfill its mission in these uncertain times. These *four functions of management* are the basis for the working relationship between the artist and

the manager. Because most of the activity associated with the performing arts and with museums occurs through some type of organization, this text concentrates on management in a group environment.

Let's look now at a brief overview of the manager, the organization, and the process of organizing.

The manager

In any organization, a *manager* is "a person who is responsible for the work performance of one or more people."⁹ The manager's basic job is to organize human and material resources to help the organization achieve its stated goals and objectives. With this definition, a stage director or stage manager, a lighting designer, a conductor, a choreographer, and a curator are all managers. The details of their job descriptions may differ, but the responsibility of getting others to do something is the same. Leadership skills are needed to effectively direct others to accomplish the work that must be done.

The organization

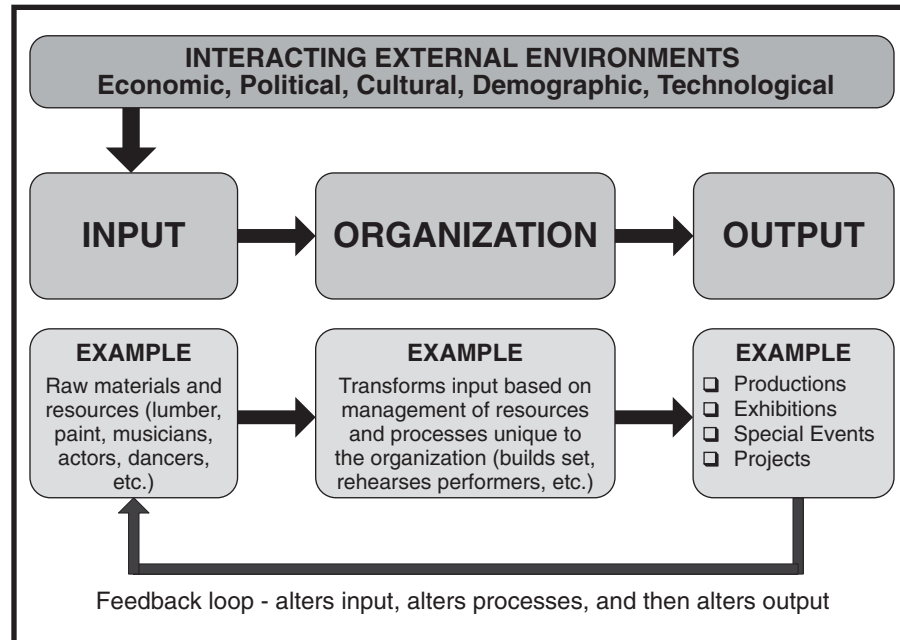
Managers function within an *organization*, which has been defined as "a collection of people working together in a division of labor to achieve a common purpose."¹⁰ This definition certainly describes the way we go about creating and delivering the artistic product in our world. Figure 1.2 shows how organizations interact with many external environments in a process of transforming their resources (inputs) to products or services. The output of an arts enterprise may be a performance or an exhibition. This *open system model*,¹¹ as it is called, is a graphic representation of how organizations interact with the world around them (see Figure 1.2).

The primary environments that affect all organizations are economic, political, cultural, demographic, and technological. Chapter 4, *The Adaptive Arts Organization*, examines the impact of each of these environments on organizations. As we will see, the survival and growth of an organization depend on its adaptability as these environments change. Managers of organizations must use all the skills and knowledge at their disposal, because these environments are always presenting new opportunities and threats.

The process of organizing

As we will see in Chapter 6, *Organizing and Organizational Design*, the process of achieving the organization's goals and objectives requires that the manager actively engage in the process of *organizing*, which has been defined as "dividing work into manageable components."¹² Typical examples of organizing in the arts include a director working with a stage manager to develop

Figure 1.2
Organizations as open systems.



a rehearsal schedule for a production, or a box office manager designing a staff schedule to cover the upcoming performances.

