

# Does it matter who is in charge? The influence of the business paradigm on arts leadership and management

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**Keywords** Leadership, management, arts organisations, boards, business.

**Abstract** Interpreting the 'arts as business' has become the mantra of the present time. Arts organisations are encouraged to be 'business like' in their operations with corporate style management structures and governance. This paper explores the development of this phenomenon in Australia in particular and questions the rationale for the approach as well as its impact. It does this within the context of a discussion about leadership and management of arts organisations and an exploration of the meaning of these terms in the arts. Finally, there is consideration of the core business of arts organisations and how that may be affected by the changing paradigm.

**Biography** Jo Caust is Associate Professor of Arts and Cultural Management at the University of South Australia and has been the program director of the University of South Australia's arts management program from 1997 to 2005. She is also the managing editor of the Asia Pacific Journal of Arts and Cultural Management and a guest editor in 2005 of The Journal of Arts Management, Law and Society. Prior to her academic career she worked in many different theatre companies and arts organisations in Australia and in the United Kingdom as a performer, writer, director and manager.

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## Background

There are many issues that surface in relation to current discourse and industry practice around leadership and management models in the arts sector (Chong 2000, Lapierre 2001, Pick & Anderton 1999). The difference for instance between the leadership and management of arts organisations is an interesting area for discussion (Creese 1997, Lapierre 2001, McDaniel & Thorn 1993). While much attention has been paid in recent years to the effective management and leadership of arts organisations (Byrnes 2003, Hagoort 2000, Pick & Anderton 1996, Radbourne & Fraser 1996), some commentators argue that there has been a tendency for arts managers, educators of arts managers and the boards that govern arts organisations, to be focused on the 'mechanics' of management rather than on the 'nature' of the work being managed or the type of leadership being offered. (Brown 2001, Chong 2000, McDaniel & Thorn 1993, Protherough & Pick 2002). It is also asserted that leadership of arts organisations is different from the management of arts organisations and that arts leadership usually resides with artists or artistic leaders (Creese 1997, Fitzgibbon 2001, Lapierre 2001). Over the past decade in Australia a major change has occurred in the environment for arts organisations with the introduction of the business paradigm (Nugent 1999). So the area of leadership of arts organisations is an interesting area for exploration, particularly in a climate where business and managerialist values appear to be dominating the sector (Caust 2003, Hawkes 2001, Protherough & Pick 2002).

The Asia Pacific Journal of Arts and Cultural Management is available  
at: <http://www.artsman.journal.unisa.edu.au/>  
and is produced by the School of Management:  
<http://business.unisa.edu.au/management/>  
University of South Australia: <http://www.unisa.edu.au/>



This paper explores in particular the changing discourse about management and leadership in the arts given the influence of the business paradigm. The nature of leadership and management are discussed in relation to the different qualities they exhibit. The framing of leadership in the arts is also considered in this context, when arts leadership is seen as the prerogative of artists and not necessarily of the manager in the role of organisational leader. There is a focus on the expectations of leaders and managers of arts organisations within the context of government intervention. The changing profile of leadership of both arts organisations and funding bodies in the sector is then noted. In particular, the paper explores the possible impact on arts organisations of appointing boards and managers who have mainstream business backgrounds. Questions are then considered about the potential for a cultural clash between business priorities of boards and managers and the vision of the artistic leaders.

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### **What is understood by leadership and management of arts organisations?**

When considering the terms 'leadership' and 'management' it is relevant to consider their Oxford Dictionary definitions where 'management' is seen as a component of 'leadership' but 'leadership' is not mentioned as a component of 'management' (Tulloch ed. 1995: 866 & 927). Yet most senior management positions in organisations would be seen as having both a leadership and management function. Daft discusses the difference between the two:

Whereas management calls for keeping an eye on the bottom line and short-term results, leadership means keeping any eye on the horizon and the long-term future. (Daft 1999: 39)

So in this definition the function of leadership is on the big picture while the function of management is focussed on the detail. Kotter (1988) suggests that management tools may be generic whereas leadership has a different, possibly unique, quality that varies according to the situation. He says:

