Management skills in the cultural sector: contradictions, needs and remedies

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Abstract

The paper draws from and builds upon earlier work on employment and training in the cultural sector. The sector, even fairly conservatively defined, has working in it some half a million people. Between a third and a quarter of those working in the sector are in organisations that receive public subsidy – i.e. are in the “supported cultural sector”. It is on this sub-sector that the paper concentrates.

“Supported” organisations in the UK appear to have difficulties finding people to occupy senior positions who possess both artistic and management skills. Concentration on either produces criticism – at one extreme, of “philistinism”, at the other, of “profligacy”. Where management is open to such charges, “supported” culture – which is supposed to be a “public good” – looses legitimacy. The consequence is that the public becomes less willing to pay taxes to support it, and government finds it easier to cut the allocations made for it.

The paper considers criticisms of management in the “supported” sector and at efforts improve management skills, especially as these are the responsibility of various quasi public-sector training bodies. It asks whether these are able to overcome the perceived contradiction between cultural excellence and sound management and, if so, how they are contributing to it being overcome.
Management skills in the cultural sector: 
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The cultural and creative sector has been the subject of increasing attention in recent years as its economic importance – as a source of employment and as a contributor to national competitiveness and even the balance of payments – is picked upon.¹ In the late 1980s, one finds talk in the UK of the so-called “cultural industries” (see Garnham, 1987), and shortly after the publication of an influential, if much criticised study entitled The Economic Importance of the Arts (Myerscough, 1988). In early 1998, the European Commission released a working paper entitled Culture, Cultural Industries and Employment (CEU, 1998), whilst at the end of 1998, the Department of Culture, Media and Sport produced its own Mapping Document (DCMS, 1998) that spoke of a sector employing some 1m people, adding net value of £25bn per year or four per cent of GDP and making exports worth £7-8bn per annum, and that was suggested to grow at some 5 per cent per annum in the coming years.

This paper is not concerned to debate either the size or the economic contribution of the sector (for this see Casey, 1998), rather it is to discuss the role of management in the sector. Moreover, it is not concerned with the sector as a whole but rather with a very specific part of it, the “supported” cultural sector. By this is meant that part of the sector that is frequently referred to as producing “high” culture (pace Williams, 1983), but can more usefully be defined as that part of the sector that is subject to market failure – in other words, that part the output of which is a public good. Production of that public good is possible only with public subsidy (see Casey et al, 1996). In the UK, this sector

¹ Sociologists have had other concerns, although they, too, have been discovering the sector. Adorno and Horkheimer (1977) were writing of cultural industries as early as 1947. Another frequently cited source is Bourdieu (1979 and 1993). However, here the prime concern is with how taste is formed and consumed.
has been estimated as providing jobs for some 120-170,000 people (Casey, 1998) and receiving in excess of £2bn of public money per year (Casey et al 1996).

Management in the sector is an object of concern, much as has been management in the rest of UK industry. Cultural sector analysts and advocates have turned to advice from the country’s closest equivalent to what in the USA would certainly be referred to as a “management guru” – Charles Handy, whose talk at the 1996 LIFT Festival is frequently cited (Handy, 1996). They have good reason to. In the last two years, the supported cultural sector has been the object of intense criticism. The most notable example has been the case of the Royal Opera House, which “exploded” in 1997. Not only was this saga of the ROH seen as jeopardising public subsidy of the arts, it gave ammunition to those who “believe that those involved in the [management of] the arts are endemically feckless” (Eyre, 1998:43).

However, to underline the problem was not specific to one part of the supported cultural sector, a little after Eyre was published a report on the management in museums and heritage was released. The much less noticed Holland Report (CHHTO, 1998) was commissioned before the ROH had come under intense scrutiny, and indeed, makes no reference to it. Its premise was that “to maximise the cultural, educational and recreational value of organisations in this sector, … good management is essential” (p1) and that existing management needed improving. Government thought so too. It was under the Department of Trade and Industry’s Sector Challenge Fund that the report and its follow-ups were financed.

The DCMS’s Mapping Document, which, as has been made plain, took a thoroughly “extrinsic” view of the cultural and creative sector, was primarily concerned to identify potential barriers to its future growth, and an important one of these that it identified was skills. The only part of the supported sector to which it made reference – surprisingly, it

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2 This sum refers to 1993/4, the last year before the Lottery. The impact of the lottery has been as much on what is financed as how much finance the sector receives, in so far as it has meant a shift from revenue support to capital support.
did not mention museums or heritage organisations – was the performing arts, where it reiterated as an “issue” the need to use public money efficiently” but also dwelt upon the need to concentrate upon improving the ability to manage human resources, raise sponsorship and promote touring and exports.

