Arts management in turbulent times
Adaptable Quality Management

Navigating the arts through the winds of change

Milena Dragićević Šešić / Sanjin Dragojević

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Excellence is power; it is identity

Asef Bayat[1]

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Foreword

Navigating the arts through the winds of change

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This book is about managing the arts in turbulent social, economic and cultural contexts.

Since the 1990s, the cultural sector in the countries of Central and Eastern Europe and South East Europe has been subject to a dramatic period of change and development. The fundamental shifts from authoritarian state socialism towards market economy and European Union membership - whether already achieved or still in close or far perspective - has left the societies of these countries and the art managers working in them with an array of challenges and opportunities. Yet, although the cultural sector was of significant public importance under the previous regimes, its professionalisation has not been a top development priority under the new democratic governments.

Many art managers of the state-funded cultural institutions in the region still struggle with transforming their organisational structures to be ready to meet the demands of the future. At the same time a vibrant scene of new art organisations and cultural activists has emerged. These newly-founded initiatives often act as pioneers of alternative and innovative art production. They frequently operate as important icebreakers in advocating substantial changes in dealing with the cultural, social and even political issues of their local environments. Although often neglected by the public subsidy mechanisms for the arts (which in most places have not yet been fully reformed), these independent players still continue to fight for the consolidation of their production work and for the securing of their organisational survival. In order to successfully shape and further develop cultural life in their surroundings, both the public and the independent art organisations need to be able to rely on strong organisational structures and sufficient management capacities on the side of the people who work in them. Thus strategic planning and increasing proficiency in organisational development and management become key factors for the successful mastering of the challenges which cultural organisations face in turbulent environments.

Practice-based arts management

Since the late 1990s the European Cultural Foundation (ECF) has tried to improve the situation by offering a number of training and capacity building programmes

designed especially for South East Europe (*Kultura Nova*, *Policies for Culture*, *Kultura Aktiva*, etc.). In more recent years, the methods applied in these programmes have been further tested and refined by transferring the experience gained in South East Europe to other areas such as Russia, Turkey and the Mediterranean. This book was thus conceived within the framework of precisely such ECF initiatives. It is predominantly based on the broad expertise of its two authors and their experience resulting from their long years of training in arts management in South East Europe, Central and Eastern Europe, Central Asia, the Caucasus and other countries in and around Europe. Both prominent figures in arts management theory, Milena Dragićević Šešić and Sanjin Dragojević from the universities of Belgrade and Zagreb respectively, have pooled their academic expertise to write this book. Of particular value has been their long standing practice of bringing arts organisations in turbulent environments onto the road of organisational stability and operational success. As a result this book draws together in unique combination various contemporary Western- and Eastern European approaches to arts management. It also highlights the various practice-based management tools and first-ever adaptations of existing theory along with the hands-on solutions developed for arts managers working in turbulent contexts.

Introducing long-term concepts and strategic thinking

The purpose of this book is therefore twofold: the first parts (1 and 2) discuss conceptual issues and challenges facing arts management in turbulent circumstances, while the larger central parts (3 and 4) introduce a series of strategic development concepts and several practical management tools for the day-to-day operational business of arts organisations. The reflective parts (5 and 6) raise questions about the actual applicability of Western style management theories in turbulent contexts of political transition. They consider how and why development concepts for the arts sector established in stable societies need to be adapted for the societies which face a different set of challenges. The practice-oriented chapters of the book offer concrete guidance about how to elaborate long-term organisational development strategies and how to translate them into organisational practice.

Arts management in turbulent times will provide professionals with first-hand insight into the current challenges and practices of cultural development and arts management in Central and Eastern Europe, South East Europe and further a field. It will, however, predominantly serve the cultural practitioners working in areas of cultural, social, political and economic transition. It is designed to be their guide to coping successfully with the external turbulences shaking their organisational structures, and it particularly addresses arts managers working in the public, independent or commercial cultural sector. Given the fact that challenges such as economic globalisation, migration and other developments of a global nature continuously provide for

'turbulent times' in any given place, arts managers working in both the Western and Eastern Europe should find the strategic concepts presented in this book relevant to their cultural and organisational realities.

Through its work in various cultural arenas, the European Cultural Foundation has often witnessed how the lack of long-term concepts and strategic thinking hampers cultural development. By commissioning this book, the ECF sought to make a further contribution to the firm establishment of new cultural players in the rapidly developing societies of Eastern Europe and the EU neighbouring regions. The arts management method introduced by the authors of this book represents a fine-tuning of previous concepts and emphasises in particular the importance of long-term strategic planning for organisations operating in social and political turbulence.

We would like to thank Milena Dragićević Šešić and Sanjin Dragojević for putting together the vast amount of material in this book, for the countless hours spent on trains commuting between Belgrade and Zagreb and for their mutual determination to complete the project. Our thanks also go to the numerous art initiatives and art managers who took part in the capacity building programmes of the European Cultural Foundation and to the many partners who made these initiatives possible. We would like also to thank Boekmans*tudies* for offering to publish this book and for contributing to it at every stage with their profound knowledge of the cultural field.

We hope that this book will serve the needs of the cultural sector both within Europe and beyond and that the strategic approaches to arts management that it puts across will empower cultural operators in turbulent environments, across borders.

Introduction

Responses to crisis

South East Europe has been, since the 1990s, the most turbulent and crisis-ridden region of Europe, and even of the world. Although political changes did eventually take place in 2000, enabling individual states to embark upon the stabilisation process, the region as a whole still faces numerous unresolved problems in its internal relations (visa restrictions, unofficial borders, foreign protectorates, etc.), while armed conflict and destruction have left behind them a legacy of hatred, prejudice, and high levels of pathological social behaviour.

For countries that lived through such turbulent times, the question is quite clear: can arts management act as a panacea for all the ills of the social system, including the effects of 'therapeutic' interventions in the social and political system (such as privatisation for example)? In the case of the Balkans, even during times of war, cultural organisations were expected to go ahead with their transformation, although the legal, political and economic systems to support the transformation in culture had not been established.[3] Management skills and project management courses preceded the evaluation of cultural policies and building of systems, thereby rendering such training courses ineffective and their outcomes impossible to implement. In turbulent circumstances cultural policy is neither systematic nor transparent, and the socio-cultural system in which arts institutions operate is thrown out of balance, so that cultural institutions and NGOs in each particular arts sector are forced to extend the scope of their activity into the social, cultural and educational fields.

Arts management as a panacea

Knowledge and techniques of arts management have come to be recognised as a precondition for progress - indeed, as a precondition for the very survival of cultural and arts organisations, of better quality and more demanding programmes, and to ensure the careers of individual artists and producers. Yet to what extent can theories that derive from Western European countries - where the prevailing view is that cultural institutions are only partially affected by changes in the environment - be applied to countries in a situation of crisis? Arts organisations in Western Europe are often considered agents of social change, at least from the point of view of cultural policy makers, but how does so great a calling correlate with cultural organisations living through unstable times?

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3   For instance, the reformed model for theatres recommended the disbanding of city repertory companies and an immediate switchover
     to contractual arrangements. Cf. Klaić 1997.

The period of transition in Central and Eastern Europe saw the adoption of many of the tenets of arts management techniques from Western Europe. This gave rise to a certain amount of unjustified optimism and hope that the mere introduction of arts management methods would automatically result in the emergence of rich and complex markets for the arts. What we witnessed instead - even in the most successful countries, such as Poland, the Czech Republic and Latvia - was the use of arts management as a means of neutralising the negative and potentially explosive effects of the process of transition in culture, rather than using it to launch new cultural initiatives, to increase the autonomy of cultural institutions and organisations, or to begin new cycles of development.

From 2000 onwards a new trend emerged consisting of the spreading of arts management knowledge and skills to the Euro-Asian space, more particularly to Central Asia, the Caucasus, and to the Near and Middle East. However, this transfer of knowledge - from diametrically opposed socio-political and cultural settings, from countries characterised by order, permanence of state institutions and systemic continuity (e.g. a parliamentary monarchy or a republic) to the parts of the world where no such continuity exists and where turmoil prevails in every sphere of life - was doomed to failure.

Developing a methodological framework
Any comprehensive intervention in the running of an organisation living through unstable times necessarily represents a 'laboratory experiment', in which the organisation or institution involved needs to work on internal development, sectorial stabilisation, and the establishment of broader regional cultural initiatives. Our efforts to adapt the knowledge of arts management, as codified primarily in the Anglo-Saxon world, to meet the local needs and conditions of a different context have contributed to the creation of a bank of knowledge and experience, as well as to the development of specific methods which take into consideration unstable surrounding conditions.
The authors of this book have undertaken to develop a methodological framework, to establish principles and ways of moving the project forward, and also to work out suitable parameters and indicators for evaluation.

Part 1 of this book begins by outlining the key challenges faced by cultural institutions and organisations operating in times of instability. It goes on to point out the significance of socio-political factors and consequences of these on the cultural scene, and finally it highlights the working methods most frequently recommended by foreign experts, expert organisations and governments in trying to assist crisis-ridden regions and countries.

Parts 2, 3 and 4 of the book look in detail at programme development and the organisational development of arts organisations operating in turbulent times. Development programmes usually have several parallel dimensions. The solely professional dimension aims to help with capacity building and strategic planning, so that the cultural systems of those countries can achieve significant sustainable organisational development in cultural institutions and non-governmental organisations throughout the cultural sector. A second dimension of these programmes is to help cultural institutions and NGOs gain a broader sphere of influence in support of the democratisation of cultural policy (participative processes). At the same time, the aim of the programmes is to build the way for regional links, and for seeing strategic arts management as a means - beginning with the real situation and the available resources - to stimulating the emergence of models of communication (partnerships, networks, co-productions, exchanges, etc.) which are so far still missing.

Taking into consideration some of the social problems and conflicts of the West European context, where the application of such knowledge and techniques in significant numbers of arts organisations has resulted in ignoring their fundamental artistic character, we have sought a compromise between the objectives of organisational development in the narrow sense and the programme objectives of the organisations themselves. The intention is to strike a balance between, on the one hand, the organisations' contribution to the stabilisation of the cultural and social systems and their own internal organisational stability, and on the other hand, the preservation of their artistic character - which is their priority focus.

Having, in a number of cases met with objections to the methods we prescribe, we have regularly insisted on the creation of tools that lean on those which are already in existence and have been tested in countries with relatively stable cultural systems. At the same time, the organisations and institutions with which we worked were given a considerable degree of freedom in finding suitable instruments and strategies of development. In this way it has been possible to come up with a great variety of solutions for organisation and programme development.

A compromise of objectives
Part 5 of this book looks at the objectives, targets and needs of seven different types of arts organisation, thus covering a wide range of issues. It also looks at ways of allowing different types of organisation to complement one another. The long-term internal stability of arts organisations depends on a broader knowledge base and the introduction of new working methods. As horizons widen, such approaches become necessary in the instrumental sense, without any attempt to impose them as an end in itself or as a solution for all problems. Organisations have themselves

realised that the insistence on their own fundamental activities and improving their own artistic excellence is the best guarantee of their survival and of securing quality action, as well as for achieving recognition throughout the wider community. Hence our concern with the preservation of the term 'arts management' in this text. The objectives of the present publication are conceptual-analytical and methodological. Attention will focus in the first place on the establishment of a special type of arts management, which will insist on the development and preservation of programme excellence, while at the same time laying emphasis on the selection and implementation of management knowledge and skills that promise to be most effective in combating turbulence and securing internal stability. This approach is named *Adaptable Quality Management* (AQM) and is outlined in more detail in the final part of the book, Part 6.

Writing this book was probably the only way to ensure the transfer of the authors' knowledge and experience acquired during many years of work in Western, Central and Eastern Europe, particularly in the crisis-ridden region of South East Europe, as well as in the Caucasus, Central Asia and Middle East.

