

# Management and the Arts 6e

## Chapter Three – Adaptive Arts Organizations

*Management and the Arts 6e, Wm. J. Byrnes, 2022 (C)*

# Management and the Arts 6e

## Chapter Three Overview – Adaptive Arts Organizations

### Changing and Interlocking Environments

- Adaptive Processes

### Assessing Environments

- Economic
- Political & Legal
- Cultural & Social
- Demographic
- Technological
- Educational

### Information Sources

- Audiences & Community
- Other Cultural Organizations
- Board & Staff
- The Media
- Consultants & Professional Organizations

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## Chapter Three – Adaptive Arts Organizations

**Learning Outcomes:** Be able to:

- 3.1: Understand how to develop a system for gathering relevant information needed to help plan and operate an arts organization
  - 3.2: Become adept at identifying and analyzing external environments that are relevant to arts organizations
  - 3.3: Apply research techniques in support of planning and organizational development
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### Changing and Interlocking Environments

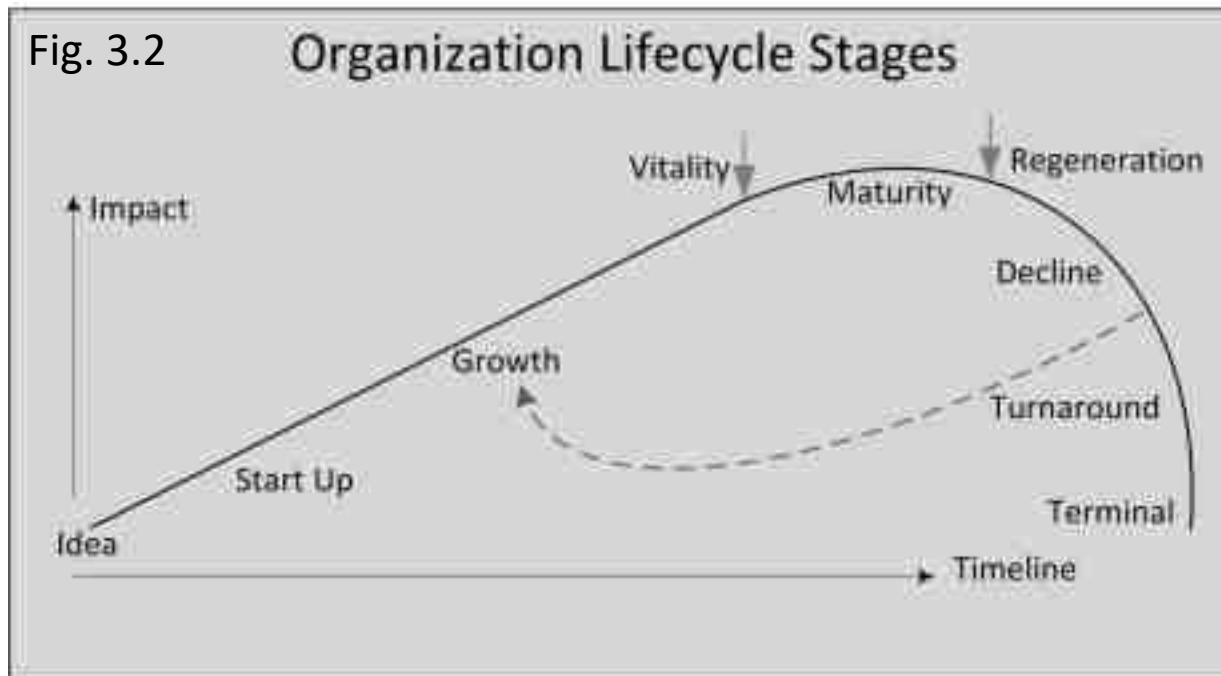
- The increasingly competitive creative industries marketplace requires cultural organizations to be adaptable. **Adaptability encompasses altering structure and functions of the organization in response to changing external and internal conditions while working within the framework of its mission, vision, and values.**
- **Cultural organizations are open systems** (See Fig. 1.4) that impact and are impacted by external environments and sources of information. **Interacting environments and information sources influence how an organization operates and affects its outputs and impact** (See Fig. 3.1). Organizations also go through lifecycles as they mature and evolve. (See Fig. 3.2)
- **Arts organizations operate within a cultural ecosystem** (See Fig. 1.1- System Map) including an **arts infrastructure** that is continually evolving and changing and which is impacted by disruptions due to changes in **external environments and systems**. For example, the pandemic that started in 2020 impacted a broad range of systems and environments beyond healthcare. There were disruptions across the entire arts ecosystem that impacted the inputs, processes and outputs of arts organization.