Lastly, and although not concentrating upon the supported sector alone, but on a rather wider definition cultural sector, an investigation of learning using a special analysis of the Labour Force Survey, found that although the workforce in the sector was, prima facie, relatively well qualified, those who held managerial occupations were considerably less so – the proportion with a degree was only 19 per cent, compared with the 32 per cent for the sector as a whole the proportion with NVQ3 or equivalent level qualifications is only 40 per cent, compared with the 48 per cent of the sector as a whole (Casey, 1997).  

**What is management in the sector?**

The question as to what is or, perhaps better, what should be management in the cultural sector is subject to considerable controversy. There are two polar extremes, although to some extent, these are each represented by straw men, constructed by the one side to castigate the excesses of the other. Here they are summarised, and then the views of those who seek to find a middle way are explained.

On the one hand, and possibly on the left, are those who see cultural sector management as inherently different from other management. It is seen as about an exchange between the makers or creators of art and their audiences or customers, and is exemplified by the statement “arts administration is concerned with fashioning a contract, not making a sale … and the nature of that contract is an aesthetic one” (Pick, 1980:8). Management in the sector defines itself by its opposition to conventional management. As another has put it, “management theory remains for the most part utilitarian in its motives and goals” and “the high priests of modern cultural thinking see resisting utilitarianism as one of the vital

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3 NVQs (and SVQs) area system of nationally recognised vocational qualifications, either given in their own right or used as a benchmark for other qualifications. NVQ level 3 is presumed the equivalent of a matriculation; level 4 is a degree equivalent.
roles of culture” (Cooke, 1997: 37). One of the ways in which this rejection manifests itself is in what is, in effect, a rejection of management. Having pointed out that cultural sector administration is a product of the last two decades and that before that most organisations in the sector were run as collectives, the adherents of this view (see especially, Pick and Anderton, 1995: 116ff) seem to wish to recreate the past. They advocate “holistic” and “bottom up”, not “top down” systems of management, that “empower” all those working a given organisation.

At the same time, adherents to this view would tend to reject management as something that can, or should, be learnt or taught. They argue that arts administration “cannot be learnt from a manual”, even if other administration can (ibid: 1), and cannot be judged by outsiders (p2). In this respect they are firmly identified with the perspective that sees all cultural sector skills as different from “mere” manufacturing skills, that innate ability, or creativeness, is more important, or the only thing that is important, and that much of the learning, it is “learning by doing”, or “starting from the bottom and working one’s way up”.

On the other hand, and possibly on the right, are those who would subscribe to the conclusion of the Select Committee on Culture, which concluded, having reviewed the ROH, that “the first duty of the [ROH’s] administrator [should be to make decisions] based on a financial assessment, not on artistic sentiment. The administrator must be chosen for his or her business skills; we would prefer to see the House run by a philistine with the requisite financial acumen than by the succession of opera and ballet lovers who have brought a great and valuable institution to its knees” (SCCMS, 1997: para 60). Adherents to this extreme position are, in fact, rather difficult to find, but the fact that they are brought into the argument is important. Much of the current debate about the succession to the office of chief executive of the BBC is conducted in terms of criticism of the style of the present incumbent, who was recognised as having placed the corporation on a sound financial basis but at the cost of “the expansion of management”,

4 For the film industry see Langham (1993); for singers, see Towse (1993).
the introduction of internal markets and “surrounding himself with strategists”, at the cost of “desiccating creativeness”. Yet there are those who would argue that an organisation such as the BBC “needs more business not less – as the media environment becomes more competitive not less, its head requires business nous. BskyB, its competitor in the market place, is not run by a competitive person” (Newman, 1999).

No doubt adherents to this view, who might sign up to Sir Henry Irving’s valedictum that “the theatrical enterprise must be carried on as a business or it will fail as art”, would regard management training as of critical importance. They would subscribe to the acquisition of higher level skills and would, no doubt, insist upon the primacy of the Master in Business Administration over the Master of Arts.

As usual, there is a middle way. The Independent Theatre Council makes very explicit its view that “good art does indeed thrive upon good management” (ATJ, 1999). A recent review of the arts administration debate (see Kay and Summerton, 1998) recognised three things that management in the sector should be about – the creation of conditions in which artistic activity can happen and be sustained; the understanding of complex relationships (and, hereunder, dealing with labour force and outside world of customers, funders and government); and the management and anticipation of change (including being proactive and making guesses, whilst never being certain exactly what will be a “hit”). The Holland Report (op cit: 9) points to the critical role that senior administrators have, both having to manage downward (for example, to staff, but also to customers) and upwards (for example, to funders, but also to the general public). More importantly, the latter emphasise that cultural sector organisations are not *sui generis*. It points out that managers in small organisations face many of the issues and difficulties that are faced by managers in small businesses in other sectors. It also points out that larger organisation have commonalties with, at least, academic institutions and research institutions.