The global socio-cultural context

Arts and culture are no longer perceived as separate entities, but simply as branches of the same tree. The entertainment industry, the cultural industry, the content industries, and the creative industry are all seen as one and the same thing.[4] These terms include the audio-visual field and the performing arts, as well as advertising and the production of software for entertainment.[5] In Great Britain and the United States in particular, the creative industries have become a significant sector of economic growth. The cultural sector is treated in international law and international economic relations in the same way as any other sector. The demands of the World Trade Organisation for the liberalisation of national markets will determine the rules of business operation in this domain, which has long been protected by the specific measures of each state. Such an instrumental treatment of arts production owes its market success primarily to its reliance on the fantasy-ludic sphere *(homo ludens)*, which answers to the most powerful human dreams and inclinations.[6]

A need for cultural intelligence

Internal and external markets for culture are becoming increasingly global and instantaneous, achieved by efficient global marketing campaigns. This imposes the parameters of successful functioning and desirable institutional formats for organisations in the cultural sector. The next step is to standardise and establish protocols for their internal organisation and running, as well as for the products and services that are on offer in the marketplace. One hears more and more the term 'formats', rather than 'forms' or 'models' of organisation, because a format implies uniformity and firm adherence to standards. The paradigm of such transformation has already been achieved in the audio-visual sector (i.e. in film, music, radio and television broadcasting). The need for standardisation has led to what is known in practice as 'cultural intelligence'.[7]

The European response to such new challenges has been self-protective and largely ineffective since globalisation and the liberalisation of the world markets have been politically accepted as part of today's reality. Nonetheless, there are some efforts on the part of individual European governments (France for example), the Council of Europe (Convention on Co-productions, Euroimage, Cross-border television), and the European Union (Television without Frontiers) which have proved partially effective. They may have influenced cultural production but they have had very little influence on cultural consumption, as witnessed by audience ratings for European audio-visual products. The so-called 'cultural exception'[8] could not be automatically applied to the new members of the Council of Europe and the European Union, and when they were admitted to the World Trade Organisation (WTO, which was the priority and a precondition for all reforms inaugurated by the governments of these countries) they had to agree to open their markets fully and without excep-

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4 A radical view of the manipulative-constructional commodity character of contemporary culture is presented by Baudrillard,, who states that the simulacrum, a product of fantasy, is the only reality in this world and reality can be experienced and read only through the products of creative industries. Cf. Zurbrugg 1997.
5 Jeffcutt 2001.
6 Huizinga 1970; Caillois 1958.
7 Originally used in the miltary and industrial context, the term 'cultural intelligence' was adopted by media companies to refer to a sophisticated set of approaches and mechanisms employed to investigate the market, to understand its dynamics and create cultural need all over the globe.
8 The notion of cultural exception was introduced by French cultural policy theory and was 'applied' during the GATT negotiations: European Member States did not offer to liberalize services in certain cultural sub-sectors and included a series of exceptions to the agreement, five of them in the audiovisual field.

tion. Croatia, for instance, engaged in protracted negotiations to find a compromise, but it did not succeed in obtaining the conditions that would enable it at a later date to sign the Council of Europe's Convention on Co-productions, which is regarded by the United States as a highly protective mechanism.

'Cultural gaps'

In crisis-ridden areas it is taken for granted that the greatest effort should be directed towards the preservation of the cultural systems of large urban centres and public institutions. This makes such regions easy targets for the penetration of global cultural products which gives rise to large 'cultural gaps' in terms of the geographical distribution of institutions, programmes and projects, and in terms of each individual field of culture (for example, in the field of music most such countries have no national recording archives, no publishing of sheet music, no manufacturing of musical instruments, etc.). In this respect therefore, the liberal concept of an open market is potentially extremely detrimental to areas of crisis. For example, the country of Georgia no longer produced films, so the entire film market was at the mercy of the dominant world production. So Georgia was excluded from participating in, and contributing to, global culture during the 1990s, and yet nobody in government felt a sense of responsibility for this.

Survival in a global cultural market

The preservation of local cultural production is a key component of the policy of cultural diversity proposed by UNESCO and the Council of Europe. Their policies, however, do not make provision for the required mechanisms to help this process of preservation, particularly for areas in crisis. Countries with stable political and economic systems and well-developed mechanisms of cultural policy are managing to resist the liberal cultural market - some more successfully than others. However, there are elements of cultural production from small countries in crisis that do manage to survive by operating on the global cultural market through western producers or by the migration of artists from politically unstable countries to renowned centres of the arts elsewhere in the world. At the present time, this is the case for most film directors from Central Asia, Iran, and even from Bosnia-Herzegovina. Although the most recent Bosnian-Herzegovinian films have been shot in the country itself, the credit lists feature the names of film-makers, especially co-producers, from other countries. For example, the producer Denis Tanović lives in Paris, while the co-producers of his 2002 Oscar winning film *No man's land* (2001) come from Slovenia, Italy, France, Great Britain and Belgium.

Another example is Bulgarian polyphonic singing, which became a world hit following the production of the CD *The Mystery of Bulgarian Voices* in Switzerland. The female singers spend most of their time outside their country. In Bulgaria, their singing attracts smaller audiences and consequently yields less revenue than some other, wholly inauthentic, forms of musical expression (such as 'neo-folk'), and certainly less than imported music sold on the Bulgarian market.

Key models of cultural policy

In the current international cultural context, there are three main types of cultural policy and 'model for cultural action'. This leads to certain tensions in cultural life, both on the level of policy options and in international relations. Figure 1 summarises the three models in relation to the following key parameters: objectives of the models, focus of attention, dominant cultural-economic function, dominant cultural context and scope of activity, and key agents.

Cultural diffusionism

The first model is grounded in the modernising tradition of nation-state building in the nineteenth century, reinterpreted according to a concept of cultural policy developed in the 1960s by France's then Minister for Culture, André Malraux. The main purpose of the model is to create the conditions for cultural creation, and its diffusion and communication, in such a way as to strengthen national cultural identity (cultural diffusionism).

Cultural functionalism

The second model was developed in the 1970s and 1980s through the work of international organisations in the field of culture and through the evolution of national cultural policies. The essence of this model is the creation of conditions for an even more democratic cultural life by allowing greater participation (in processes of cultural production and public activity) to all groups which constitute the cultural mosaic of a given society, whilst at the same time improving the internal institutional effectiveness and efficiency of the agents of cultural life. The model implies a significant role on the part of the state, primarily through incentives and inter-sectorial activity (cultural functionalism).

Cultural mercantilism

The third model derives directly from the commitments of certain societies to high economic liberalisation in the arts sector. This model reflects the view that artistic product is the same as any other product and that its value is measured by its success in the market place. From that, it follows that consumer demand is the key to understanding and monitoring cultural phenomena: the success of a film is measured by the box office receipts in the first week, the second week (etc…), while the value of a product in the visual arts is expressed in terms of the price that such a product commands at auctions or other forms of sale (cultural mercantilism).

Figure 1: **Models of operation in culture**

Philosophy of cultural policy operation	Cultural diffusionism	Cultural functionalism	Cultural mercantilism
Methods of cultural policy operation	Cultural consultancy	Cultural management	Cultural intelligence
Characteristics of cultural policy operation	Representativeness, excellence, systematicity, traditionalism	Inventiveness, dynamism, dispersiveness, participation	Establishment of trends, design of change, co-modification of products and services
Focus of cultural policy operation	CULTURAL CREATIVITY	CULTURAL LIFE	CULTURAL CONSUMPTION
Concept of cultural policy operation	Elite culture and programme of decentralisation	Parallel cultural models and intersectorial cooperation	Mass culture and cultural hybridisation
Key agents	Public institutions at all levels	Organisations in all three sectors	Transnational corporations
Primary territorial coverage	National/state	State/regional/local	Transnational/ global

The present analysis takes into account the following elements:

1. main structural changes (democratisation of culture, privatisation, globalisation);
2. aspirations and interests of national elites (cultural, political, economic);
3. interests of the relevant agents of cultural policy and practice;
4. cultural heritage (tradition, customs, values, cognitive schemes and cultural matrices).[9]

Democratisation of culture vs cultural democracy

In many European countries the strength of the cultural sector is measured by the number and diversity of its cultural initiatives, especially those which are local, and which help to raise the overall standard of cultural life. This approach can be called cultural democracy. Cultural democracy has taken over from a previous emphasis on the democratisation of culture, which called for increased accessibility of cultural production, to a wider target group, but still emanating from elite institutions of culture. The legitimising function of culture has been replaced by a pluralist view, whereby cultural democracy allows for the expression of all local, group, non-mainstream and even individual cultural identities. The emphasis, therefore, is on stimulating initiatives by local groups and organisations, geographically wide networks that create the conditions necessary for whole states and all social groups to be involved in producing and participating in culture.

Cultural context in regions of unrest

Figure 2 gives an overview of the variety of crises that bring about turbulent conditions. These arise as a consequence of deep-seated economic changes (e.g. the end of the industrial era with a shift away from the planned to the market economy), major economic crises and upheavals (oil crisis, financial collapse of national economies, natural disasters), significant political changes (establishment of a new political system, redefinition of the constitutional framework), ideological-social changes (changed value system and system of national identification and representation, rigid nationalism, religious and ethnic intolerance). In the last analysis, social and political turbulence are due to war and destruction.

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9   Cf. Čengić, Dragojević and Vidačak 2004.

Figure 2: **Problems in turbulent areas during the 1990s**

Turbulent conditions	Cultural consequences	Indicative cases	Usual recommendations
Disintegration or collapse of political system	Absence of systematic cultural policy	1990-95 Albania, Moldova	Defining national cultural policies prior to the construction of a political system
Economic crisis and bankruptcy of the country	Reduced expenditure for culture in the public sector - budget cuts	Georgia, Armenia	Support for the introduction of tax relief on sponsorship and donations; development of cultural tourism
Inflation and a decline in the standard of living	Reduction of cultural consumption and of participation in cultural life	Serbia and Montenegro 1993-94	Audience development through marketing activity in culture
Forced and uncontrolled migrations	Absence of social and cultural cohesion	Bosnia-Herzegovina, Abkhazia, Nagorno Karabakh	Cultural integration programmes in places where living conditions prevent normal life (Srebrenica)
Interethnic and intercultural conflicts	Ghettoisation of cultures, absence of intercultural programmes; cultural marginalisation of minorities	Bosnia-Herzegovina, Kosovo, southern Serbia, parts of Croatia, Macedonia	Promotion of cultural diversity programmes
Interruption of transport and communication	Reduced scope for international cultural cooperation	Croatia (until 1995), Georgia, Kosovo	International cultural cooperation through the non-governmental sector; specific programmes by international community directed towards linking certain regions or fields of culture
Inadequate international exchange (including embargo)	Absence from international forums and cooperation programmes; frozen membership of international organisations	Serbia prior to 2000, Armenia	Capacity building and organisational development of the non-governmental sector; ignoring potential dangers and causes of problems (Kosovo, Israel-Palestine);

Turbulent conditions	Cultural consequences	Indicative cases	Usual recommendations
Acts of terrorism	Uncertainty in cultural programme planning; increased costs of insurance	Israel, Afghanistan, Macedonia, southern Serbia	Minimisation of risks and suppression of information on the true nature of the situation; involvement of the international community and the US; peace negotiations, beginning of cultural cooperation
High crime rates	Increased costs of security at public events, exhibitions, etc.	Russia, Ukraine, Serbia	Cooperation with institutions dealing with personal and general security; introduction of special measures within cultural institutions (alarm systems, security for property and art collections)
Corruption	Establishment of nepotism and cliques, the declining of professional standards	According to the Transparency International index: Azerbaijan, Uzbekistan, Yugoslavia, Kyrgyzstan, Kazakhstan, Georgia, Albania	Procedural transparency in cultural decision making,: public competition, financial reporting, etc.; capacity building in the public sector
Economic disintegration of the population - disappearance of the middle classes	Establishment of mutually distinct cultural models (traditional, elite, 'expensive' vs. 'cheap' or populist)	In almost all countries of South East Europe, the Caucasus and Central Asia	*Ad hoc* inclusive cultural programmes for socially displaced social groups and individuals
War, human suffering and destruction	Destruction of cultural heritage, cultural infrastructure; disappearance of any form of cultural life	Bosnia-Herzegovina, parts of Croatia, Kosovo	Signing of international conventions, provisions and directives, especially relating to the freedom of the media, human rights, minority rights, protection of cultural heritage, etc.