In a more general sense, management is different from leadership in that it is more formal, scientific, and hence universal. That is, management is more a set of explicit tools and techniques, based on rational reasoning and testing, that are designed to be used in remarkably similar ways across a wide range of business situations. (Kotter 1988: 22)

In Kotter's definition management skills may be transferable from one situation to another while leadership may be more related to specialist knowledge or particular qualities. In 'knowledge management' organisations which is how arts organisations might be described in the generic literature, everyone may manage and everyone may be a leader, depending on the task and the knowledge of the individuals. In this context the differences between the two roles becomes more blurred. If you ask a manager if they are a leader, they will usually say yes they are. In fact, Yukl notes that:

Leadership is an important role for requirement for managers and a major reason why managerial jobs exist. (Yukl 2002: 21)

Perhaps a key question in this discussion is one that John Kotter asks: which values are being given priority, management values or leadership values? (Kotter 1999).

Literature about the 'not for profit' sector has much relevance to the arts sector. Drucker, for instance, notes that a characteristic of the not-for-profit environment is the existence of a number of bottom lines, not just one (Drucker 1990: 17). He also draws attention to the multiplicity of constituencies. He comments:

You can't be satisfied in non-profit organizations with doing adequately as a leader. You have to do exceptionally well, because your agency is committed to

a cause. You want people as leaders who take a great view of the agency's function; people who take their roles seriously-not *themselves seriously*. (Drucker 1990:17)

In this statement, some of the key issues involved in arts leadership and management emerge. Drucker suggests that the leadership and management of not for profit entities may carry a greater amount of complexity than a conventional corporate organisational model. The individual leader in this context should not be drawn by a desire for personal power or status, but by a desire to serve the needs of the organisation. This can be applied to the arts context where the arts manager's role may be interpreted as there to serve or facilitate the artistic vision. Certainly arts leadership is operating on a different paradigm than merely delivering a healthy bottom line.

It is observed that arts leadership is focused on realizing a vision (Lapierre 2001). However Lapierre, while noting the particular challenges of leadership within the artistic framework, also argues that the leadership of an arts organisation always resides with the artists.

Its leadership source is the work being conceived, created or performed...More than any other type of leader, the artistic leader is engaged in a perpetual struggle against the normal and legitimate tendency of management to apply a logic of organization, bureaucratization and rationalization....Leadership is the responsibility of the artists, regardless of their hierarchical position or role within the organization (performer, creative head, director); management on the other hand, is in the service of and subordinate to this ultimate artistic goal. (Lapierre 2001:6-11)

Thus Lapierre argues that management functions can have a negative impact on the nature of arts activity. Its role in the arts context, in his view, is to serve the needs of the artists who provide the leadership. This raises issues for both the leadership and management of arts organization however. If the organisational leadership position is occupied by a person in a management role (for example a Chief Executive Officer (CEO), the artistic leadership may be provided by a person lower in the organisational hierarchy and/or there only in a temporary capacity (for example in festivals, opera companies or orchestras). Thus there may be almost an inversion of conventional roles where the manager may be the Chief Executive Officer (CEO) but not seen as the leader or driver of the vision. Tension may develop therefore between the desires of the artistic leader and the accountability expectations of management (Caust 2004). Both Byrnes (2003) and Pick (1996) talk about the necessity for people in management roles in the arts to play an 'enabling' or 'facilitating' role. Thus the role of manager in the arts (whatever the title designation) is not perceived as the provider of the vision for the activity or organization, but a role which provides support for the artistic vision of the artists. Leadership in this context can also be interpreted as the manifestation of knowledge and inspiration in relation to the artform, rather than positional 'leadership' in an organisational context.

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### **A changing relationship with funders**

Not-for-profit (or in Australian terms 'subsidised') arts organisations are often beholden to government funders for their survival, which means that they have to conform to those funders' expectations of accountability (Arthurs & Hodsoll 1998, Gillesphy 1999, Turbide and Laurin 2003). While the proportion of that funding as related to overall turnover may be declining<sup>1</sup>, it could be argued that the degree of expected accountability is increasing (Brokensha 1996, Protherough & Pick 2002). This may be coupled also with a necessity to conform to the expectations of sponsors, who want a return from their financial investment (Stevens 1996, Wu 2003).