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### Organizational Lifecycles

In 2008 Susan Kenny Stevens book *Nonprofit Lifecycles* details a model that focuses on capacity building and the seven stages many organizations go through over time. An arts manager should include an assessment of where their organization is in its lifecycle as it ponders which of the eight external environments and nine information sources impact its operation. For more information go to: <https://nonprofitlifecycles.com/>



### Five Lifecycle Capacity Builders

- Programs
- Management
- Governance
- Financial Resources
- Systems

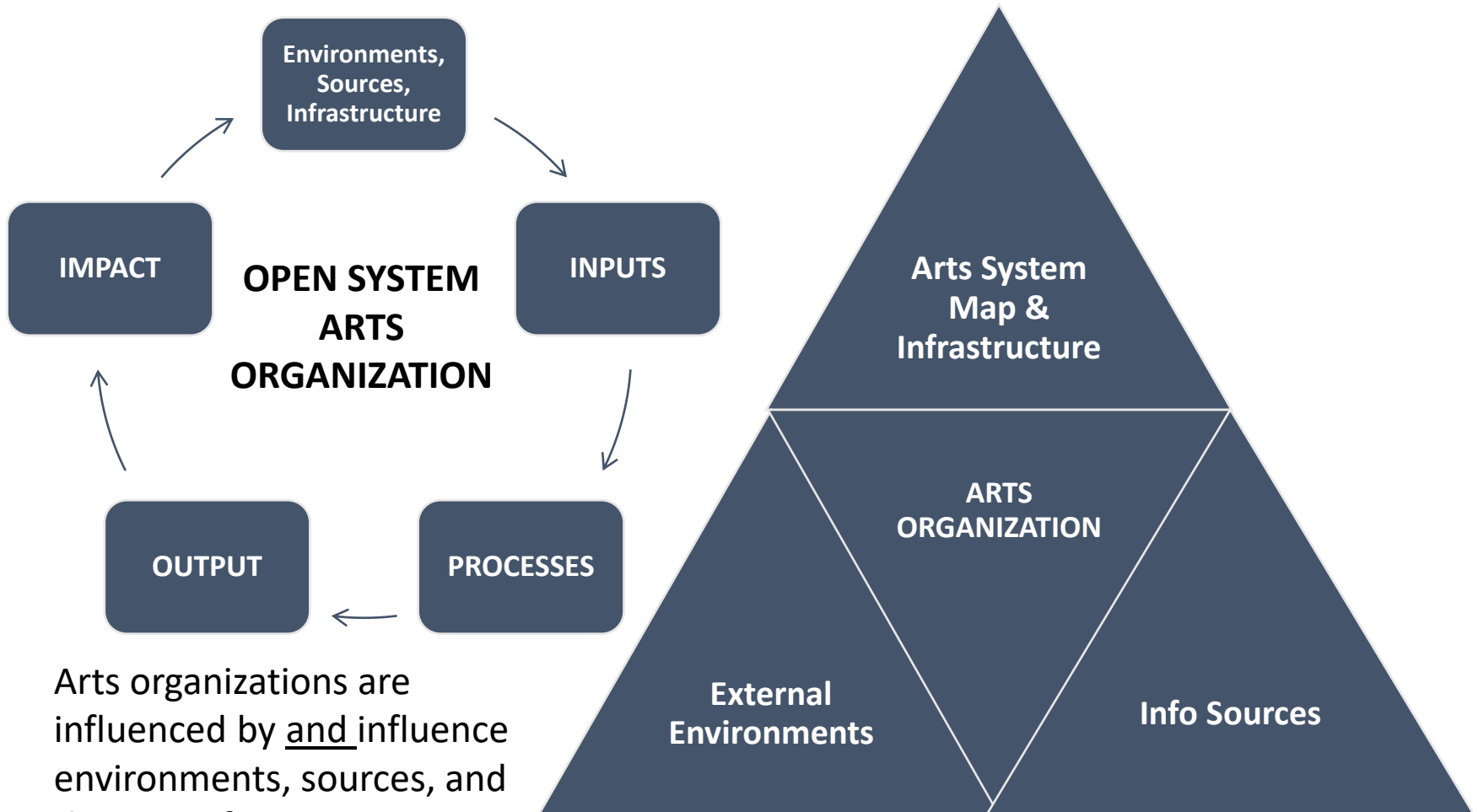
(Stevens, S., p.13)