It is important to note that turbulent circumstances can also be provoked by transformation that failed to achieve its goals and ended up with unintended consequences and effects. A characteristic feature of the post-socialist countries is the need to introduce many systemic changes over a short period of time, ruling out the possibility of carrying out simulation exercises to predict effects. The irony is that the changes are being introduced into countries with very fragile economies, whilst the likely social cost of such changes is extremely high and can potentially lead to high unemployment, social marginalisation of hitherto respected individuals and groups, and an increase in pathological social behaviour. Thus, changes introduced for economic reasons can actually end up costing the state more (for example, staff reductions in theatres do not necessarily yield budget savings, since the redundant staff receive unemployment benefits and other forms of welfare).

Figure 2 also lists possible - albeit temporary or inadequate - responses to different forms of turbulence, and recommendations for their resolution. In most cases, no effort is made to find the systemic solution - the only one capable of dealing with an individual problem in a general manner. Under such circumstances, it is necessary to resort to crisis management[10], which tries to convert the critical situation into an advantageous one for the individual institution (because each individual institution seeks and finds for itself the solution to its problem).

Reasons for crisis in the cultural system
Some key factors leading to instability in the cultural environment derive from the following:

1. crisis in public policies and in the public sector, particularly: the lack of professional administration procedures in culture; formulation of development policies that do not include the area of culture (and its agents); establishment of a liberal model of cultural policy, which is then followed by inadequate privatisation; non-existent coordination of the sectors and levels (i.e. a failure to harmonise actions and activities);

2. no communication flow between the three sectors (public/governmental, commercial and civil) as a consequence of a poorly developed civil society and private sector. This usually implies a lack of equality as regards conditions of existence of all organisations in culture, no communication, or public control of cultural policy. Consequently, the development of cultural entrepreneurship is severely hindered and the chances of survival of civil organisations are significantly reduced. In practice this means that there can be no new institutional solutions within the different sectors before changes have taken place in the domain of socio-economic and political culture, including a total makeover of value and belief sys-

tems, modes of behaviour, etc. The strengthening of the civil and private sectors is only possible with the introduction of new values pertinent to an entrepreneurial approach to culture (i.e. risk taking, mobility, innovation, competitiveness, attitude towards money and wealth);

3. crisis of institutions and their social role, further aggravated by the inadequate training of personnel, resulting in de-professionalisation (i.e. lack of knowledge and a disregard for one's own experiences and good practice), especially in relation to the demands of the world market;

4. crisis of participation in the local market caused by indifference on the part of the potential audience, exposed to a global supply of entertainment on the world markets producing further changes in tastes and values. The lack of interest in cultural goods, especially those stemming from local environments, deepens the crisis of institutions and organisations, as well as of the sector as a whole.

It is not only political and economic factors that cause tensions and turbulence in different regions of the world. Crises may appear in cultural systems as a consequence of deeper value crises, putting a question mark over the status of the cultural system itself or particular sub-system (art branch). This was one of the main causes of crisis and instability in the post-socialist countries, in which the previously privileged cultural system not only lost its position but its very existence was jeopardised. In the previous period, the cultural system had the task of ideological-legitimisation, which is why its sustainability as a branch of the public sector became rather dubious - as was the case in the Czech Republic.[11] In the post-Soviet countries of Central Asia, the existing cultural system was questionable because it failed to respond to the latest needs of 'young' states, in which culture has the legitimising task of building the 'new' traditional folkloric identity, of the people and the state, by going back to its ethnic and religious roots. Throughout such a process, the institutions of the European cultural context (such as ballet, opera, and theatre) became superfluous. There are, however, no professionals capable as yet of developing institutions of national folklore of the required significance and quality. The results are divisions in the ranks of the cultural elites and the formation of parallel, mutually exclusive and intolerant, cultural scenes.

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10 Osmanagić Bedenik 2003.

11 Cf. Wesner and Palka 1997.

South East Europe as a turbulent region: what is the rationale of Europe's intervention in regional cultural situations weighed down by wars and crises?

Variety of forms of disintegration in the cultural system

The 1990s in South East Europe were marked by a 'cultural cataclysm', of which the dimensions, consequences and gravity are still to be properly measured. The research and analysis completed so far have primarily covered the political and economic crisis, wartime destruction and its social implications, while the collapse of the cultural system and its values has simply been put to one side and ignored. Analysts have focused on developments on the national, that is, state, level. However, from this level it is impossible to assess the real scope of the lack of cultural capital in the entire region and in individual states.

Although the region was internationally highlighted as an area of extensive crisis, it should not be assumed that each country in the region went through the crisis in the same way. The nature and depth of the crisis varied across the region, particularly as concerns the preservation or transformation of the cultural system. In this regard it is possible to define five or six forms of disintegration of the cultural system, whose characteristics are clearly understandable primarily from the value system and forms of activity in the public sector.

Slovenia stands out in the region as an example of the success and ease of transformation away from the socialist cultural model into a cultural and value system modelled on that of Western Europe. It managed to preserve the values of tradition whilst developing new values, which clearly distinguish Slovenia from the rest of the region.

Croatia underwent transformations in the 1990s which enabled it to preserve the institutional framework, while radically changing its overall ideological system of values and concepts. The scope of intervention and change was considerably reduced and made more difficult by the prevalent wartime destruction.

Romania and Bulgaria, in the aftermath of the totalitarian regime, but without the war, experienced a further disintegration of the cultural system, and took a full ten years to reconstruct and to begin to record their first successes in development.

Serbia and Montenegro froze their institutional system within an authoritarian regime characterised by an overall moral crisis, which then led to a sharp cultural differentiation and the establishment of parallel (government and opposition) institutional systems.

Kosovo and Macedonia, as well as Moldova, developed parallel ethnic institutions for culture and education, based on the previous institutional models. The presence of the international community guaranteed that conflicts would be avoided, and that the state of latent crisis could be held in check without striving for ultimate solutions.

Bosnia-Herzegovina is a country in which the overall institutional cultural system and all values collapsed as a consequence of wartime destruction of great proportions. The international community remains present in Bosnia-Herzegovina, maintaining a form of international protectorate over a country that is still unable to move in the direction of a new, unified cultural system.

Frameworks for future cooperation

The 1990s were marked by the absence of systematic support for civil society on the part of the national cultural policies in all the countries of the region. For a whole decade these countries developed their cultural policies individually, with even basic contacts reduced to a minimum. The watershed year 2000[12] revealed a surprising degree of similarity between them, both politically and on the level of objectives and priorities in national cultural policy, and even, to a degree, in the attitudes towards civil society. In spite of almost a whole century of coexistence, preceded by another century of intensive contact and cooperation, the region now finds itself in a position where people, who had previously been acquaintances and colleagues, need to get to know one another again in an attempt to create the political framework for future cooperation. The younger generations have to be exposed to other cultures and contexts for the first time in their lives.

Currently, cooperation is still to a large extent externally induced by the efforts of the Council of Europe, the European Union, and the United Nations (UNESCO), as well as by the wider international community (the United States and various European countries). A variety of special programmes, schemes, and platforms are being developed, such as the European Union's Stability Pact for Southern and Eastern Europe, which insists on the projects being regionally organised and networked. Other international organisations and foundations, such as the Open Society Institutes - OSI (Soros Foundation), Pro Helvetia, Kultur Kontakt and the European Cultural Foundation, are also taking part in this process. The European Cultural Foundation has developed platforms such as *Policies for Culture*[13] and projects such as *Art for Social Change,* through which they support the initiatives emerging from dif-

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12   In the year 2000 the elections in three countries - Croatia, Serbia and later Macedonia - brought important democratic changes, together with new social and cultural dynamics.

13   The results of this programme so far are described in: Weeda, Şuteu and Smithuijsen 2005.

ferent countries of South East Europe, giving these initiatives a regional and European perspective. The experience gained through these projects has given rise to the need for a somewhat complementary programme, which tackles only one of the sectors in an attempt to stabilise it - unlike *Policies for Culture*, which introduces direct dialogue into the three sectors (public, commercial, civil). The sector chosen in this programme is the civil sector (the programme *Kultura Nova* was intended to assist the organisational development and capacity building of selected non-governmental organisations in culture from Croatia, Serbia, Montenegro and Macedonia).

The recent tendency to divide the countries in transition in South East Europe into the Eastern (Romania, Moldova, Bulgaria) and Western Balkans (former Yugoslav republics minus Slovenia, plus Albania), causes more problems than it resolves, but it does indicate a major objective facing this latter group of countries. It is clear that wider regional stabilisation and fruitful cooperation is not possible until the successors of the former Yugoslavia establish a mutual relationship on the basis of constructive, equal, and interest-led cooperation. Regardless of good wishes, assistance programmes, platforms of cooperation, and other initiatives, and regardless even of considerable financial and infrastructural investment, only those forms and types of cooperation will survive which are based on the real and intrinsic wishes and interests of the parties involved, and this is particularly true in the field of art and culture.

Towards a procedural and methodological framework
This analysis of the global socio-cultural context in relation to countries in crisis makes it clear that legislative change is insufficient if we wish to support organisational transformation in the cultural sector. In the chapters that follow the authors provide a methodological framework for work and operation in regions of crisis, which can be adapted for each particular situation, just as one would need to adapt to the situation in the southern Mediterranean and Africa, northern or southern Caucasus, Latin America, Central Asia, or South East Asia. A model of this sort needs to be open and adaptable to specific problems of cultural development and to the nature, depth and proportion of each individual crisis. It is obvious, for example, that the problems of organisational development in countries suffering from financial bankruptcy (e.g. Argentina) will be different from those intended for countries with ethnic conflicts. That is why this model and programme of support for organisational development will provide a sound basis for specific solutions in micro-environments, in which each local expert or trainer-team will have an opportunity to develop their own approach and to make modifications to their manner of operation.

Defining the programmes of organisational development in turbulent circumstances

In turbulent regions the key focus of change in the cultural management field should be organisational development and capacity building. To date, attempts by various institutions to assist in this process have only been partially successful due to their unsystematic approach. Organisational transformation is best achieved by adopting a broad approach, using specially designed programmes, and bringing together a variety of institutions and organisations with the support of adequate levels of authority. In addition, appropriate forms of transmission of knowledge need to be established, inside and outside the recognised educational systems and particularly in the form of lifelong learning.

This part of the book, Part 2, both lays out arguments about the need for complex programmes, and aims to provide the reader with practical recommendations for implementation and organisational transformation.

The term 'programme', as used in this Part, refers to complex projects of organisational transformation and capacity building in institutions and organisations in a wide variety of social communities or sectors. The key challenge in arts management is to strike a balance between the realisation of narrowly aesthetic objectives (top performances) and effective organisational functioning.

Tasks for programme development:

1. appropriate theoretical methodological foundations should be built for the creation of an adequate system of professional education and development;
2. the concept and structure of the programme should be defined;
3. modes and forms of realisation of the programme should be determined.

These programmes are of great value in establishing a methodological approach and systems of procedure that can be used as standard techniques for the generation, transfer and codification of knowledge and know-how. Such programmes also provide knowledge and skills, adapted to local needs, for consultancy and expert teams to work in turbulent circumstances.