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5 What exactly Irving meant in the quotation of the previous paragraph is subject to debate. It has been argued that Irving did not mean theatre should be a trade, or for profit, but that it should appeal to the public and excite its audience (see Pick and Anderton, 1995:16-17). On the other hand, this also seems to imply that it must fill seats to survive, or, in the case of subsidised theatre, behave in a way that ensured it had the public support that ensured subsidy was forthcoming.
Turning from management need to management failings, the Eyre Report (op cit: 43) points out that it is not only organisations in that sector who are guilty of fecklessness, and it alludes to utilities and some commercial enterprises the conduct of which had been subject to contemporaneous opprobrium. Turning from management in the cultural sector to management more generally, it is appropriate to note that a recent study on the changing role of senior managers quoted one as likening his role to that of a "an ice skater. To be effective demands high scores for technical, merit and artistic impression" (Kettley and Strebler, 1997: 21). Perhaps that senior manager had read Tom Peters (1994) who is on the record as saying that “business can learn from the arts, especially with creativity taking on increasing importance in the commercial world”.

This middle way recognises the need for a competency-based management and the possession of a gamut of “technical” or “functional” skills. It implies that in response to greater complexity and greater demands, management in the sector has changed. Moreover, it sees the skills necessary as something which needs to be possessed, as far as possible, within the organisation. The Eyre Report criticised the management of the ROH for “excessive faith in consultancy advice” (op cit: 26) and saw this as “a measure of insecurity and inadequacy” of existing management (p104). It clearly favours a role for training, in order that managers can “see the connection between things rather than pride themselves to seem the specialist authority” (Cooke, 1997: 37) and to enable them to develop “multi-rational strategies” that can take account of commercial as well as cultural considerations (Björkengren, 1994:4).

This gives a potential agenda for management development and management training for the sector. This is the subject of the next section. However, it leaves unanswered the question of priorities and whether, even in the organisation which recognises it has to survive as a business, it is the cultural or the managerial talent which should, ultimately, dominate. This is the subject of the concluding section.
Introducing management training

Attempts to introduce more rationality into cultural sector management are not new. Already at the start of the 1970s, the Arts Council of Great Britain initiated a committee of inquiry to look into management training in the publicly funded sector. Its report started out with the recognition that “the skill needed [by a cultural sector manager] is a specialist one, because it involves a full understanding of the needs of the artist as well as a knowledge of accountancy and law and the problems of organisation and publicity” (Björkengren, 1994: 1). More than a quarter of a century later, the Holland Report reiterated that by saying “professionals should recognize that at some stage of their careers they will also be a manager – the ideal model of a museum professional is one in which both professional and management competencies are embraced fully” (CHNTO, 1998:43). In the interim there have been other reports, including the 1987 Hale Report on Museum Professional Training and Career Structure. Of course, the sector was not alone in being examined and having prescriptions made to it, almost all the rest of UK industry was subject to scrutiny and exhortation on its management shortcomings, and it is an open question as to whether the cultural sector, relative to its size and perceived importance or lack of it, “got off lightly” or the reverse.6

As with other industries, the sector acquired, or spawned, Lead Bodies and Industrial Training Organisations – in its case METIER (formerly the Arts and Entertainments Training Council) and the Cultural Heritage National Training Organisation (formerly the Museums Training Institute), both dating from 1991. In turn, these became involved in the design and diffusion of recognised qualifications via the NVQ/SVQ system. These qualifications are directed primarily to skills conventionally associated with the sector, such as “conservation” and “collection care” (CHNTO) or “scenic fabrication” and “stagecraft flying” (METIER). However, METIER, having become conscious that the high rate of business failures in the sector might be mitigated by better business training, has started to direct its efforts to the provision of such, rather than, as it initially intended, merely the provision of “creative” training. Thus, it now

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6 The ROH certainly did not. One need only recall that the Eyre Report was but one of a line, including the Priestly Report of 1983 and the Warnock Report of 1992.
offers NVQ at level 3 in “cultural venue administration” and in “administering cultural 
products” and at level 4 in “developing and delivering cultural products”.