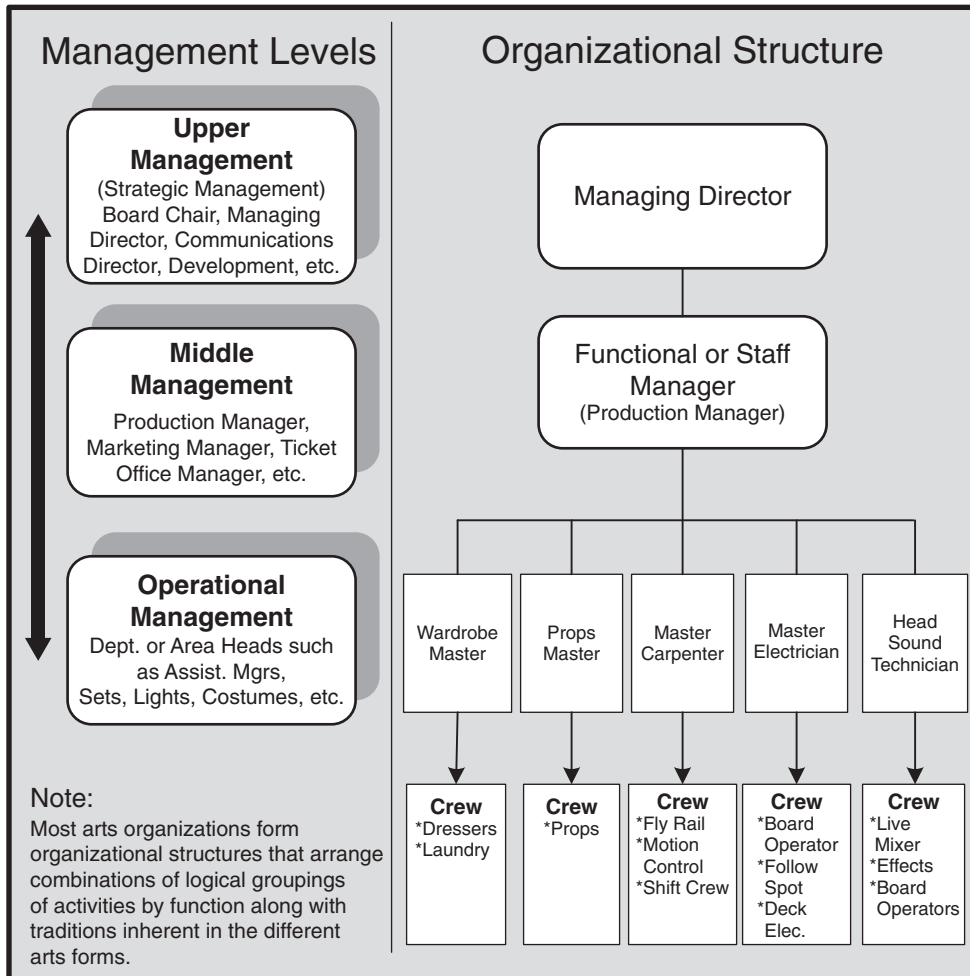
Levels of management and types of managers

In any organization, there are different levels of management and different types of managers. Typically, organizations have operational, managerial, and strategic levels of management,¹³ and line, staff, functional, and general managers or administrators.¹⁴ (See Figure 1.3.)

Levels of management

The *operational level* of management is concerned with the day-to-day process of getting the work done. The sets must be built, the museum guards must assume their posts, the rehearsal schedule must be posted, the membership renewals must be mailed, and the box office must sell tickets. The operations level is central to the realization of the organization's goals and objectives. Without the efficient and productive management of its operations, the organization faces extinction.

The *managerial level* is often called *middle management*, because it coordinates the operations and acts as a bridge between the operational and strategic levels

**Figure 1.3**

Management levels and organizational structure.

of management. For example, the board of directors and the artistic director of a theater or dance company ask the production manager to evaluate the impact of adding a touring season to the company's schedule. If the plan is feasible, the production manager will have the task of coordinating the schedules, materials, and people required to initiate this program of activity. The managerial level usually functions in a one- to two-year planning cycle in the organization.

The *strategic level* of management, on the other hand, watches the overall operation of the organization with an eye toward constantly adjusting and adapting to the changing environments that affect the future of the organization while

staying true to the mission. The goals and objectives are typically assessed annually. Planning also may extend into the future as much as three to five years, or beyond. The artistic director, general manager, general director, managing director, marketing director, or other similar senior level personnel are associated with this role. In addition, strategic managers typically present these long-range plans to a board of directors. In most cases the board ultimately oversees the organization's mission and purpose.