Adapted from the *Nonprofit Lifecycles* by Susan Kenny Stevens, 2nd ed. Scottsdale, AZ, Stagewise Enterprises, Inc., 2008

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### Interlocking Relationships Impact How Arts Organizations Function in an Open System

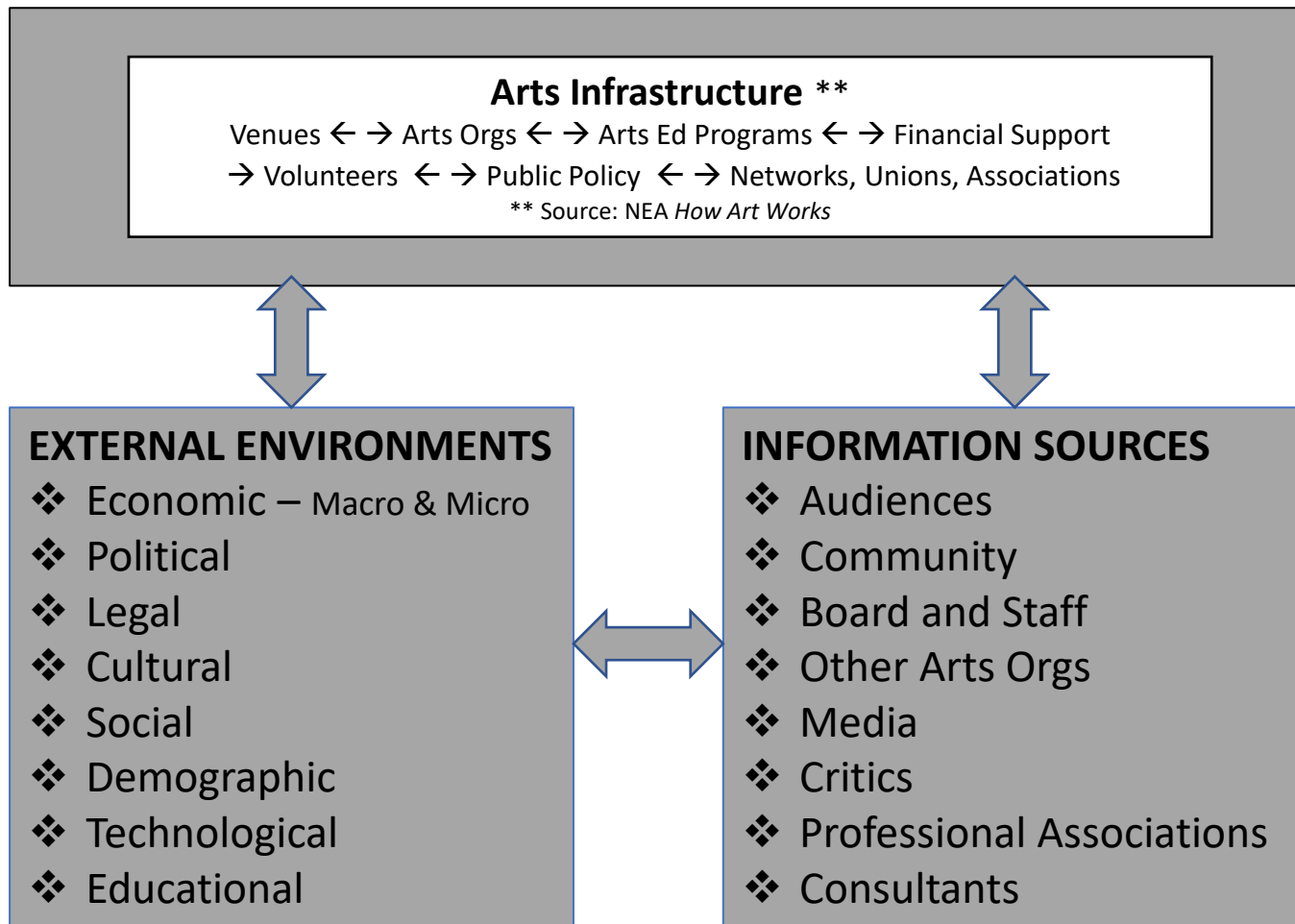


Arts organizations are influenced by and influence environments, sources, and the arts infrastructure.

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### Interlocking Relationship Between Arts Infrastructure, Environments & Info Sources



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### Assessing Environments

#### ECONOMIC ENVIRONMENT – Macro and Micro

**Macroeconomic** factors that impact arts organizations include banking systems (raising and lowering interest rates), taxes, international exchange rates (value of a currency such as a dollar), and inflation (general price increases), employment, and projections about growth in the Gross Domestic Product (GDP).

**Microeconomics** focuses on how people and firms behave and make decisions when it comes to allocating resources of production, exchange, and consumption. Much of this activity is conducted in markets (consumers and producers) driven by demand and supplies of good and services.

#### Indicators

Monitoring key indicators of the macro and microeconomic environments helps an arts organization's leadership team and board plan and make decisions about how to manage financial resources in an uncertain economic environment.

- *Inflation* (price increases) often raises operating costs
- *Recession* (contraction of economic activity) may result in declining ticket sales and contributions

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### Assessing Environments

#### POLITICAL & LEGAL ENVIRONMENT

*Political* – Local, state, national, and international governing systems and processes are constantly creating laws, policies, and regulations that may have an impact on operations. Cultural policy-making at each government level may make it easier or more difficult for arts organizations and artists to function. Some governing systems may have highly centralized control systems in place that affect programming decisions and creatives (e.g., authoritarian states) while others may create arms-length systems of government control. See Table 7.4 and 7.4 in Rosenstein’s *Understanding Cultural Policy* (2018) for an overview of varying political systems and cultural organizations.