Curiously many government funders, seemingly operating within both 'managerialist' and 'economic rationalist' paradigms, have demanded in recent years that the arts organisations they fund, conform to mainstream business standards and outcomes (Brokensha 1996, Nugent 1999, Protherough and Pick 2002). Instead of focusing on the quality of the arts practice being delivered, it could be concluded that the funders are more concerned with financial returns (Brokensha 1996, Nugent 1999). This is a curious development because, historically, government intervention occurred because it was recognised that arts practice was not commercial by its nature and needed the support of government to survive (Cummings and Katz 1988, Horne 1988, Pick 1988, Pick & Anderton 1999, Williams 1989). The changing of the paradigm has meant that the focus of arts boards and many arts managers has moved towards a focus on single bottom line outcomes (Brokensha 1996). 'Arts as business' has become the dominant mantra (Cowen 2000, Pick & Anderton 1999, Wu 2003).

In Australia an emphasis on business values has resulted, for instance, in the national arts funding body, the Australia Council, creating a Major Organisations Board which is mostly comprised of business people making funding decisions about arts organisations. The Nugent Enquiry in 1999 into major performing arts organisations, which made recommendations about their future, was chaired by a banker and dominated by a business paradigm. The report that resulted, *Securing the Future*, on the one hand recommended increased funding for several organisations, but on the other hand introduced a raft of business expectations for arts organisations, if they wanted to receive that funding (Nugent 1999). The contradictions in this argument were not recognised: if increases in subsidy were necessary for the organisations to survive, why was it expected that the organisations would be able to operate as mainstream businesses with a single bottom line expectation? In the move towards the business model, it would appear that both the 'art' factor and the 'not for profit' paradigms may have disappeared.

As part of the approach to interpret all large performing arts organisations as businesses, the Australia Council's Major Performing Arts Board has published a "Principles of Corporate Governance and Good Practice; Recommendations for Major Performing Arts Sector" (Australia Council 2004) where it notes:

...in relation to membership of arts organisations it is recommended that the Board should be structured in such a way that it:

- Has a proper understanding of, and competence to deal with, the current and emerging issues of the business, including the management of risk
- Can effectively deal with and challenge the performance of management and exercise independent judgement. (Australia Council 2004:2)

What is notable here is the interpretation of the activity as 'business', the highlighting of 'risk management', the desire for 'independent judgement' and the emphasis on management per se. Indeed, the emphasis on 'risk management' might be seen as a negative framing of what is fundamental to all arts activity – taking risks. The use of the term 'independent' could be interpreted as a need to have board members who are outside the arts, while the emphasis on 'performance of management' rather than leadership suggests that the Board is there to ensure efficiency and accountability more than effectiveness.

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### **Changes in arts leadership**

It has been observed in the United Kingdom (UK) that there was a change in who was appointed by government to leadership positions, particularly in the arts funding sphere. For example the appointment of the former director of the Association for Business Sponsorship in the Arts (ABSA) in the UK to head up the Arts Council of Great Britain in the mid eighties (Luke Rittner), illustrated the shift in attitude by government in the UK

to both the arts and subsidising artistic activity (Chong 2003). Rather than appoint a conventional arts administrator, an individual who had played a significant role in converging arts *with* the corporate sector was appointed. Clive Gray observes in the United Kingdom that in the first 45 appointments to the Council of the Arts Council of Great Britain (ACGB), 22% were from the arts and 5% were from business, whereas of the last 45 appointments, 26% have a business background and 15% are from the arts (Gray 2000, 129).

Over the past decade in Australia there has been a changing of the guard of decision makers, board members and arts leaders in the arts sector. Recent senior appointments in arts organisations and in the arts bureaucracy seem to reflect a focus on finding business people rather than arts people. In this discussion it is interesting to consider the present leadership of the arts funding bureaucracy. For instance since the inception of the Australia Council in 1973, the tradition generally has been to appoint Chairs from the academic sector (Donald Horne, Margaret Seares, Peter Karmel, Geoffrey Blainey), the public sector (H. C. 'Nugget' Coombs) or the arts sector (Rodney Hall, Hillary McPhee). Timothy Pascoe as an executive chair may be seen as unusual, as he came from the private sector while also running a consultancy service for the arts. In June 2001 the Federal Government announced that an IT expert would head up the Australia Council backed up by a deputy chair who was a banker (Strickland 2001:11). This situation did not last however, and the IT expert, Terry Cutler, announced in April 2002 that he was resigning after only nine months in the position amid rumours that he was frustrated with the complexity of the portfolio (Dramatic Online April 15 2002). The Federal government then replaced him as Chair with David Gonski, a successful businessman and corporate director (Lawson 2002).