Types of managers

The arts have evolved unique types of managers to make organizations work. The types of managers listed in this section are found in different combinations in arts organizations, depending on the purpose and design of the organization. Each art form has specialized job titles and responsibilities.

The first managerial role is the *frontline manager* and he typically "manages employees who themselves are not managers."¹⁵ This person is directly responsible for getting the product or service completed. The head carpenter, who supervises a stage crew, is a good example of such a manager. The head carpenter's job is to get the set up on stage and ready for the performance in a venue that hosts touring productions. The assistant ticket office manager is another example of a frontline manager because they often directly supervise the window or phone sales employees.

Functional managers "lead a particular function or a subunit" and "they are responsible for a task, activity, or operation."¹⁶ For example, the technical director in a performing arts group is usually given this responsibility. He coordinates the work of line managers such as the head carpenter or master electrician. Other examples of functional job areas could include production manager, ticket office, informational technology, membership, development, or accounting.

It is worth noting that because many arts organizations are understaffed, the roles played by the frontline and functional managers are often combined. As you will see in Chapter 7, Human Resources in the Arts, job titles are often doubled or tripled in arts organizations. For example, a manager may have the title of Marketing and Public Relations Director. These two functional areas are usually full-time jobs in themselves, but the lack of funds for managerial positions requires doubling up on work assignments. The lack of funding for staff may also mean that there are no frontline managers to work for the functional manager. For example, the Marketing Director and Public Relations Director may find themselves writing their own press releases and sending them to the media via e-mail.

General managers "are responsible for the overall performance of an organization or one of its major self-contained units."¹⁷ For example, the general

manager of an opera company oversees production, marketing, fundraising, and administration for the organization.

Another managerial title often found in arts or not-for-profit organizations is *administrator*. Although the administrator is typically playing the role of a general manager, the title is often used in nonprofit or academic organizations to refer to someone empowered to carry out goals and policies defined by others such as a board of directors. Depending on the bylaws or governing laws of the organization, the administrator may or may not be given the final authority to make plans or policies but is responsible for their implementation.

Common elements in an organization

A division of labor and some type of hierarchy exist in most organizations. The *division of labor* typically takes a form that matches the organization's function. A dance company has a different division of labor from an opera company for the simple reason that the processes and techniques used in creating the work and preparing a performance are different. For example, many regional opera companies have a small permanent staff. The singers, orchestra, director, stage crew, and designers are hired to do a single show. Ballet companies, on the other hand, often have 30 or 40 dancers contracted for up to 40 weeks a year, therefore requiring a different division of labor to meet the needs of a resident company of performers.

The *hierarchy of authority* in an organization is designed to ensure that the work efforts of the different members of the organization come together as a whole.¹⁸ The typical hierarchy involves a vertical reporting, communication, and supervision system. Chapter 6, *Organizing and Organizational Design*, details various methods for organizing management systems.

In most arts organizations, which are small businesses with budgets under \$2 million, the levels of management and the formality of the hierarchy are usually limited. However, as an organization grows in size and more staff is added, the levels of management increase, and the hierarchy tends to become more formal. Arts managers need to be watchful of this development, especially if overly complex divisions of labor or a burdensome hierarchy begin to impede the accomplishment of the organization's goals and objectives.

An *informal structure* also exists in all organizations. No organizational chart or detailed plan of staff responsibilities is able to take into account all of the ways people find to work with each other. Employees often find new combinations of people to accomplish tasks that do not fit into the existing hierarchy or organizational design. Some organizations thrive on this sort of internal innovation; others become chaotic.

Arts organizations often develop organizational designs aligned with functional areas. For example, the production staff, office staff, performers, and upper management develop structures to operate their own areas. The result can be four organizations instead of one. At the same time, organizations, like people, can lapse into habitual behavior patterns. Tradition becomes the norm, and innovation is resisted. Again, the arts manager must keep an eye on the organization's formal and informal structure. Careful intercession can correct unproductive structures that develop.