*Legal* – There are numerous laws that impact how an arts organization operates. There are laws pertaining to how an organization is created (e.g., incorporating as a for-profit or non-profit), hiring, firing, workplace safety, tax laws, financial reporting requirements, and a whole host of operating and public assembly requirements.

Active arts advocacy and lobbying often occur to bring to needs and concerns of cultural organizations to the attention of law makers and government agencies.

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### Assessing Environments

#### CULTURAL & SOCIAL ENVIRONMENTMENTS

- *Social systems* are how people organize and live together in a region or country within common political and legal systems. Societies form along a continuum that ranges from *collectivist* to *individualistic*.
- *Culture* generally refers to the shared beliefs, practices, rites and rituals and learned behaviors that make each society unique and includes the unique contributions of artists through their creative activity.

*Cultural* – Artists and arts organization are influence by and influence cultural values, expectations, and norms. It is so pervasive, that it can be difficult to step outside of and critically assess. For example, the cultural environment can create points of entry and barriers to access to members of a society when factoring differences in shared beliefs, practices and norms.

*Social* – Social environments evolve complex networks that coalesce around shared geographic, political, economic, ethnic, and religious similarities and differences. Societies and social systems also influence and are influenced by artists and arts organizations.

Arts organizations around the world are assessing their role and impact as they respond to cultural and social environments. Longstanding social and cultural inequities and exclusionary practices are being questioned and addressed.

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### Assessing Environments

#### DEMOGRAPHIC ENVIRONMENT

The *Demographic environment* includes the characteristics of a population that have been categorized by distinct criteria. Data collected typically include age, gender, employment, education, income, marriage rates, birth and death rates and more. The analysis of the changes and trends across these broad categories help planners and policy-makers.