Objectives and priorities

The key objective of programmes is to strengthen cultural organisations so that they can achieve excellence in their essential artistic/cultural task, to become self-sustainable and play a part in the development of their local communities, thus contributing to the development of cultural policy and an open society. A number of more specific objectives can be delineated.

The specific requirements are the following:

- capacity building for cultural organisations and key individuals, enabling them to recognise, define and solve problems, both in their own organisations and in the cultural sector as a whole;
- assistance to organisations by strategic planning, to make them sustainable, acting not only in their local/regional communities but also in a more general way to secure the conditions for continued and sustainable organisational development;
- establishment of horizontal links among the agents of cultural policy in all sectors;
- strengthening the ambitions and competitiveness of the cultural sector, development of a spirit of entrepreneurship, and the creation of conditions which enhance the overall importance of culture.

It is important, however, that programmes should also have a set of local objectives, so that they can be coupled with the objectives of development of culture in each country. The following are just a few examples of the objectives of this kind:

- capacity building for cultural organisations within the domain of their main artistic and cultural activity and the increase of the level of excellence in all aspects of such activity;
- formalisation/codification of the acquired knowledge and skills of the organisations themselves, so that they can establish a higher level of self-sustainability and facilitate the dissemination of such knowledge throughout the local community;
- raising awareness of the importance of action in the cultural market with their own supply, responding to the needs of the population that should be met by setting out special programmes and services;
- spreading local platforms and establishing local initiatives to facilitate the integration in the above mentioned processes of the relevant artistic and cultural organisations;
- increasing the understanding of cultural diversity, and advocate the launching and implementation of intercultural projects.

These objectives cannot be fully defined in advance, because they need to be linked up with specific national or broader regional problems. Thus, in the case of Croatia and Serbia, the objective was to spread the idea of strategic planning onto a wider cultural-political level, where it became apparent that strategic planning could be effective only if it were a part of the system and mode of thinking and behaviour of public authorities in culture, the public sector, the private sector, and the NGO

sector. In other parts of the world (Armenia, Azerbaijan and Georgia for example) it would be more a question of intercultural communication, mediation and dialogue. In yet another group of countries (Latin American countries, Africa and Mongolia for example) the emphasis would be on putting into place mechanisms to help overcome the negative effects of economic recession. In the countries of the southern Mediterranean, the priority field of action would be integrating the regional (Mediterranean) schemes of cooperation, and the spread of partnership and networking.

Stages in the defining and implementing of programmes
Since the theory of continuing professional development (CPD) has not paid sufficient attention to such complex educational and development programmes as affect both individuals and institutions, we thought it would be useful to define the objectives, and outline the tasks and timing of the activities in some detail. The programme could be divided into nine stages. First of all, the initial idea and programme design need to be defined, secondly the situation on the ground has to be assessed before the programme can be carried out. The third stage involves preparing a strategic plan, which is then implemented in the fourth stage. A mid-project evaluation takes place at stage five, followed by the assigning of additional educational support at stage six. Stage seven analyses the implementation of the strategic plan, which is then presented publicly at the eighth stage. The last, ninth stage is the completion of the programme and the carrying out of a final evaluation.

First stage: initial idea and programme design
During this stage, the following should be defined:

1. the key agents and their roles in the programme (clear division of responsibility, management style and programme management).
   The following kinds of roles need to be clear:

   - commissioning authority (Ministry of Culture, city, municipality);
   - funding body (commissioning authority, foreign or domestic foundation);
   - programme implementation body (educational institution, non-governmental organisation, expert team);
   - programme author/director and the collaborating team (programme supervisors and monitors);
   - participants (institutions and organisations, specific groups, individuals as corporate representatives or in their personal capacity);

2. the theoretical-methodological framework, from which all the key elements of the programme are derived and defined.[14]

The fundamental difference between general management and management of arts organisations is the fact that in the process of programme planning, as well as in the process of evaluation, emphasis needs to be placed on *aesthetic-axiological analysis* which examines and determines the main artistic achievements of the organisation or institution in question. The theoretical body of knowledge has been derived from the theory of management, organisational science, sociology of culture and cultural policy and economics of culture. The methodological framework relies on the theory of lifelong learning and continuing professional development (CPD), using methods of active learning, especially learning through research, learning through projects, and learning through problem solving. This type of learning requires a variety of forms of teaching and learning, among which the following tend to be the most effective: seminars, training sessions, lectures, workshops, consultations, presentations, distance learning, debates, brainstorming sessions, simulation games, study visits, case study analysis, interviews. Thus, continuing professional development relies essentially on what we call **multifunctional learning of the operational type (MfLOT)**, in which different forms and methods interact, making it possible for a given problem to be analysed and resolved by active learning methods (i.e.debates, workshops, simulation games). In practice, this means that this form of learning (MfLOT) emphasizes peer group training and learning by experience as the dominant forms of study;

3. the content and key methodological forms for the implementation of the programme (project stages, relationships between national and regional training sessions, modes of implementation, methods and parameters of programme evaluation as a whole and its individual segments).

This is based on the theoretical-methodological framework outlined above. The primary task is to research educational needs, in relation to individual assessment within the cultural sector. 'Contents' refers to key topics, the form of education in relation to the topics and schedules for group work (seminars, training sessions), the monitoring of individual and group progress (monitoring and consulting), as well as the methods and parameters of programme evaluation as a whole and its individual segments. The combination of methods and forms will depend on the objectives and the thematic focus, on the user profiles, available resources and, in the last analysis, on the existing knowledge and expertise available both in the region and beyond (lecturers, trainers, monitors, consultants, etc.). Such combinations of methods and forms will have a feedback effect on the choice of venue and the overall timing, premises and technical requirements for the realisation of the programme. They will also determine the optimum number of participants.

The general parameters and programme evaluation criteria are defined at the same time to determine the expected outcomes for those participating in the programme (benchmarking). The selection of the participants is made on the basis of the programme contents and evaluation criteria. The general criteria of selection could be organisational excellence, critical reflection on one's own work, the ability to improve that work, readiness to work on a partnership basis, openness to change through dialogue, contribution to the development of democratic and pluralistic values, decentralisation of operations, and openness to regional and international cooperation. Of course, depending on the specific local objectives, each community needs to define additional parameters for the selection of participants;

4. procedural mechanisms (coordination of decision-making), and flows of information and logistics.

In turbulent circumstances, different views on the key issues of content, structure and objectives of the programme can arise. It is desirable, therefore, to agree on when and how decisions will be made in case of serious change and deviation from the original programme, regardless of whether such changes were caused by the decision of the programme director, the commissioning body, or the user. It is clear that *Adaptable Quality Management* method which is recommended to institutions and organisations in culture, must apply also to the management of the educational programmes of organisational development. In this sense, the programme authors have to enjoy the freedom, as the implementation proceeds, to transform certain segments in accordance with the changes in the environment, as well as the changes caused by the implementation of the programme itself. This is precisely the distinctive feature of management in turbulent circumstances: the plan is less rigid than one devised for a stable environment, but the defining procedures and mechanisms of decision-making are more precise and detailed.

In order to reduce tensions, it is important that all parties should be involved in the decision-making process, and that primacy should be given to the meritocratic principle, that is to say, expert knowledge.

The information/logistics flows should also be planned ahead. All the logistics (i.e. accommodation, transportation, meals, translation, activities such as excursions, visits, etc.) must be well thought out since poor quality planning in this area will affect the mood of participants, and thus also the overall result and effectiveness of the programme.

14 This point will be discussed in the chapter on 'Methods of design and implementation of programme instruments' also in Part 2.

Second stage: practical realisation of the programme:
self-evaluation and organisational diagnosis
The objective of this stage is to assess the situation. All organisations and institutions go through a threefold process of self-analysis by their individual managers and management teams, including the strategic analysis of the environment, and of their own position in that environment.

The programme author and leadership team decide, for the self-evaluation, strategic analysis and positioning, which method will be selected and why, or whether the methods need to be adapted to the specific context.

The preferred form at this stage of education is usually seminar work, since it includes a series of complementary educational approaches (lectures, workshops, open and planned debates), which are particularly suitable for the successful completion of this task. The work itself is best divided into three sub-stages, the first of which is the detailed understanding of the selected methods of self-evaluation (best done in the form of a lecture). This is followed by workshop activities, which involve the practical uses of each such method. Thirdly, a debate provides an opportunity to explore the main problems and organisational challenges that have been perceived. The result is a clear diagnosis of the achievements and identification of key problems in the functioning of each institution and organisation **(problem learning)**.

Following the seminar, the institutions and organisations continue to work on this task through more detailed research and study (i.e. study of the organisation's history, interviews with the organisation's leadership etc.), during which time the main findings and resolutions are reasserted and firmly grounded in research findings (**learning through research**). In the light of its potential complexity, this task is usually carried out in consultation with the project leadership. Its effect is a greater motivation for further work and trust in the justification of the entire process and its relevance for the organisation. Thus, this stage ends with the strengths and weaknesses of the organisation being brought to the fore, and the place of the organisation in the system of culture established. Possible priorities for future organisational development have also been identified, so that the programme leadership can define further educational needs and design new forms of education.

Third stage: preparation of the strategic plan as the key component of organisational development (project learning)
It is at this stage that the general objectives of the programme assume their full shape and final conceptual form ready for implementation. It is necessary to define the methodology of work on strategic planning, to adapt requirements in

line with the problems and causes of turbulence in the environment and in line with the results of the previous stage, to work out individual parameters and criteria of evaluation for the entire programme and for the strategic plans and their realisation.

The objective is, thus, to build a firm conceptual framework specifying only the key elements of the strategic plan in summary tabular form, leaving the organisations complete freedom in descriptive explanation and provision of analytical data. To do this we use 'strategic tables' (see Part 4). These tables are meant for guidance only, to assist and stimulate the development vision and prospects of programme activities, concepts and contents.

The implementation begins with introductory workshops on strategic planning, followed by individual work with institutions and organisations (consultancy) and leading on to the final version of the proposed strategic plans.
The final point at this stage consists in the adoption or verification of each strategic plan, which should be the task for the relevant bodies in institutions and organisations (i.e. for the management board). If there is a commissioning body or an external funding body, the programme authors and leadership team will probably have to present them with the evaluation of the strategic plans and their feasibility.

Fourth stage: implementation of strategic plans
The objective at this stage is to create the conditions for an effective and efficient implementation of the strategic plans. The organisations and institutions should have enough time (at least six months) to begin implementing the key elements of a given strategic plan. During this period, the authors and programme leadership confine themselves to monitoring the process and giving occasional consultations, if requested by the organisation itself.

Fifth stage: mid-project evaluation and further development of the educational components of the programme
The main objective at this stage is the evaluation of the overall developmental achievements in relation to the projections of the strategic plan. This is usually done at the end of the first year of implementation.

The evaluation analyses not only the level of implementation of the strategic plan but also the success of the programme as a whole from the point of view of general and specific parameters as given in the programme draft. Additional criteria and indicators of success must be applied: they are the criteria which the insti-

tution or organisation in question has specified within its strategic plan for the assessment of its effectiveness and efficiency.

The assessment also lists the deficiencies that can be remedied by further educational activities. It is usually at this stage that long-term educational plans are drawn up, both for the programme as a whole and for each organisation and institution, as well as for key individuals. The plan must provide for a variety of forms of education, that is to say, from study visits to a series of workshops dedicated to specific problems.

If the organisation itself is taking care of its development, it is useful to plan an evaluation workshop as part of the central stage of evaluation. This means that - apart from the independent external evaluator and programme leadership - each organisation or institution should give a brief assessment of its level of achievement (for each table and each parameter), highlighting the domains in which its achievements are greatest and socially most important (development of the **concept of institutional excellence**). The final assessment is made through dialogue between the institution or organisation and the external evaluators and programme leadership, which is a step towards the formulation of an additional educational plan.