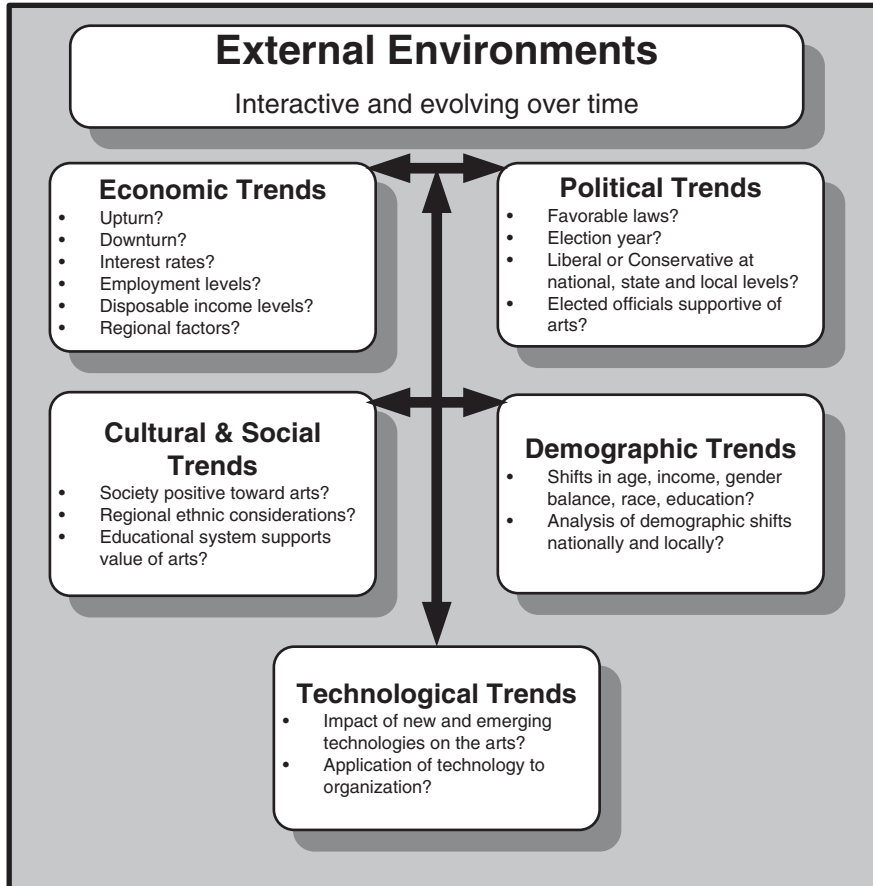
Organizations at their core are not neutral entities. They are microcosms of society. Organizations are collections of individuals with beliefs, biases, and values. Unique myths and rituals are part of what is called an organization's *corporate culture* (see Chapter 6). Simply described, the corporate culture is "how things are done" in the organization. For example, the culture of the organization usually establishes values for such things as the quality and quantity of work expected. Some organizations have a positive culture that is communicated to employees. For example, a manager might say, "Our stage crew is here to make things work, and their contribution is valued and recognized." In this situation, what is communicated is the overall culture of the organization that values the labor of its employees. Other organizations have weak or destructive cultures. Phrases such as "The crew around here is always looking for a way to get out of work, and they are not to be trusted," signal a culture based on distrust and possible conflict. The founder-directed organization, a model quite prevalent in the arts, can also help establish a strong culture imbued with the beliefs and values of one individual. Unfortunately, the departure of this person often leaves the organization adrift.

Any arts organization, no matter how small, is ultimately a complex mixture of behaviors, attitudes, and beliefs of the people who work or volunteer there. Because people are the major resource used in creating an arts product, an organization will continue to be influenced and changed in ways that no one can predict.

Interaction with external environments also affects the way people inside the organization think, feel, and behave. For example, changes in laws and the social system have led to the addition of multicultural programming and the hiring of more minorities in many arts organizations. (See Figure 1.4.)