Arts managers can draw upon data sources to develop demographic profiles of their communities and audiences and better align programming with their community.

#### TECHNOLOGICAL ENVIRONMENT

Arts managers need to monitor new developments and the potential impact of technology across multiple environments. Cultural organizations have opportunities to engage existing and potential audiences by drawing upon evolving technological tools. Finding the optimal balance of delivery channels of the experiential programming produced by arts organizations to interested communities is still a work in progress. Technology applied to the arts is reshaping what it means to be an audience member and it is creating new ways for artists to create and communicate.

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### Assessing Environments

#### EDUCATIONAL ENVIRONMENT

Education plays a foundational role in shaping the other environments and remains a critical pathway for developing and nurturing an interest in and love of the arts. Arts managers can help position their cultural organizations and its programming as a partner in the K-16-plus educational environment of their community. **Education**, even more than income, **strongly correlates with long term engagement with the arts**. Strategies designed to create outcomes supporting arts education as an ongoing multi-generational organizational activity can strengthen sustainability and create lasting value.

#### System Change and External Environments

These environments and others are all part multiple open systems that impact and intersect with cultural organizations. The complexity of all these systems interacting with multiple environments can be daunting when it comes to decision making about relevancy. Adaptive organizations assume relevancy will need to be assessed frequently. Regularly assessing the opportunities and threats posed by external environments can help an arts organization meet the challenges it will face.

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### Assessing Information Sources

#### INFORMATION SOURCES:

The information gathered when assessing the external environments can come multiple sources. The sources an arts organization gathers feedback from will vary based on the art form and a continuous evaluation of the value of the information provided (See Fig. 3.1). Central to the success of this process is the organization's willingness to listen, even when the feedback is negative.

#### **Audiences & Community**

- Listening sessions
- Post-performance surveys
- Blog postings by the public
- Social media
- Focus groups

#### **Board & Staff**

- Create ongoing board input opportunities
- Staff meetings + anonymous suggestions

#### **Other Arts Groups**

- Create a network of cultural organizations than meets regularly and exchanges ideas and feedback

#### **Media and Critics**

- Local print and digital media (coverage per each platform including articles, blogs, reviews)
- Statewide media sources – print and digital

#### **Professional Associations**

- Active membership in discipline specific associations can be a source of innovative ideas, practices and processes

#### **Arts Consultants**

- They can provide a global perspective on how others are meeting similar problems

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### Assessing Lifecycle, Environments and Information Sources

One technique to use when pondering feedback that has been gathered is to filter it through different scenarios. What if (1) things are going well, or (2) maybe there are multiple problems to address, or (3) there is a mix of scenarios 1 and 2?

**Scenario 1:** The arts organization is in a growth stage and external environments appear to be generally positive. The economy is strong, consumers are confident, donors are supportive, the political and legal trends appear to be positive about the value of arts and culture in society, and technology systems are facilitating connecting with audiences.

**Scenario 2:** The arts organization is struggling and is in decline. There is conflict and disagreement among board members, the leadership team, and the staff about what is needed to turn the organization around. Meanwhile, one or more of the environments may be problematic (e.g., economic downturn), feedback from sources is trending negative and the organization's reputation is seen as slipping.

**Scenario 3:** The arts organization has reached a maturity stage and change is not contemplated. However, while the economy is growing, and the educational, political, legal, social and culture environments are sending mixed messages about the perceived value of arts and cultural organizations. Uncertainty prevails.

Note: Chapter 4 develops planning processes that incorporate the work done gathering feedback and assessing lifecycle, environments, and information sources (i.e., the environmental scan).

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*What's Ahead . . .*

## ***Chapter 4 – Planning and the Arts***

### Learning Outcomes

- Understand and be able to apply the steps necessary to start and implement planning in an arts organization
- Develop the skills to analyze, revise, and write effective mission statements
- Understand the different types of strategies and be able to apply them to arts organizations
- Be able to write goals and objectives that are specific, measurable, achievable, relevant, and time-bound
- Be able to explain other approaches to planning (business plans, the theory of change, balanced scorecard, scenario planning, contingency, and crisis planning)
- Understand and be able to apply decision-making and problem-solving techniques to personal and management situations.