The membership of the Major Performing Arts Board (MPAB) of the Australia Council also reflects a business paradigm. The founding chair of the Board was Helen Nugent who is from the banking sector and the present chair is Mel Ward who is a former managing director of Telecom and is on the boards of several major organisations. Of the eight current members of the MPAB Board, six (75%) are from the business/commercial sector.

Since the mid-nineties many of the CEOs appointed to lead the State (i.e. in New South Wales, South Australia, Victoria and Queensland) arts funding agencies have either been senior civil servants or corporate specialists with little or no arts background. These appointments could either be interpreted as attempts to make the arts 'respectable' by making it part of the mainstream or, alternatively, as giving the arts 'defenders' who have mainstream credibility and influence. However it could also be seen as a way of removing what is individual and unique about the arts, when art specialists are given no place in the negotiation with government. For instance Roger Wilkins, a career public servant and now the Director-General of the Arts in New South Wales (while keeping his previous portfolio of Cabinet Secretary), notes that:

The arts is [sic] no different from a lot of areas of policy which I see from where I sit. (Gallasch 2002: 1)

This begs a question: are the arts different? Should arts organisations be treated the same as any organisation and be pursuing a single bottom line outcome?

Since the implementation of the Nugent report (Nugent 1999) and the establishment of the Major Organisations Board at the Australia Council (Australia Council 2000), the employment trend for Chief Executive Officers (CEOs) of major arts organisations (the use of the word 'major' is related to size of revenue, rather than the quality or significance of the work), has emphasised that they be 'business leaders' and 'managers' first, rather than people who demonstrate a knowledge of the artform involved. For example in 2003 the position of Managing Director of the Sydney Symphony Orchestra was advertised (*The Weekend Australian* 2003:30). In the advertisement, the word 'business' was used three times, and the word 'artistic' used once. Although there was

a request that the candidate demonstrate knowledge of 'orchestral music', essentially the expectation was for a 'business leader'.

It was not surprising, therefore, that the appointee (Libby Christie) to the position came from the commercial world rather than the arts, and had a background in IT, banking and communications (Lawson 2003). Christie noted on her appointment, that the interviewing committee:

...were in fact more interested in my business background and commercial skills. (Christie quoted in Lawson 2003)

The previous incumbent, Mary Valentine, had been in the position of Managing Director of the Sydney Symphony for many years and had had a distinguished career in arts administration. The organisation appeared to thrive under her management so it is curious that the Board preferred to replace her with someone with a mainstream business background. Similarly in 2003 a person with a background in business was appointed to run the Sydney Opera House. Rob Brookman, the General Manager of the Sydney Theatre Company was interviewed in *International Arts Manager* in 2004 about the complexity of running a major theatre company and a venue with a multi-million dollar turnover. In this interview Brookman was asked whether he thought major arts organisations should be run by people with a business/financial background as compared to a background in the arts. He said:

I don't see that being able to add up and martial physical, human and financial resources is mutually exclusive from understanding the creative impulses that make terrific art. (Brookman, 2004: 14)

Brookman is arguing here conversely that there is no reason why people with an arts background would not successfully understand the business side. He also notes that senior roles in arts organisations require more than an understanding of figures. This resonates with Drucker's (1990: 17) point, discussed above, about the complexity of running not for profit organisations given their multiple 'bottom lines'. When commenting on his sacking from the leadership of the Adelaide Symphony Orchestra in 2003, the then-managing director said that he had a difference of opinion with the board because the chair of the board saw the arts (and the running of an orchestra) as being like any other business, whereas he believed it was about the making of 'art' first and foremost. He said:

I am interested in the orchestra as an artform, as an arts organisation. Perhaps the emphasis these days is to run arts organisations as businesses. (Clarke quoted in McDonald 2003)

This statement suggests a significant cultural difference between the expectations of a manager with an arts focus and a board with a purely business focus.