Arts organizations as institutions

Arts organizations are learning to effectively integrate long-term strategic thinking while developing sensitivity to the changing environments that shape the beliefs and values of the entire culture. (See Figure 1.4.) Because the performing and visual arts are dependent on the creative explorations of individuals for the new material they present, the design and function of

**Figure 1.4***External environments.*

these institutions should be focused on looking toward what will be and not at what was. However, many artists perceive arts organizations as institutions that are more comfortable with the past. The creation of organizations in the performing and visual arts that look like imitations of corporations with executive directors, vice presidents, and associate directors is not universally seen as a good sign.

Many artists are asking organizations to examine such fundamental questions as “What is our mission?” “Just what is it we are doing?” “What things are really essential to our mission?” “Whom do we serve?” “What do people think we do?” and “What are we really contributing to the community and our culture?” What are values and what do we deem important?” (See the following box containing the Oregon Shakespeare Festival Mission, Vision, and Values Statement as an example of how these questions are addressed.)

These questions can also open a dialog in a community about the arts and what they can bring to the important questions about the quality of life in a community. The arts can offer communities opportunities to differentiate themselves from other regions in a state. Having clear and widely distributed mission, vision, and values statements can go a long way to actually building a type of community pride in its arts organizations.

The continual process of realizing a mission needs to be factored into the design and operation of the arts organization. The pursuit of an artistic vision and the successful presentation of that vision to the public needs as much attention and thought as any commercial business enterprise in the world.

Sample Mission, Vision, and Values Statement

The Oregon Shakespeare Festival articulates its mission, vision, and values in relation to its overall strategic plans.

Oregon Shakespeare Festival

Our Mission

The mission of the Oregon Shakespeare Festival is to create fresh and bold interpretations of classic and contemporary plays in repertory, shaped by the diversity of our American culture, using Shakespeare as our standard and inspiration.

Our Vision

We envision the Oregon Shakespeare Festival as a creative environment where artists and audiences from around the world know they can explore opportunities for transformational experiences through the power of theater.

Values

The following values support this vision and our overall mission. They are at the center of everything we do, and describe how we work together. While we recognize the need for balance among them, these values guide us in all our decisions:

Excellence

We believe in constantly seeking to present work of the highest quality, expecting excellence from all company members. We are committed to a bold, imaginative production style that illuminates our world in a fresh and insightful manner, producing theater that inspires profound understanding and hope for the human condition.

Learning

We believe in being an organization that offers company members, audiences and students the richest possible learning experiences.

Collaboration

We believe that the collaborative process is intrinsic to theater and is the bedrock of our working relationships.

Diversity

We believe the inclusion of diverse people, ideas, cultures, and traditions enriches both our insights into the work we present on stage and our relationships with each other. We are committed to diversity in all areas of our work and organization.

Company

We believe in sustaining a safe and flexible workplace where we rely on each other to work together with trust, respect, and compassion. We practice direct and honest communication. We encourage and support a balance between our lives inside and outside the Festival.

Financial Health

We believe in continuing our long history of financial stability, making wise and efficient use of all the resources entrusted to us.

Heritage

We believe that the Festival's history of more than seventy years gives us a heritage of thoughtful change and evolution to guide us as we face the future.

Source: <http://www.osfashland.org/about/mission.aspx>

THE MANAGEMENT PROCESS

The organization and systems described thus far are predicated on the assumption that there is an artistic product to manage. How does this product come into being? In many cases, an individual or a small group of people have the drive and energy to create something from nothing. For example, a playwright and director may team up to interest other people in a script. If people with money can be found to back the show, they hire performers and designers to bring the work to life. Sometimes, much less often than anyone cares to consider, the show is a hit.

A long-standing love for opera may drive someone to start a regional opera company or two dancers may decide that it is time to start their own company. The dancers may be tired of dancing someone else's choreography, and they have some ideas of their own that they would like to see performed. A group of visual artists may start a cooperative exhibition gallery and operate it themselves. A graphic designer or Web designer is weary of working for a large company and decides it is time to start his own business.

Whatever the circumstances, the success or failure of these ambitions will be related to how well the four functions of management are fulfilled. Without proper planning, good organization, creative leadership, and some control over the enterprise and its budgets, the chance of success is greatly diminished. Obviously many organizations exist in this world that do programs and projects that do not master these four functions. Poorly planned, badly organized, weakly led, and inadequately controlled events happen all the time. The events that suffer from various forms of dysfunctional management make for entertaining war stories, but the human toll taken by such examples of bad management is precisely why good managers are needed in the arts. There is no benefit to the art form or the community if the very people who love the arts are destroyed by it.