Sixth stage: development through education (implementing additional activities)
The preceding stage of evaluation defined the objectives for the sixth stage of the programme. These objectives require additional educational activities to be carried out in different domains, reflecting the needs of a given institution or NGO. The topics of interest for a number of institutions and NGOs in the region are usually chosen in such a way that the educational potential of the programme can be fully utilised (also to facilitate networking, mutual partnerships, and even possible joint activity platforms).

Since institutions and NGOs possess different levels of knowledge and capacity, coming from different environments and having a different focus and different users, their educational needs are extremely varied. If programmes are to be developed for international or broader regional levels, the problem is even greater, since the organisations operate within the context of different cultural policies.

Turbulent circumstances often result in staff changes, making it unprofitable for an NGO to invest in education. The gap is often filled by educational programmes funded by public authorities or foreign donors. When NGO activists with specialised knowledge leave the organisation, it must seek *ad hoc* solutions for

their replacement, either engaging them part-time or through accelerated training schemes for newly recruited activists. The needs for additional education, besides the seminars, are met by sending NGO activists to different education programmes within the country or abroad. The advantage of regional training programmes is that the trainers understand the needs of the institutions and organisations and the circumstances under which they operate.

Seventh stage: critical analysis of the implementation of the strategic plan and of the achieved level of organisational excellence
At this point the objective is to determine the organisational level reached by an institution or NGO, as well as the degree of achievement of excellence and competence in its main area of activity. The second task is the verification of the functional success of the strategic plan.

Possible problems at this stage mainly come from diverse interpretations of the meaning of the strategic plan. Seeing the strategic plan as a rigid rulebook that must be realised in full, regardless of the changes in the environment, inevitably leads to long-term organisational crisis. Contrariwise, totally ignoring the strategic plan because of the changes in the overall situation and the position of the institution or organisation as a consequence of new cultural political decisions, or, possibly, because of its exceptional success and action through *ad hoc* measures, destabilises the organisation so that any change in the environment will destroy it.

Such cases are best dealt with by undertaking a critical analysis of the functions of the strategic plan in relation to the newly emergent essential changes in the environment (i.e., a radical change of cultural policy), or new ambitions on the part of the institutions and organisations themselves (e.g. a possible change of the horizons following training sessions, personnel upgrading, etc.), which might ultimately require the revision of the strategic plan.

Eighth stage: public presentation
The objective at this level is to acquire a skill in external communication that will reinforce the organisation's position and confirm its status in the cultural sector. The trickiest problem for institutions and organisations at this stage is to find methods and channels of activity that produce systemic effects (i.e. on contemporary artistic trends, aesthetics, professional norms, the process of decision making, legislative changes, funding, participation in cultural life, building of cultural infrastructure).

This is most frequently achieved by establishing special platforms and artistic programmes, by identifying key persons and institutions for cultural development (i.e. public opinion formers, 'gate keepers', politicians, the media, institutions of crucial importance) and by developing specific strategic methods of work geared towards each of them individually or collectively to bring the clear and publicly declared cultural policy objectives to fruition.

Ninth stage: programme completion and final evaluation

The objective at this stage is to identify the overall achievements of the programme, both through individual evaluations of the effectiveness and results of the organisations themselves and the comparative analysis of achievements in particular regions or problem areas. An additional objective might be a proposal for a follow-up of the programme derived from the functional/strategic evaluation (for example, if the evaluation reveals that an organisation has achieved a high level of expertise, a new regional programme could be developed in which that same organisation might become the key agent of transfer of knowledge and the promoter of networking and partnership in the field).

The final evaluation is prepared by the programme director and an independent expert. A report is then submitted to the commissioning or funding body for approval.

The fundamental problem with all long-term projects and programmes is so-called programme fatigue, that is, inadequate motivation for increased strategic-planning and logistical efforts for further organisational development. Such an effort may be perceived as a shift away from the primary function: arts programming.

From the point of view of the programme authors and leadership team, the main question is how to translate the experience and methods developed in the course of work on the programme into a coherent 'package' of transferable knowledge, that is to say, how to codify the programme so that it can be used in other environments, organisations and institutions.

This question, however, will not arise if the programme is very successful, since the visible results will attract other potential commissioning bodies (individuals, organisations or authorities), who will be encouraged to work out new programmes based on previous experience. The programme authors and leadership, as well as some of the individual participants, institutions or non-governmental organisations, will be accepted, in view of their achievements and qualities, as pivotal components of future projects and activities aiming towards further transformations within the cultural sector.

Methods of design and implementation of programme instruments

The processes outlined above require complex effort, and team work on three levels - on the level of the programme, the level of each individual institution and organisation, and the level of the cultural sector in a given community. It is necessary that the instruments define the programme of organisational development and capacity building at all three levels. Moreover, the design of these instruments always precedes the specific educational activities and processes, as well as the application of specific forms of communication for cooperation among programme participants. Each instrument must meet the following four requirements:

- professional soundness;
- comparability (ensuring qualitative comparisons according to specific parameters even when the institutions or NGOs come from different fields, as they usually do);
- feasibility in turbulent circumstances;
- suitability for effective evaluation (with built-in parameters serving as a means of assessment of shifts and achievements in certain aspects of development of institutions and NGOs).

The entire process of design and implementation of each individual instrument is shown in Figure 3, using the example of instrument design for strategic planning in the form of a 'strategic table'.

Figure 3: **Method of programme instrument design and implementation (example: strategic tables)**

Programme task	Method of realisation	Objective
First draft of instrument (strategic table)	Meeting of the programme author and leadership team	Conceptual definition
Interactive refinement and introduction of instrument among organisations	Instructive seminars/ workshops with NGOs and institutions	Transfer of knowledge and checking of implementability of the instrument.
Application of the instrument Expected output - strategic plan.	Team work within the institution or organisation Consulting - direct contacts between programme leadership and organisation team	Assistance in the interpretation of the instruments and help in solving problems of its application.

Programme task	Method of realisation	Objective
Output evaluation	External evaluation, programme leadership, independent expert; the whole operational team for more important outputs	Monitoring the results of programme and progress of the organisation and programme leadership
Refinement - reformulation of output	The narrow team within the organisation, consultation with the programme leadership	Coordination for the adoption of definitive version of the output, which will facilitate implementation and regional compatibility
Implementation	Use of the strategic plan concerns the whole organisation in its everyday work	Effective and efficient functioning of the organisation, ensuring qualitative shifts in organisational development and sustainability for a longer term; improving the performance qualities in the functioning of the organisation (according to the AQM)
Monitoring and control of implementation	Direct visits to the organisation studying its programmes and attending key meetings; insight into the media effects and the judgement of the relevant professional public (observation, interviews, media analysis, group discussions, etc.)	Deep examination of the critical problems and points of development, with the possibility of emergency interventions and changes to ineffective elements plaguing the operation of the organisation Possible revision of strategic plan objectives and methods
Evaluation of the effects	Self-evaluation of the effects by the institution or organisation; evaluation by programme leadership or team; external evaluation	Insight into the achieved quality of organisational development and capacity by the organisation itself; overall functioning, quality and key results of the programme Preparation for the new cycle of strategic planning

Instrument building and application is the key factor, an element which determines all other aspects of programme implementation. The following chapters will deal in more detail with the elements of design, implementation and evaluation (monitoring and control) of the instruments of organisational development outlined above.

The main criterion for the assessment of the quality of a proposed programme should be **the applicability of the approach.** This means that the knowledge and methods that are offered must be applicable to the immediate local context rather than just being relevant to a general international context. This will probably result in insufficiently structured programmes, which - in the Western European context - would be taken as a sign of the inadequate professional competence of the programme initiators. In turbulent circumstances, however, this is the only possible solution. An insufficiently structured programme leaves room for on-going changes and adaptations to the ever-changing demands of the local environments. The success of this type of programme requires the involvement of very successful organisations, leaders in their domains. Other theoretical principles and concepts are recognised solely to the extent that organisations meet such requirements, or that they have a potential to develop in this sense. That is why the design of educational activities cannot always be established in advance for the entire programme period, rather, it is reassessed from one stage to another with reference to the results achieved so far.

Programme development as navigation

The ultimate objective of the implementation of all the methods in the programme is 'on-going health support' for institutions and organisations, rather than simply a 'temporary healing' or 'symptomatic cure'. The emphasis is on identifying developmental capacities which enable the organisations to take preventative measures thereby avoiding problems that might otherwise lead to a crisis. The role of the programme leader is primarily 'navigational': he or she is called upon to provide organisations and institutions with the appropriate equipment so that in turbulent weather they can navigate their way to safer waters. To continue with the metaphor, the ship represents an institution or organisation and we have tried to identify the necessary tools that each ship should have on board to steer a safe course. The tools are well-tested and their value has been confirmed by the experience of numerous educational programmes. We hope that other organisations and institutions will enjoy a safe passage and successfully navigate their way to the shelter of the port. One should not forget, however, that wind is a major cause of turbulence, with its direction and force changing unpredictably!

The recommended navigational equipment for the programme:

Compass	methods of environmental analysis and self-evaluation
Sail	methods of use and development of the key resources according to the AQM
Rudder	methods of strategic planning
Anchor	methods of understanding cultural policy and relating to this policy

Organisational development

PART_3

Interest in organisational development as a separate topic of arts management has grown up over the last twenty years. In the field of culture, however, this interest was not accompanied by the appropriate changes in the educational and cultural policy approaches and strategies. The increasing demands on cultural organisations outlined in part one of this book are related primarily to operational efficiency and better economic results, as well as to greater effectiveness in improving social - most commonly socio-political - conditions

Organisational development as a process

Organisational development is a process that involves complex educational strategies designed to increase the capabilities of organisations and institutions to operate successfully over a given period of time, adapting to changes and initiating them. This process relies on the conditions in which organisations continue to learn and build their **capacity** in all the domains of work and methods of management. In the realisation of its **strategic plan**, an institution learns to develop strategic thinking, which means that it becomes a **centre of excellence** (in the programming/artistic as well as the managerial sense), adapting to changes in the environment, both expected unexpected.

The following formula sums up what has just been said:

$$\frac{\text{capacity building} \times \text{strategic planning}}{\text{selection of strategies} \times \text{implementation and evaluation}} = \text{organisational development}$$

Clearly, this formula considers the development of organisations from a very narrow perspective, but we have adopted it for the following reasons:

- the formula is 'hard', reduced to essential elements, and therefore, in principle, verifiable;
- it requires clear and precise developmental tools;
- it presupposes clear and precise criteria and parameters of evaluation;
- it gives the staff the feeling of power over the organisation's development, because the key agents of development are in the hands of the organisation itself;
- from a methodological perspective, it places all the elements of the process in their proper mutual relationship.
- It may be that the optimism which the formula generates is unconstrained and perhaps unjustified, but its implementation in the course of organisational development will lead to the achievement of excellence. Excellence will only be achieved, however, if high quality programming and a firm organisational basis are available to stimulate such development, leading to strategically innovative solutions which derive from the organisation's values, cultural aesthetics and business culture.

Capacity building: definition of the concept and scope of action

The concept 'capacity building' refers to the capability of an organisation to work on its transformation in accordance with its mission and vision, developmental objectives and priorities. This includes the organisation's ability to adapt its mission, objectives and priorities to the requirements of self-sustainability and the needs of the relevant environment. Many organisations have at their disposal large banks of knowledge and skills, which enable them to fulfil their immediate mission and programme tasks, but they might lack this inner capability to initiate a sustained effort to achieve organisational restructuring and change. To fill the gap, a special method has been developed in management education and training, as well as a body of knowledge which is known as 'capacity building'.

The term capacity building is a relatively recent newcomer to the theory and practice of management. In post-socialist Europe it referred to the development of public administration and institutions and also civil society, i.e. to the non-profit sectors. The question is what prompted the interest - mainly of donor organisations - in the design and implementation of capacity-building programmes? The theory of liberal economics takes it for granted that the private sector will develop best if left to its own devices (and to the laws of the market place). At the same time, it should be recognised that public administration in transition countries consisted of a mixture of 'old-fashioned' and of 'new' (and for the most part professionally incompetent) administrative staff. Neither of these groups inspires public confidence, on the contrary, they are often suspected of corruption, lack of organisation, and inefficiency. This explains the widespread belief that the key to swift transitional reforms should be sought in capacity building in public administration.