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### **A profile of current board membership**

The influence of the business paradigm is interesting when considering present board membership of major arts organisations in Australia. In May 2005 I conducted an online survey of major performing arts organisations in Australia to ascertain the professional backgrounds of board members. The organisations were selected because they are all defined as major performing arts organisations by the Australia Council and, thereby, receive funding from the Major Performing Arts Board (MPAB). Additionally, organisations were selected for the survey if they provided a list of their current board members' names on their respective web sites. Thus not all organisations funded by the MPAB were included because some organisations did not provide a list of their board members online. So out of a possible total of 29 organisations which are currently funded by the MPAB, 19 organisations were included

in the survey (in other words 65% of the target group). If the background of the board member was not included on the organisations's web-site, the 'google' search engine was employed by the researcher to clarify the board member's professional background. In addition, the background of the chair of each organisation was also noted separately. While it is acknowledged that this method of surveying may not be completely accurate because an individual may be confused with another individual of the same name and location, it is likely that the error of mistaken identity will be fairly low given the capacity to cross reference against other variables (such as the individual's interests or other board appointments).

Individuals were classified in the survey as having a 'commercial/business' background if they worked in business, accountancy, law or advertising/marketing. The category of 'law' was included here because many of the board members with a legal profile were from a corporate legal background and essentially worked in a business/commercial environment. The organisations included in the survey were the Australian Ballet Company, Opera Australia, the Sydney Symphony Orchestra, the Melbourne Symphony Orchestra, the Queensland Symphony Orchestra, the Western Australian Symphony Orchestras, the Adelaide Symphony Orchestra, the Sydney Dance Company, Queensland Theatre Company, Queensland Ballet Company, Australian Brandenburg Orchestra, Australian Chamber Orchestra, Bell Shakespeare, Musica Viva, Orchestra Victoria, Opera Queensland, State Opera of South Australia, Western Australian Ballet, and WA Opera.

**Table 1 Profile of Board Membership of Major Organisations**

Organisation	Number of Board Members	Number of Board members with a commercial background	Percentage of board members with a commercial background	Chairs with a commercial background
Australian Ballet	13	8	61%	yes
Opera Australia	9	4	44%	yes
Sydney Symphony	12	8	67%	yes
Melbourne Symphony	14	6	43%	yes
Queensland Symphony	9	3	33%	yes
Western Australian Symphony	9	5	55%	yes
Adelaide Symphony	10	4	40%	yes
Sydney Dance Co	6	4	67%	yes
QLD Theatre Company	11	5	45%	no
QLD Ballet	9	5	55%	no
Australian Brandenburg Orchestra	9	7	78%	yes
Australian Chamber Orchestra	11	7	64%	yes
Bell Shakespeare	8	5	62%	yes
Musica Viva	11	3	27%	yes
Orchestra Victoria	8	4	50%	yes
Opera Queensland	8	4	50%	yes
State Opera of South Australia	6	-	0%	no
Western Australian Ballet	11	6	54%	yes
WA Opera	9	5	55%	yes
<b>Totals</b>	<b>183</b>	<b>93</b>	<b>51%</b>	<b>16</b>

## Discussion of results

The membership size of boards of organisations surveyed varied with the average size being around 9 members. However, one organisation (Melbourne Symphony Orchestra) noted that it had a board membership of 14 while two others (Sydney Dance Company, State Opera of South Australia) listed a membership of only 6. It is possible that both organisations had board vacancies but at the time of the survey in May 2005, this was the number of board members listed. As mentioned, above, there were 19 organisations included in the survey of the 29 organisations currently funded by the Major Performing Arts Board.

At the time of the survey in May 2005, the 19 organisations surveyed had a total combined board membership of 183. The search of the background of the members revealed that 93 (or 51%) of all board members had a background in the category of 'commercial/business'. In addition, 16 organisations (or 84% of the respective organisations surveyed), had chairs who had backgrounds in 'commercial/business'. There was one organisation (the State Opera Company of South Australia) which currently has no board members listed with a 'commercial/business' background. The organisation which had the highest percentage ratio of board members with a 'commercial/business' background, was the Australian Brandenburg Orchestra at 78% and, of the organisations surveyed, seven (37%) drew less than 50% of their board membership from 'commercial/business' backgrounds.