It is important to remember, however, that a bad play, opera, musical, ballet, symphony, or exhibition cannot be made good by excellent management. If people do not respond to a new theatrical work after rewrites and extra rehearsals, it does not matter how well the show was managed. Ultimately, if there is no artistic vision behind the enterprise, then the chances for long-term success are greatly diminished.

We will take more time to examine the evolution of the arts and how arts managers fit into the entire process in Chapter 2. For now, let's consider the four functions and relate each of them to an arts application.

Four Functions of Management

- *Planning* is deciding what is to be done.
- *Organizing* is deciding how it is to be done and who is to do it.
- *Leading* is deciding how other people are to get it done.
- *Controlling* is deciding if it is or isn't getting done, and what to do if it isn't.

Planning

This first function of management can be the hardest. Deciding exactly what we want to do, setting realistic goals (what the organization wants to accomplish), and then determining the objectives (the specific steps to take and the timetable for completing the tasks) to be used in meeting the goals is hard work.

There also are various sorts of plans. Some are short-range plans: What am I going to do tomorrow? Short-term plans usually don't present too much of a challenge for people. On the other hand, planning three to five years ahead can be an intimidating, if not impossible task.

Organizations and people must plan because the world is constantly changing. Audience tastes and values change over time. The arts manager's job is to recognize the elements in the world around the organization that may pose new opportunities or may be a threat. Then the manager must work with the board and the artistic leadership to chart a course of action designed to guide the organization into the future.

For example, the artistic director of the ABC Opera Company reads in the newspaper that state funds for arts organizations to visit schools will soon be increased. A goal is established to seek the funding and then implement a touring program in the next year because it relates directly to the organization's mission of bringing opera to the widest possible audience. The staff researches costs and benefits. A plan and the goals are drawn up and reviewed with the board. The board approves the idea and the company establishes a pilot program.

Organizing

Organizing is the process of converting plans into a course of action. Getting the people and resources together, defining the details, creating a schedule and budget, estimating the number of people needed, and assigning them their jobs is all part of organizing.

The ABC Opera Company, for example, sets up a special touring department. With the grant it obtains from the state the company hires a director of touring and puts into place the details of the plan. For the first year, the company will have a small group of 6 singers tour 10 schools to perform scenes and hold opera workshops. Detailed schedules, contracts, and evaluation methods are established.

Leading

The third function of management requires getting everyone in the organization to share a vision of what can be accomplished if everyone works together. Leadership skill and effectiveness are highly prized attributes in any situation. For the arts manager, working with the highly self-motivated, independent-minded people often found in the arts offers a unique leadership opportunity.

After the ABC Opera Company touring staff is hired, the artistic director meets with everyone to clarify the project's purposes and goals. The director provides an overall timetable and explains where this new operation fits into the organization. The company's mission is recalled, and a challenge is issued to make this a quality touring program. The leader of the tour group provides the day-to-day guidance needed to make the project a success.

Controlling

The fourth function of management is concerned with monitoring how the work is proceeding, checking the results against the objectives, and taking corrective action when required.

After six months, the artistic director reviews the activities of the ABC Opera touring company and finds that bookings are well below the number expected, singer turnover is high, and the budget for the year is almost gone. Meetings are held to pinpoint problems and consider solutions. Staffing changes are made, and the project is now monitored on a weekly basis. After a year, many of the problems have lessened, and the touring project is having a positive impact on the community.

Management in Practice

The typical production process for a performing arts event provides a good example of management in practice. For example, a director or choreographer working to prepare a production or concert draws on many of the same techniques and principles applied every day in the highly competitive world of business. Practices such as teamwork, project management, and performance appraisal are fundamental ingredients in a show. The leadership skills of a director or choreographer determine how well the entire production will go. Preparing a production or concert is a group management effort and therefore requires careful attention to the changing, complex dynamics of the performers, designers, and production staff. Motivation levels must be maintained, conflicts must be resolved, and effective time-management skills are required if the show is to open on time and be of a high quality. In other words, the skills required to successfully create a performance event are the same skills required to run a successful business.