Capacity building implies a process of education and an investment in human resources, stimulating an organisation's staff to develop their own ability for: critical reflection about themselves and their role *(individual and team self-analysis)*; critical analysis of their organisation *(self-evaluation* and *organisational diagnosis)*; and an analysis of changes in the environment and in the organisation itself *(strategic analysis of the environment, SWOT)*, so that they are capable of nurturing the continuous development of the organisation *(the design and use of instruments of organisational development*, such as *strategic planning)* and of the organisation's ongoing *(re) positioning in the environment*.

The public versus the non-profit sector

In SEE countries, international organisations and development agencies found it easier to work with smaller, non-governmental organisations, both because these were less complex and more easily open to the implementation of knowledge relating to capacity building, and because the positive effects are noticeable over a short term. The inherent dangers of this approach are twofold: the widening of the organi-

sational gap between the public (i.e. governmental) and the non-profit sector and the loss of the most capable people in key positions from the public to the non-profit sector. The dangers are recognised and special care is now taken to achieve a balanced approach to capacity building in both public (or state run) and non-governmental sectors. Admittedly, the methods used in the state sector are intended to achieve the organisational transformation and reconstruction of the existing models of management, and in civil society the same methods are applied to develop **learning organisations**.[15]

Models of institutional behaviour

In the 1990s different models of institutional behaviour were developed, which often co-exist, and each of which has special prominence in different areas, countries, and even regions. The following analytical diagram (Figure 4) presents them, along with a comparative presentation of the determining factors for successful capacity building, strategic and organisational development.

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15   See also Part 5 in this book.

Figure 4: **Possible paradigms of institutional behaviour**

Old model	Transitional model	Desirable (new) model	Model in turbulent circumstances
Institutional logic	Organisational logic	Project logic	Logic of the key factor (institution, project, organisation)
Institutional planning	Strategic planning	Strategic-project planning	Strategic-functional planning with reference to the defined key factor
Short-term planning (the understanding of the institution as an unchangeable constant in time)	Long-term cyclic planning	Long-term flexible, proactive (in relation to the environment) planning	Long-term adaptable (re-active and pro-active) planning
One fundamental mode of institutional behaviour (e.g. dependence on public authorities and public funds)	Plurality of strategies hierarchically defined	Several multivariant strategies (e.g., diversification of funds with cross-references to the diversification of programmes and their methods of realisation)	Plurality of strategies given the co-existence of several development scenarios subject to revision and adaptation
Sectorial activity (precisely defined)	Sectorial activity as the dominant form, accompanied by a development of partnerships on the inter-sectorial basis	Horizontal (in the sense of narrower) domains in culture and arts, science and education, tourism, health care, etc… and vertical inter-sectorial activity (public, private, civil)	Inter-sectorial activity based on the observed needs of the environment and the internal developmental resources and capabilities of the organisations/ institutions
Feeling of institutional irreplaceability (undisputable mission - e.g. national museum…)	Vision of a stable internal organisational success	Vision of success, in the sense of the promoter of overall social development	Sustainability, with an attempt to develop a vision of success which helps to stabilise and develop community life

Old model	Transitional model	Desirable (new) model	Model in turbulent circumstances
Annual programme-financial control	Full procedural transparency (organisational, programme, financial)	Model of responsibility for the public good	Design of changeable interactive mechanisms of management and control (respecting procedural transparency)
Professional skill and expertise guaranteed by appropriate diplomas and formal status in the organisation	High level of expertise and specialisation confirmed by the overall organisational success	Professionalism confirmed in narrowly defined problem areas; ability to understand developmental context	Ability to apply and adapt codified (formalised) knowledge in specific circumstances subject to rapid change (AQM)
Learning as a necessary formal precondition for development in a professional carreer - formal, organised (usually on the national level)	Functional learning, mostly acquisition of skills required for strategic and organisational development: -organised ad hoc by agencies for development and cooperation, etc.	Life-long learning of complex conceptual and narrowly professional up-to-date knowledge, together with the acquisition of techniques and skills required in specific complex situations: - formal and informal, organised through flexible multivariant inter-sectorial methods of education	Multifunctional learning of the operational type (MfLOT): - self-organised in cooperation with the relevant local and international partners

Capacity building in transitional countries

In stable conditions of social development, the process of capacity building is institutionalised and codified in accordance with the requirements of the cultural policy. These requirements oblige each organisation to dedicate a certain number of working days to training. Alternatively, agencies in the public sector can be entrusted to undertake such training on a professional basis (e.g. organisations such as ARSEC in Lyon, France).

In transition countries, this task is appropriated by international organisations and agencies. The local organisations themselves are motivated to accept such assistance because of the funds that international organisations and agencies bring with them for the purpose of training in this domain.

Since it is believed that the period of transition will soon become a situation of stability, it is expected that this kind of knowledge, once acquired, will provide a good basis for the operational functioning of cultural activities in a stable socio-political system, in which the process of capacity building will become part of the official cultural policy.

In turbulent circumstances, however, the most that we can hope to achieve is to awaken the curiosity and motivation for the application of this model as a key instrument of internal organisational stabilisation and development, because unstable circumstances require more frequent repositioning, new knowledge, and the ability to react to change. In turbulent circumstances the only real solution is the raising of self-initiative as an unavoidable aspect of overall organisational culture, since this is the only way to achieve and maintain efficiency and self-sustainability.

Capacity building is a general methodological framework for all the relevant factors needed to overcome the turbulent conditions in which institutions and organisation operate. It requires the involvement of individuals and the organisation as a whole to take an active part in education and training. Figure 5 gives a survey of the process of capacity building.

Figure 5: **Dimensions and areas of activity in the process of capacity building**

Individual level	Organisational level	Level of relations with the relevant environment	Wider international context
Specific individualised (tailor-made) educational programmes (specialisation, advanced training abroad: internships, seminars)	Establishment of the potential excellence in the artistic and programme sense and use of its potential in the organisation	Study and comparative analysis of achievements in the activities of the organisations and institutions - professional competition and learning through partnership	Criteria and standards of activity in an area, both on the national and international levels
Knowledge of organisational tools and techniques: individual self-analysis - through seminars, study visits and internships	Organisational diagnostics (self-evaluation)	Cultural development in civil society (knowledge of the value of one's own sector in cultural development)	Learning from other organisations: partnership, co-productions, European cultural networks
Professional training for highly specialised activity within the environment: e.g. methods of research in culture, generating income, fundraising, sponsorship	Strategic analysis of the relevant environment	Institutional system of culture Educational organisations in culture Functioning of a media system	Knowledge of transnational markets and cultural markets; international trends; international subjects, mechanisms and forms of funding culture; general rules of international donor system

Individual level	Organisational level	Level of relations with the relevant environment	Wider international context
Formalisation and transfer of knowledge	Methods of strategic planning, monitoring, and evaluation	Knowledge of the principles and key elements of cultural policy (e.g., active participation); decentralised cultural initiatives; methods and techniques of inter-sectorial cooperation (e.g., cultural tourism, entrepreneurship in culture)	Trends in cultural development: - privatisation, - demand for self- generating income, - life-long learning... Internationally accepted principles of cultural policy: - cultural diversity, - inclusiveness, - participation, - transparency...
Development of management techniques (leadership) Communication skills	Management of human resources: - methods and techniques of teamwork	Development of intercultural relations and forms of mediation	Knowledge of the key agents and instruments of international cultural cooperation (redefinition of relations with partners from the region and the rest of the world)
Marketing and market activities; information management in culture	Effective organisational activity on the cultural market: diversification and work with the audiences	Lobbying and public relations; knowledge of the mechanism and operational frameworks of cooperation at all levels (legislative, fiscal, etc.)	Knowledge of the organisational culture of relevant institutions in other countries (for possible future partnerships).

The process of capacity building

We argue that the process of capacity building in turbulent circumstances requires multifunctional learning of the operational type or MfLOT (**learning by doing**). Knowledge in a given domain must be acquired through practice, learning from others rather than from theoretical seminars or from reading technical literature. Cross-references must be made to other types of knowledge and skills that key personnel in institutions and non-governmental organisations have already mastered and which have proved useful not only to a given organisation but also to the wider context.

Self-evaluation and organisational diagnosis of institutions and organisations

Out of a wide range of available methods for capacity building in turbulent circumstances, those that are most suitable to a given situation must be selected. In this way, the methods employed are operationally most applicable using the instruments which produce clear and precise analytical 'reports' - analytical output.

Figure 6: **Methods of self-evaluation/diagnosis and the expected analytical outputs**

Methods	Analytical outputs ('reports')
1. Individual and team self-analysis	Formula of managerial abilities
2. Genealogical diagnosis of an organisation	Chronological map
3. Analysis of the organisational structure and channels of communication	Organisation chart
4. Analysis of the decision-making process, delegation of responsibility	Matrix of the decision-making process
5. Analysis of information channels within the organisation	Diagram of information channels (information flow chart)

In the following section, these methods will be presented through a series of case studies from cultural organisations in Serbia and Montenegro and in Croatia. The authors of this book come from these countries and have cooperated with the organisations in question on a number of projects dealing with their organisational development.

cs/01

Individual and team self-analysis: definition of the 'formula' of managerial abilities

The process of self-evaluation and organisational diagnosis of institutions and organisations begins with a self-analysis of the managerial (organisational) abilities of the key personnel and their relationships with each other.

We base this on a method of self-analysis developed by Ichak Adizes. Recognising that no individual can single-handedly perform all of the functions of management, Adizes emphasises the importance of the managerial team, built on the basis of interactivity, thereby rejecting the likelihood of the organisation depending on a single charismatic leader over a long period of time.[16]

This is why the process of critical self-reflection and self-evaluation of the managerial team begins with self-assessment and peer assessment of the composition and distribution of managerial roles, finding suitable 'formulas' for individual leaders and for the leadership team within the organisation as a whole.

Of course, Adizes's method is only one of several possibilities, but since it is often used in the non-profit sector, and puts emphasis on entrepreneurship, which we use here to refer to creativity and innovation, it is eminently suitable for arts management. Although relatively less well-known in Western Europe, this method has proved highly applicable in South East Europe. It is indicative that its author (although an American citizen) not only comes from this part of the world (Macedonia), but has also grown up in a region torn apart by conflict (Israel). Thus, he understands and takes into account the instability of the environment as a feature requiring specific knowledge and skills.

One should start with the identification of the agents (or their absence) responsible for the four key functions of management: production (P), administration (A), entrepreneurship (E), and integration (I). In this way it is possible to diagnose the immediate capacity of the organisation for team work, as well as the stage of development at which the organisation finds itself at that moment in time.

Case study: **Formula of managerial abilities**

Konkordia organisation, Vršac, Serbia: the charismatic leadership model
Konkordia is an NGO established in 1994 in Vršac to support the production, promotion and popularisation of modern visual arts in the Banat region of Voivodina, in Serbia.