The CHNTO’s more recent concern with management training has also been referred 
to. The body also “approves” postgraduate (masters) courses in the museum and 
heritage field that provide some introduction to management as an element. On the 
other hand, the total number of courses that provide this level of training is limited. A 
recent inventory, covering the entire cultural sector, listed 15, of which two had still to 
be validated (Walters, 1998). On top of this, the inventory identified two MBA 
courses that had “arts management” as an elective option. The overall conclusion was 
that there existed few courses targeting post-experience senior managers and that no 
provision had been made for training and development to complement new lottery 
funded project responsibilities. The Holland Report pronounced satisfaction with the 
content of the management modules in museum studies postgraduate studies it 
reviewed, but it also accepted that these modules were relatively theoretical and that 
graduates (assuming they did find work in the sector) had little opportunity to practice 
the skills they had learnt in their initial jobs.

Post experience training has relied upon rather small-scale activities. Examples are the 
day courses run by the Art Training Network for small and medium organisations under 
the name National Foundation Programme in Arts Management and covering such issues 
as finance, marketing and legal and personnel issues, and those run by Area Museum 
Councils, which makes similar provision for the heritage sector. The Arts Council is also 
“belatedly … holding courses in business for arts managers to ensure that they know as 
much about cash flow as creativity” (Thorncroft, 1998). However, in the past its 
provision has been criticised as being closed to “outsiders” from elsewhere in the 
subsidised sector, thereby preventing the sharing of experiences with arts organisations 
funded by local authorities or from voluntary (not-for-profit) organisations with cultural 
or other interests (ATNN, 1997).
The private sector, through Business and the Arts (formerly the Association for Business Sponsorship of the Arts) provides external managerial advice to the sector and also offers business training opportunities to arts managers that they might not otherwise be able to afford or access. These include participating companies offering free places to arts managers on courses they run for their own staff (on subjects such as time management or presentation techniques) and have even involved companies creating special courses (see ABSA, nd)

Nevertheless, and as the Holland Report remarks, it is difficult to avoid the conclusion that “to date (but with notable exceptions), management and management skills have not widely been embraced with enthusiasm by … professionals within the sector” (op cit: 3) and that “management development is ad hoc and is not frequently pursued beyond the most basic levels” (p42). Although Holland was talking about museums and heritage organisations, there is no reason to believe that what applies there does not also apply to performing and visual arts organisations, too.

The reasons for this are twofold (see especially, Walters, 1998; CHNTO, 1998). First the physical structure of the sector militates against management training. In this respect, reference is frequently made to the small size of the sector, which means it is difficult for key (or any other) workers to be away from position for any period of time, to the lack of resources of the sector and the volatility of funding, which means that there is little certainty that training, even if it can be paid for, can be amortised, and, in many larger organisations, to the separation of managerial and cultural tasks, which means that cultural “professionals”, be they curators or artistic directors, move in parallel career paths. Second, the ideological structure is unsupportive of it. This has been referred to earlier. Specifically, it has tended to mean that “professionals” enter the sector intending to be that and not wishing to be “managers” and many of their associations, and the organisations in which they work, encourage that. In many cultural organisations, appointment to senior positions is on the basis of professional expertise rather than managerial competence. Administrators, per se, are seen to lack a professional status, and it is said, can be sidelined and are regarded with indifference or hostility.
What more is needed

If a key objective of the Management Charter Initiative is to raise the competence and status of management in general, those who have examined the cultural sector share the view that this is a necessary for management here, too. Even those who criticise the hierarchical structures or utilitarian orientation that they see “management” implying, recognise the need for competence and responsibility amongst those working in the sector. They also recognise the increased complexity of the sector, and whether or not they like what it means, they recognise that the environment in which it operates has changed and must, to an extent, be accommodated to.

At a general level, they all tend to subscribe to certain principles. Thus, even if there is disagreement about what managers are or should be, there is a general agreement that the status of managers needs to be enhanced. This might or might not mean the creation of a “professional body”, and it is noticeable that sector specific bodies do not appear to exist. There is also an agreement that the administration and management need to be confronted and that those in the sector need to develop their skills. There is a burgeoning interest in training, such that internet links are being developed and a nationally circulated journal dedicated to training now exists (see the Arts Training Journal and the associated web site www.artstraining.org.uk). Regardless or course content, and the perspective on “management” taken by those who are writing or organising training, participation in courses is seen as helping break down the isolation of those who have the task of running arts organisations. Moreover, in so far as courses notified are not cultural sector specific but are often directed to the voluntary or local government sector more generally, they open up the sector and diminish not only the isolation of individual managers but also of the sector as a whole. This is recognised in the Holland Report, which recommends the further development of “networking”, and recognising the value seen in it by managers themselves as part of their development.