Functional areas

When engaged in planning, organizing, leading, and controlling there are typically seven basic functions an arts manager fulfills:¹⁹

1. Planning and development
2. Marketing and public relations
3. Personnel management
4. Fiscal management
5. Board relations
6. Labor relations
7. Government relations

Planning and development are linked because arts organizations are always seeking ways to increase revenue to fund new programs and to pay for the inevitable increases in operating costs.

Marketing and public relations provide the organization's most visible link to the community. Without a strong connection to the community, the arts organization will find it difficult to attract audiences and donors.

Good personnel management and labor relations are essential if the organization is to be productive. Neglect or abuse of the human resources available to a manager can disrupt the entire enterprise.

Good fiscal management is critical if the planning, marketing, and fundraising efforts are to succeed. Generally, donors prefer to make contributions to organizations that show they know how to manage their financial resources.

As with personnel relations, an arts manager must effectively work with and report to a board of directors. The board and the management may sometimes have a different set of priorities. Until the differences are resolved, the organization will find it difficult to meet its goals and objectives.

Finally, government relations, which includes the local, state, and national levels, grow more complex each year. New laws are passed or court rulings are enforced that change the way an organization does business. These types of changes typically add to the expenses of the organization.

Throughout this text, we will examine how external environments and internal organizational dynamics make the task of managing in the arts a challenging and demanding job. The almost endless variety and changing circumstances in the world around the arts organization keep the manager's job from ever getting dull or routine.

For additional topics relating to an overview of arts and management, please go to www.managementandthearts.com.

Questions

1. Are you aware of any arts organizations that have been particularly successful or have faced difficulty in your community? Outline the situation, and explain why you think the organization did well or faltered.
2. Can you recall a work situation you have been in that was either positive or negative as a direct result of the manager in charge? What type of manager was this person (line, staff, functional)? What made this manager effective or ineffective?
3. List some examples of how you "manage" your life. Have you used any combinations of the management functions of planning, organizing, leading, or controlling to achieve objectives you have set for yourself?

SELECTING A PROJECT ORGANIZATION

Over the course of the semester select an arts organization and request (or download) a copy of its mission statement, bylaws, and other relevant planning documents (for example, a five-year plan) for a discussion in class. Based on the topics covered in this chapter, answer the following questions:

1. Does the organization seem to be fulfilling its stated mission? If yes, how? If not, why not? Does it have a vision statement? How does it articulate what it values?
2. Is the organization facing financial problems? Did it have a deficit or surplus in the last budget year? What is the deficit or surplus history of the organization?
3. Based on the information gathered, is it possible to ascertain if this is a well-managed organization? If yes, what evidence supports this finding? If no, what are the management areas that need improvement (e.g., planning and development, marketing and public relations, personnel management, fiscal management, board relations, labor relations, government relations)?

There are several sources for evaluating the general performance of an arts organization. Here are two links you may use to do more research about arts organizations:

1. <http://www.guidestar.org/>
2. <http://www.charitynavigator.org/>

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3. NEA Research Division Note #90 (Washington, D.C., July 2006), p. 1.
4. "The Nonprofit Sector in Brief:" Facts and Figures from the *Nonprofit Almanac 2007* (The Urban Institute, Washington, D.C., 2007), pp. 1 and 3.
5. Kevin McCarthy, Arthur Brooks, Julia Lowell, and Laura Zakaras, *The Performing Arts in a New Era* (Santa Monica, CA: Rand, Inc., 2001), p. 68.
6. <http://www.digitaldivide.org/dd/index.html>, January 2008.
7. <http://www.mpaa.org/researchstatistics.asp>, January 2008.
8. An example of one such study can be found at The Boston Foundation Web site under a report entitled *Vital Signs: Metro Boston's Arts and Cultural Nonprofits, 1999 and 2004*. The link is: <http://www.tbf.org/UtilityNavigation/MultimediaLibrary/ReportsDetail.aspx?id=7472&parentId=354>

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10. *Ibid.*, p. 8.
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