As part of the individual self-analysis workshop of the managerial potential of its staff, Konkordia was assessed as being representative of the charismatic leadership model of management. Consequently, the 'formula' for the managerial abilities of the organisation was the same as the formula for its leader. This formula can be represented as P_EI.[17]

Problem:
The main problem with the leadership type of organisation is that such an organisation identifies itself with the leader, both within itself and in relations with its public. This might mean that the members of the organisation do not know or sufficiently identify with the mission of the organisation (embodied by the charismatic leader and often defined by him/her on the spur of the moment). The loss of the leader invariably means the end of the organisation, although the leader's charisma, that is, his/her integrating potential and presence in the life of the community on different levels reduces the risk of the organisation actually dissolving. Even so, the total absence of an 'administrative' function puts the organisation at risk and inhibits further development. This absence leads to the lack of clear delegation of duties and responsibilities, the system of project management consistently established from scratch, lack of investment into the organisation's future, e.g. to train personnel etc. Therefore, although the leader may have a clear vision of the development and mission of the institution, and the basic resources it needs to survive, the members of the organisation do not have any such similar vision. They are there because they 'believe' in the content of the programme activities brought to the organisation by its charismatic leader. Similarly, the collective memory of the organisation remains un-codified in the appropriate archives; there are no structures or procedures that are respected in this regard. Potential new members of the organisation would have great difficulty in finding their way through it.

Solution:
The formation of a new executive board of the organisation, clear organisational structuring, and urgent recruitment of key personnel (particularly those who can assume an administrative function (A), as well as the integrating function (I) needed to become re-established on new premises. Konkordia set up a new programme - an *ad hoc* workshop was organised, enabling the staff to design and competitively implement independent projects - in cooperation with foreign cultural centres and embassies. The project, entitled *The Konkordia Documentation Centre*, raised the issue of the charismatic leadership model and its potential dangers. The new functioning model was based on the distribution of tasks and responsibilities.[18]

16 Adizes 1992.

17 PAEI would be the formula for an ideal model of management in which all functions and their bearers are adequately developed. Small-case letters, for instance, PaEi would indicate that two functions are underdeveloped, but that the manager or his team are aware of the need for such functions. The complete absence of the functions and no awareness of the need for them would be designated by small-case line, for instance, P_EI.

18 It is interesting to note that over a long period of time there is a danger that the recognisable leadership function might disappear. Yet, such leaders, especially in small communities and in turbulent circumstances, may sometimes prove to be more important than a stable, structured organisation with delegated responsibility. Thus, in the town of Vršac the cultural organisation was threatened with the loss of its building owing to changes in the political relations in the community. At this point a charismatic personality was re-instated as director to solve the problem.

The genealogical diagnosis of the organisation: identification of the present stage of the organisation's life cycle: drawing chronological maps

The second stage of self-evaluation deals with the implementation of the genealogical method, which enables us to trace an organisation's history through the key moments of its development and maturity. Just as it is important at any stage in the life of an organisation to emphasise different issues and relations within and towards both the internal and the external environment, so also, according to Adizes's methodology, different aspects of management need to be activated at different times. Thus, the most important element in the first stage is the entrepreneurial spirit and innovation (E); in the next stage the stress is on production (P), and in the next developmental stage, on entrepreneurship (E). Following the diversification of growth and expansion of the organisation, the stress must inevitably fall on the administrative responsibility (A). Of course, a variety of methods should be presented in seminars, so that each organisation can choose the one that is most effective in nurturing self-understanding, an understanding of the origins, successes and failures in its development. In addition to Adizes's method, frequent use is made of the classical historiographic method (explorative-descriptive analysis of the organisation's development in the past) and the process of historical analysis of a series of decisive turning points in the life of the organisation.

cs/02
Case study: **Chronological maps**

Centre for Contemporary Art, Belgrade, Serbia
The Centre for Contemporary Art in Belgrade was established in 1994 as one of about a dozen Soros Centres for Contemporary Art in Eastern Europe. The objective of these Centres was to set up a practical mechanism to document the work of contemporary visual artists and to stage annual exhibitions to evaluate the contemporary art scene. In addition, the Soros Centres gave grants, by competition, to help the artists to exhibit their work. With time, the Centres severed their ties with the Soros Foundation, becoming increasingly independent and project-oriented and developed the production/managerial side in order to earn the money that they needed for their work.

The Centre selected for analysis here was at the height of its success at the moment of entry into the capacity building programme. The dilemma that it faced was whether to maintain the level of development so far, or whether it should rather reorient itself strategically onto new ground. The organisation tried to analyse the critical points in its history to make itself aware of the developments that either threatened or supported the organisation. The data that formed the basis of the analysis belonged to the domain of programme activities: production (P ——), organisational structure (A – – –), and entrepreneurial energy (E – - ––). The activities were mostly identified in new productions, although the researchers' attention might have been directed to administrative changes or essential strategic innovations, such as audience development. Inner integration (I -------) and internal cohesion and identity appears as a result of all the previous developments, although it has also its own independent developmental flow channel (it often depends on the level of inner satisfaction with the achieved result, which, however, may not be the real picture of the organisation's achievements).

Graph 1: **A chronological map of the Centre for Contemporary Art, Belgrade**
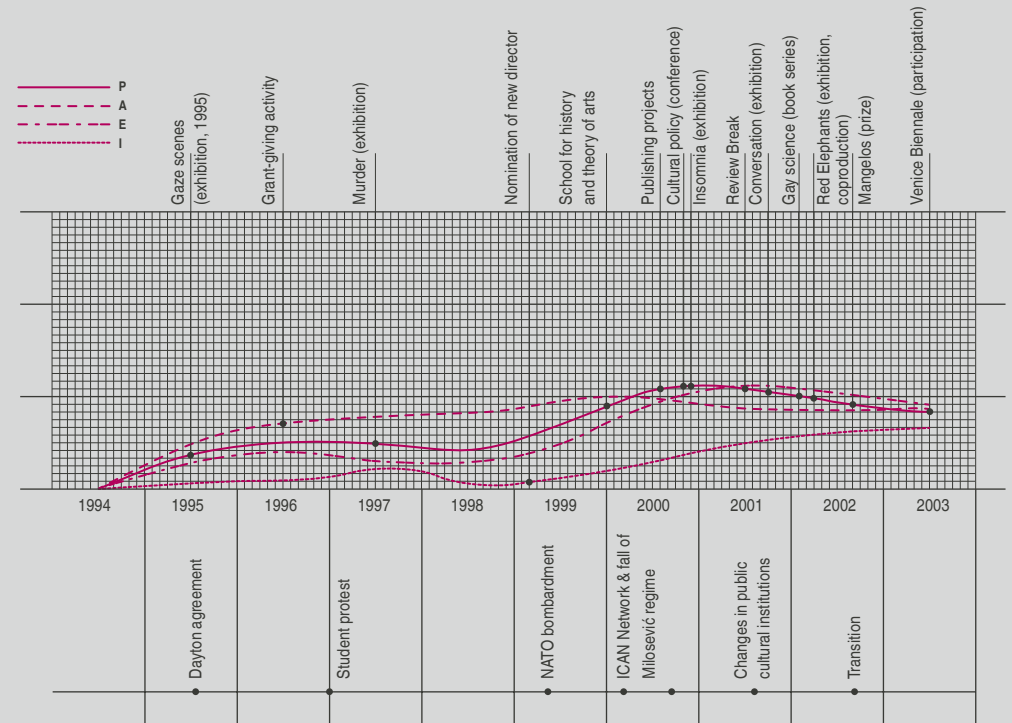
It is evident from the graph that the organisation has gone through two stages and that it is now in the third stage of its development. The first stage (1994-1999), when the Centre was an organisation established as part of the Soros foundation programmes and networks, with a secure income, was characterised by a good administrative structure, little emphasis on production, and a markedly low level of entrepreneurship. The second stage (1999-2001) coincided with the arrival of a new director and with changes to the business conditions. The Centre became an independent institution, forced to develop as many projects as possible in order to obtain funding. At the end of this period, the Centre peaked in terms of its productivity, but with the director's departure (in 2001) and changes to the social situation, it had to re-examine its developmental strategy. Institutional inertia led to a situation in which production still proceeded as planned (and the prepared projects were realised), but stagnation at all levels was evident.

Problem:
The transfer of a number of the Centre's employees (and part of its programme) to the Museum of Contemporary Art and the realisation of previously initiated programmes in partnership with the Museum resulted in the Centre losing its clear profile and identity.

Solution:
A different profile of the organisation had to be identified. In practical terms, this meant redefining the Centre's mission and programme contents so that the activities of the Museum were distinct from the activities of the Centre, with the promotion of the Centre's new staff onto the wider cultural scene.

The left side of Graph 1 shows important socio-political events in the environment, which had a distinct influence on the Centre's activities and its organisational structure. The right side lists the crucial events taking place within the organisation, as well as the programmes and activities that decisively influenced the internal development and effectiveness (or significance) of its activity within the local community.

The analysis of the organisational structure and channels of communication: organisation chart

The process of diagnosis of the organisation's capacity and potential also includes the analysis of its functioning, primarily in the sense of understanding its organisational aspects and patterns of decision-making. In most cases, this is the first time that an organisation encounters the need to define its organisation chart and matrix of decision-making as completely new instruments enhancing the understanding of its own inner functioning. Organisations should be given full autonomy in preparing the graphic representation of their structure. They can freely choose the form of representation and the symbols. In workshops we often see organisation charts in the form of cartoon drawings, 'three-dimensional' structures (cylinders, cubes, etc.), two-dimensional geometric symbols (stars, squares, circles), and all their possible combinations. The key task is to highlight the links between different parts of the organisation and the strength of each.

cs/03

Case study: **The analysis of the organisational structure**

Exit Theatre, Zagreb, Croatia
The Exit Theatre is an independent institution established in 1994. It came into being on the initiative of a strong artistic personality, actor and theatre director, who decided to 'develop a theatre of the kind that he himself would like to attend as a viewer.' Throughout its existence, the theatre systematically tried to develop new types of interaction with the audiences.

In 1998 the EXIT Theatre came under the auspices of the traditionally conceived and led August Cesarec Cultural Centre. The Theatre's outstanding success soon made it renowned, locally, nationally throughout Croatia, and on the international scene as well. The Exit Theatre gained the reputation of being the most frequently awarded Croatian theatre. The identity of Cultural Centre as the umbrella organisation gradually receded, to the benefit of the EXIT Theatre which grew into the dominant component of the hybrid organisation (hybrid as opposed to organically grown). The logical next step was to appoint the EXIT Theatre manager to the position of Director of the Cultural Centre, with the two institutions operating on the same premises, under a single director, but with separate agendas and programme activities.

Graph 2: **Organisation chart of the EXIT Theatre, Zagreb**
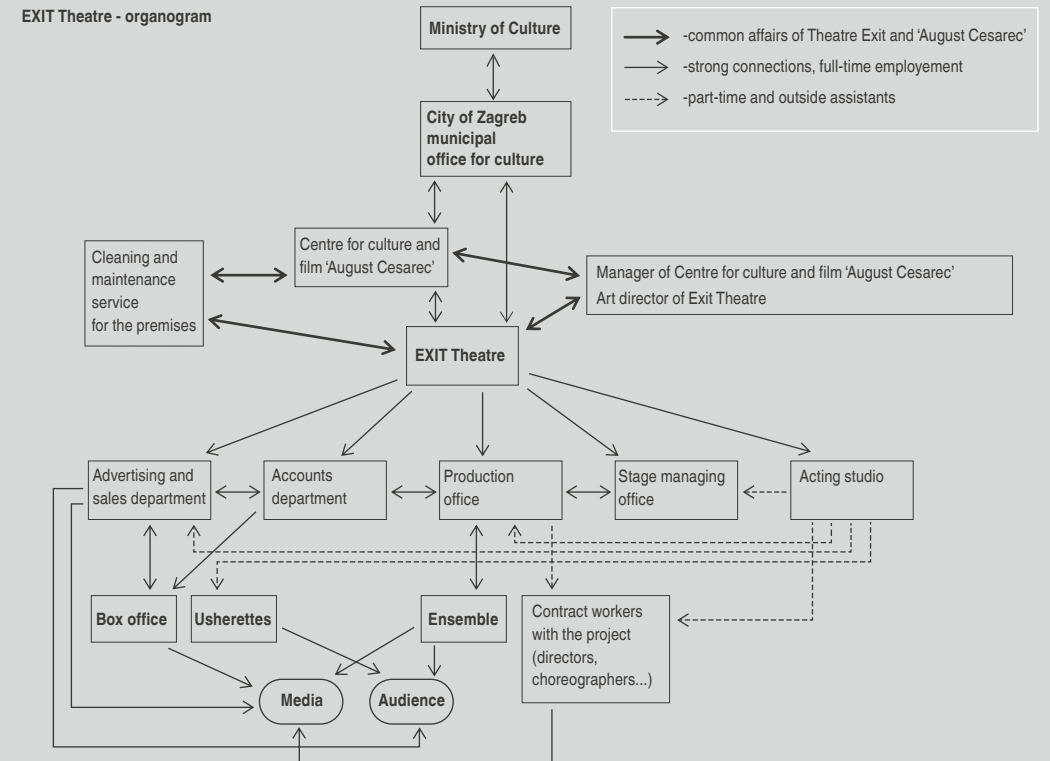
The organisation chart clearly indicates that the Theatre's operations are properly structured and that it functions in the usual, well-known and well-established ways, without any major disruptions. The organisation chart of the Cultural Centre, on the other hand, is not diagrammatically shown, nor is it elaborated to any great degree. It is obvious that there are no overlaps, either organisational or programmatic, between the Centre and the Theatre. This could be a conscious decision, but in this case it is actually a compromise solution to give both institutions as much independence as possible.