These findings would suggest that the 'commercial/business' paradigm is having a major influence on the governance and management of many arts organisations in Australia. Currently, the sector of 'commercial/business' represents an average of just over 50% of the current board membership. As noted, above, this means that 63% of the organisations surveyed have drawn more than 50% of their board members from the 'commercial/business' sector. The fact that a majority (84%) of the chairs come from a 'commercial/business' background is an important point. As the leader of the board, the chair has a significant influence on the culture of the board as well as upon the leadership of the organisation as a whole.

This demographic picture of the membership of arts organisations' boards where the 'commercial/business' sector is well represented is clearly not accidental. A decision has been made by the board, the leaders/managers of the organisations, governments or other parties that determine the selection of board members, that a 'commercial/business' background is a prime criteria for selection. It would seem that this is particularly so for the chairs of boards. Given both the current membership of the MPAB and the current preferences of the MPAB of the Australia Council for organisations to be treated as businesses first, the preference for board members with a 'commercial/business' background is not surprising. As the commercial/business sector plays a significant role on the boards of arts organisations, it is, therefore, unremarkable that these boards might appoint to leadership positions within these organisations people with similar backgrounds or values to themselves.

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## The nature of contemporary arts organisations

McDaniel and Thorn (1993) note the development of two or even three distinct cultures within contemporary arts organisations. While the vision may reside within the artistic leadership, the positional leadership within an arts organisation is often occupied by a business manager. These differences in culture may be compounded then by the culture and expectations of the board. Thus there is a dichotomy between who is providing the vision and who is in control. McDaniel and Thorn pose an important question when they ask whether an organisation's goal is to support the work of artists or the work of an institution (McDaniel and Thorn 1993:28). The structure and philosophy of some arts entities can diminish the artists and treat them as if they are to be controlled or marginalized, rather than see them as the driving force of vision and

leadership within the organisation. Joan Jeffri when referring to the growth of arts organisations and museums says:

...in the 1990s too many of these institutions view artists as part of the inventory but not their constituency...As these newly establishment institutions grow more like businesses, increasingly they follow a corporate model, where the boards of directors choose to learn more about marketing and the bottom line and little if anything about artistic vision. ...In a sense we have ghettoized the living artists into a limbo-like position where he or she is *of* and institution without being *in* it. (Jeffri, 1991: 108-109)

From an outside perspective it would seem at times that by trying to corporatise the sector in this way, the essence of what the arts are about may potentially be subverted.

Palmer suggests that the impact of other forms of income beside box office, such as government subsidy and corporate sponsorship or donations, has produced a new class of professional arts manager who has had to develop the appropriate skills required to manage the needs of conflicting stakeholders (Palmer 1998). In fact it is argued that the development of professional managers has produced debates about what skills are necessary for arts management, arguments about who is the leader and questions about the differences between the skills required for arts management and those required for mainstream business environments (Palmer 1998, Pick and Anderton 1999). Palmer notes:

The general conclusion to be drawn...is that managing creative people and aesthetic products requires different management skills than those found in mainstream business. Curiously little attention has been paid to outlining what these different skills are. (Palmer 1998: 435)

While there is considerable discussion in the arts management literature about the kind of skills required for management in the arts (Byrnes 2003, Pick 1996, Radbourne & Fraser 1996), and even an assertion that arts management is a distinct discipline (Evard & Colbert 2000), it could be perceived that a dissonance exists in the conversations between those who employ arts managers and those who train them.

At a recent international conference in New York for the Association of Arts Administration Educators (AAAE April 2002) the representative of a major head hunting organisation which specialises in filling leadership positions in the cultural sector, admitted that her organisation's preference for the leadership of arts and cultural organisations were individuals who had a Master of Business Administration (MBA) qualification, preferably from Harvard, and could demonstrate superior fundraising skills (Klein in presentation at AAAE 2002). She regarded knowledge of the area as being very low on her list of requirements to fill a leadership position in the cultural field and a specialist arts management qualification as being irrelevant (Klein at AAAE 2002). This was an interesting perspective given that she was speaking at a forum for specialised educators of arts managers. Thus while there is a recognition in the literature that successful arts management and leadership requires a group of distinct skills (Byrnes 2003, Chong 2003, Evard & Colbert 2001, Pick & Anderton 1996), it would seem that prospective employers, whether they be boards or head hunters, do not necessarily share this belief or understanding.