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7 The Institute of Leisure and Amenity Management covers a much broader sector and on to which many in the cultural sector might have little affinity. In researching this paper, the author discovers a Theatrical Management Association, which seemed to have only one full-time worker, and no body with management in its title covering museums and heritage.
However, such prescriptions remain essentially vague. It is only by being so that they can reconcile the often very contrary views of what management in the sector should be about. It is comforting to recognise that many of the issues over which the sector agonises are the subject of discussion in management literature in general. The fact that that literature pays increasing attention to “general competencies” means that it talks much more about the “‘softer’ aspects of management style and behavior” and the development of an “empowering style” (Kettley and Strebler, 1997:33) than it might have been thought to do in the past. However, whilst it potentially makes the discussion of “management” less alien, it does so only because the literature in question remains at a very general level.

To go beyond vagueness, the sector needs to confront and answer a fundamental question, namely that of which of the competencies – professional and managerial – takes precedence and when. An examination of the succession at the ROH and the BBC highlight the unresolved dilemma. The Eyre Report talks of the need for “strong, expert, creative, visionary leadership, underpinned by sound financial and management expertise, [as] the key to the success of all artistic enterprises” (op cit: 43) which seems to place primacy on professional competence. The appointment actually made, of a “fund raiser” has been criticised as placing the emphasis “on running a business rather than developing an artistic organism” (Clark, 1999a). Yet other commentators pointed to the New York Metropolitan Opera, where a chief executive has overall command and has reporting to him an artistic director, as having been the model that the ROH rightly followed (Clark, 1999b).

With respect to the BBC it was also asked if the new chief executive should be “from a creative or a business background” (Newman, 1999). In trying to answer, the fall back

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8 The Met does not go uncriticised, and has been denounced as an “unfeeling, excessively corporate enterprise, its work driven by fiscal rather than artistic objectives” even if its chief executive is praised for “his negotiating skills, his tenacity, or his admirable willingness to be accountable for decisions he has made. (see www.parterre.com/volpeera.htm)
was that “in reality, the governors are looking for an all rounder: an intensely creative person who displays commercial ability”. Yet this is evasion not response, unless such an “all-rounder” actually exists. In the case of the ROH, reference was made to a previous intendant of the Paris Opéra, Liebermann, who, in the 1970s “did not share power with an executive director, just built up a team of lieutenants and showed everyone, from politicians to stage staff, who was in charge”, and to the current intendant, Gall, who has “artistic sensibility and commands extraordinary loyalty amongst singers, conductors and stage directors, … [whose] job is … to give the French taxpayer value for money, … [who] has the right political connections, is tough and … [who] knows how to cast an opera” (Clark, 1999a). As well as being highly unlikely that such an authoritarian structure would be acceptable to the proponents of “holistic”, “bottom-up” management, it is by no means certain that such a manager would survive other than in a system in which the state is prepared to support grand cultural projects with little regard for their cost. Indeed, such a system might produce such managers. It is not surprising that in most cases an alternative path had to be trod and that a decision in one direction of the other has to be made.

In the case of the UK, the chosen direction, at least in the larger of the supported organisations, appears to be in the direction of giving increasing precedence to functional rather than professional skills. However this does not have to mean a victory for the “Daleks” as the chief executive of the BBC as once described (Walker, 1999). Were the sector more outward looking, it would acknowledge that other professions have encountered problems not dissimilar to those that it faces. Specifically, it would look at how these have debated and tied to come to terms with need for functional specialisation. For example, many doctors surgeries and solicitors offices employ practice managers as well as medics and layers. It would also acknowledge not only that those who begin as professionals not only might have to learn to be managers and but also might profit from it, and that not all of those who have functional skills are not devoid of understanding of professional demands and inherently hostile to them.

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9 In spring 1999, the British Museum appointed its first managing director, with responsibility for resources and communication and reporting directly to the board of trustees.
Larger organisations can, of course, accommodate functional specialisation. Smaller organisations – and much of the supported cultural sector is made up of such organisations – can do so less easily. For them prioritisation becomes a question of time and resource management. They cannot escape complexity, and they cannot avoid decisions. They have “management”, whether they call it that or not, and it is important that this management, and thus their decision making, is as informed and analytic as possible. The essence of good management training is equipping people to make decisions in the best way, which means to understand alternatives and implications. Management training seldom has payoffs in the form of immediate answers, although for small organisations, with limited experience, it can provide even this. What it does do is to open new approaches to problems, encourage discussion and reflection, and gradually open out new vistas for those who participate.

Taking management seriously enhances the legitimacy of the supported sector in the eyes of those outside on whom it is dependent. It also enables the sector to reequip itself better to deliver better what it claims to be producing and to rethink what it ought or might be producing.

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