Commentators such as Rodney Hall on the other hand, believe that the breed of professional art managers/administrators is to blame for the preponderance of emphasis on marketing schemes rather than on the making of 'art' (Hall 2001). While his view may have been affected by his position as an artist and former Chair of the Australia Council, he suggests that art administrators have 'stolen' the leadership of the arts from the artists and that control needs to be returned (Hall 2001). Rather than recognising the push by governments and boards to mainstream the sector, Hall blames the arts administrators.

McDaniel and Thorn in the USA and John Pick in United Kingdom have done the most sustained analyses of managerial trends in the arts and all have demanded a shift in priorities. Within the context of this described 'managerialism', conflict of cultures or dominance of the economic paradigm, they argue that the same issues re-emerge with leadership and key decisions being high-jacked from the creators to the controllers. In this context McDaniel and Thorn comment that:

As the artists turn their backs on organisational responsibility, artistic and management functions begin to separate. This implies that management is value neutral and that artistic life and organisational life are not of the same impulse-are not interdependent and connected. (McDaniel & Thorn 1993: 41)

Here they are also noting that artists have a responsibility for this turn of events. They suggest that artists have not wanted to come to grips with the increasing complexity of running a contemporary arts organisation and have handed over this responsibility to professional managers and boards. In complaining about the role of the arts administrator/manager as exemplified by Rodney Hall, above, McDaniel and Thorn also argue that artists also have to accept part of the blame.

Perhaps it is a little more complicated than blaming either artists or arts administrators for the shift towards corporate style boards and arts organisations operating as business entities. It is more likely that this change reflects a wider shift by governments across all sectors, where arts activity is treated in a reductionist manner just as education or social welfare (Hawkes 2001, Protherough & Pick 2002). So in this paradigm every activity is treated as the same as everything else; just another 'business' activity or 'cost centre' (which should be aiming to be eventually self-supporting). This of course raises a serious question for the arts community: does the current influence of the business paradigm affect the nature of the creative work that is being produced in a negative way?

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## Conclusion

The leadership and management of arts organisations is a contested field in terms of who is responsible for what and where leadership should reside. In addition, the changing macro environment in which arts organisations operate has influenced their management, governance and expectations. In particular, a major shift has occurred in the financing of these organisations which means that arts organisations are being encouraged by governments to earn more income and be less dependent on subsidy. Arts managers are encouraged to fundraise from whatever sources available and be more entrepreneurial in their organisation's activities. Mainstream business people are visible in both arts funding decision-making roles as well as the board membership of arts organisations. In addition individuals with business backgrounds are also being employed and sometimes preferred in major leadership roles in the arts. This presence and the influence of the business paradigm on arts organisations may provide pressure for the organisations to conform to mainstream models of management and expectations of single bottom line outcomes.

However, it is argued in this article that a management/business culture is not the core of what drives an arts organisation or arts activity. Leadership in arts organisations has historically been focussed on the quality of the artistic vision not the capacity to create a profit. Differences in values systems between artists wanting to make good art and business leaders wanting to produce a profit has the potential to cause difficulties regarding artistic differences, particularly if the driving force for the organisation is focused on the 'bottom line'. It is, therefore, time for both artistic leaders, managers, boards and funders and sponsors to clarify the real nature of the 'arts business' and to clarify whether the work of an arts organisation is to make a profit or to make art. This is not to imply that great art cannot make money but rather to question whether it

should the driving force of an arts organisation. As Kotter (1998: 17) notes, “[g]ood leadership moves people in a direction that is genuinely in their real long-term best interests”.

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- <sup>1</sup> For example in 2004 it is noted that the government funding represents only 7% of the Sydney Theatre Company's turnover. Ten years ago this figure is more likely to be about 40% (Brookman quoted in Eccles 2004: 14).