The position of the director is a problem in itself. He plays a crucial managerial and coordinating role, but there are no other links between the two institutions. The most serious organisational anomaly is undoubtedly the absence of any additional governing or consultative bodies in the EXIT Theatre (i.e. an arts council or a governing board). Unlike the Theatre, which is a non-profit organisation, the Centre is a public cultural institution, which, according to its charter, must have a governing board. The organisation chart does not show the position of the governing board, and it is not clear whether there should be two separate bodies for the two institutions or whether one joint body should be established to serve both. This has serious procedural repercussions for the public legitimacy, inclusiveness and transparency of their operations.

cs/04

It follows from what has been said that the organisation chart as a simple and visually effective analytical tool can point to the fundamental organisational difficulties and possible ways of solving them. In this particular case it was important to define the desirable and possible organisational and programmatic links between the Centre and the Theatre, which would rationalise the overall organisational structure, spell out the role of the director, and provide for the establishment of the relevant managerial, programme and artistic bodies.

Analysing the decision-making process and delegation of responsibility

The process of decision-making in cultural organisations of civil society differs markedly from the process of decision-making in the public and for-profit sectors. Decision-making in public administration and public institutions is often prescribed by law, and is subject to a distinct hierarchy and firmly established procedures. However, in huge, state-run cultural institutions of national significance (e.g., a national theatre or a museum) this method could give an insight into the weak points in the decision-making process, particularly from the point of view of coordination.

In the profit sector - in the interest of efficiency and effectiveness - decision-making is clearly functional (with many responsibilities in the hands of a small number of managers). However, here, too, the process of decision-making is not a value in its own right, but is rather assessed solely in terms of its effects.

In organisations of civil society, particularly non-governmental organisations dealing with issues of public/general interest and wider social significance and importance, the participatory model of decision-making is taken for granted. Thus, this process is valuable in itself, and its renunciation (i.e. the abandonment of the principle of involving larger numbers of individuals in the process of decision-making) cannot be justified by reasons of efficiency and utilitarianism.

Turbulent circumstances sometimes require prompt decisions to be made, but even so, procedural provisions must be established to avoid abuse and to prevent the imposition of the will and interests of an individual or a small group of people in the non-governmental organisation in question. Since each decision in such an organisation presupposes also the vision of a certain interest, it is necessary to examine the extent to which that interest is shared by other individuals in the organisation.

The process of decision-making in organisations of civil society can serve as a good indicator of their position and status as non-governmental organisations in the true sense of the word, and not, for instance, as private non-profit initiatives (which often put on the cloak of an NGO in order to obtain funds for their programmes more easily). The process of decision-making contributes to the building of social cohesion in the group, to its identity and feeling of collective affiliation, and to the solution of the problem of involvement by individuals and groups. In this sense, the process has value for an individual, a group and their social interaction.

Case study: **The matrix of the decision-making process**

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Remont arts association, Belgrade, Serbia
Remont, an independent arts association, was established in October 1999 by twelve artists and one art historian. This NGO was an association of individuals and projects intended to enrich the city's cultural scene and to strengthen the movement for the revitalisation of contemporary culture, badly damaged during the war and in the extremely unfavourable political circumstances in its aftermath.

Remont has the following organisational structure:

1. the Members' Assembly[19] which meets once a year to adopt the report for the previous year and to admit new members. Every two years the Assembly elects an Executive Board;
2. the Executive Board consists of a Director, a Deputy Director and a Secretary, and two members. The Board meets every three months, or at shorter intervals if necessary (in practice, it meets almost once a month). Its role is to:

- establish other programme bodies which act independently, for a period of two years: The Gallery Council, the Editorial Board of the Remont art magazine, Electronic publications editors, etc.
- decide on and approve (or reject) the proposals for major projects and appoint project managers for important projects.

The division of responsibilities:

The Director is responsible for financing and fundraising for the organisation's policies and internal organisation; he/she is not a member of other programme bodies/working groups, but can be a project manager.
The Deputy Director stands in for the director if and when necessary; he/she can be a member of various programme bodies and can act as a project manager.
The Secretary is responsible for administration (including press cuttings, documentation, etc.); he/she may be a member of the programme bodies and can be a project manager.
Staff: Director, Deputy Director, Secretary, plus one or two people who are members of other programme bodies.

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19   The Assembly consists of the founding members plus collaborators (involved in projects lasting no less than one year) following the approval of their membership by the Assembly. In Graph 3 each member of Remont is represented by one symbol.

Graph 3: **Decision-making processes in Remont, Belgrade, a non-hierarchical and unstructured organisation**
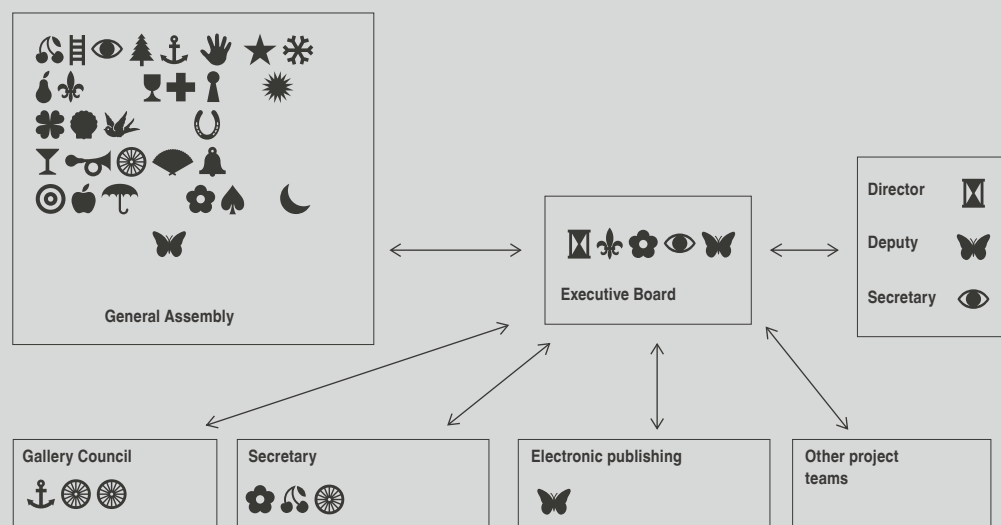
As the graph shows, this is the typical organisational structure for a non-governmental organisation. The process of decision-making is simple because the managerial functions overlap (both director and the deputy are the members of the Executive Board). In such a small organisation, in which all the members know each other well and are meeting on a daily basis in a common working space, the decisions of the Executive Board can be discussed beforehand with members. A decision can be approved without any difficulty because the Board can easily meet (no members come from outside the organisation), and quickly implemented, as everybody can be immediately informed.

It is obvious that a body is lacking to strategically lead and evaluate the work process and programme achievements. It could be the current Executive Board in a different form (with independent personalities from cultural and public spheres) or it could be an additional body, like an Advisory Board, which prepares the strategic paper for the General Assembly and which undertakes the evaluation and assessment of the achievements from the previous period.

The situation of crisis in which Remont found itself in 2004-2005 (losing its premises, the lack of support of the public authorities due to political changes) would probably have been avoided if such a body had existed. An Advisory Board could have the dual role of advocacy and lobbying, and also of providing input for strategic decision-making.

In big public institutions the process of decision-making is much more complex and carried out on many different levels, as could be shown on a chart with corresponding hierarchical order. In turbulent circumstances, managerial power often concentrates itself into the hands of one person, who takes a decision by citing the support, or even command, of those who are seen as superior (representing the public financial authority in charge: city secretary for culture; assistant minister for one art discipline, etc.)

Analysis of information channels: information flow chart

Recent literature on management pays a great deal of attention to information systems within organisations. It is generally accepted that in complex organisational systems well-established channels of information facilitate the operation of the organisation and guarantee future development. This means that the information system always has several roles: a communicative role, an information-analytical role, an archive and documentation role, and an internal monitoring and control role.

When considering the cultural sector, especially organisations in the sphere of civil society, it is usually assumed that we are dealing with small, interest-focused organisations, which explains why the question of their channels of information does not even arise. But we are witnessing a growing number of NGOs which are established regionally (like the I_CAN - International Contemporary Art Network, or network Banlieues d'Europe), or large national network organisations (Independent Forum for Albanian Women, or Fédération des Oeuvres Laîques in Morocco), or organisations which embrace complex mixtures of local and international structures (MIFOC - Mostar International Festival Organisation Committee)[20]. Equally, in the public (i.e. governmental) cultural sector there are numerous institutions with highly complex organisations, often also with disconnected operational units. In addition, it has to be recognised that the problem with flow of internal information exists even in the smallest NGOs. They need to have clear channels of information, because these are a necessary precondition for high-quality decision-making. Also, by definition, non-governmental organisations must guarantee inclusiveness for all members, even for groups and individuals outside the organisation, because they all make up its network of co-workers and supporters.

In this situation, there is no ready-made model that could be used by all organisations. Instead, through the process of capacity building and *Adaptable Quality Management* (AQM), as well as through workshops which include considerable numbers of its members, an organisation reaches the diagram of information channels that corresponds to the previously defined structure (organisation chart) and the process of decision-making (matrix of the process of decision-making). That is why the non-governmental organisations involved in such programmes must seek to achieve suitable, developmentally oriented diagrams of information channels.

20   MIFOC appeared as a network coordinating the work of several non-governmental organisations in Mostar (Mladimost, Alternative Institute and ŠkArt Studio), as well as two non-governmental organisations from France (Drugi Most and Guernica) and one from Spain (Resources for Intercultural Animation).

cs/05

Case study: **Diagram of information channels**

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Multimedia Institute, Zagreb, Croatia
The Multimedia Institute was established in 1999 with just two full-time employees and several external collaborators. At present it has over twenty active participants working on annual programmes and projects. It has four full-time members of staff and a large number of users. Focused on the development of cooperation, partnership and networking, the Institute operates in three domains - new media and technology, culture and young people. The Multimedia Institute develops, or participates in the development of, a variety of communication links and platforms with numerous other organisations, initiatives, groups and individuals with whom it finds itself sharing common space: that of communication, encounter and interaction.

Everything that has been mentioned - organisational growth, programme expansion, intensity of communication with the outside world, the weakening of the boundaries between the organisation and the environment, the interdisciplinary approach and inter-sectorial operation - plus the fact that the organisations and individuals working in the new media frequently prefer less rigid organisational structures, reveals the importance of the level of information flows both within the organisation itself and outwards to its relevant environment.

Graph 4: **Channels of information in a flexible organisational structure, Multimedia Institute, Zagreb**
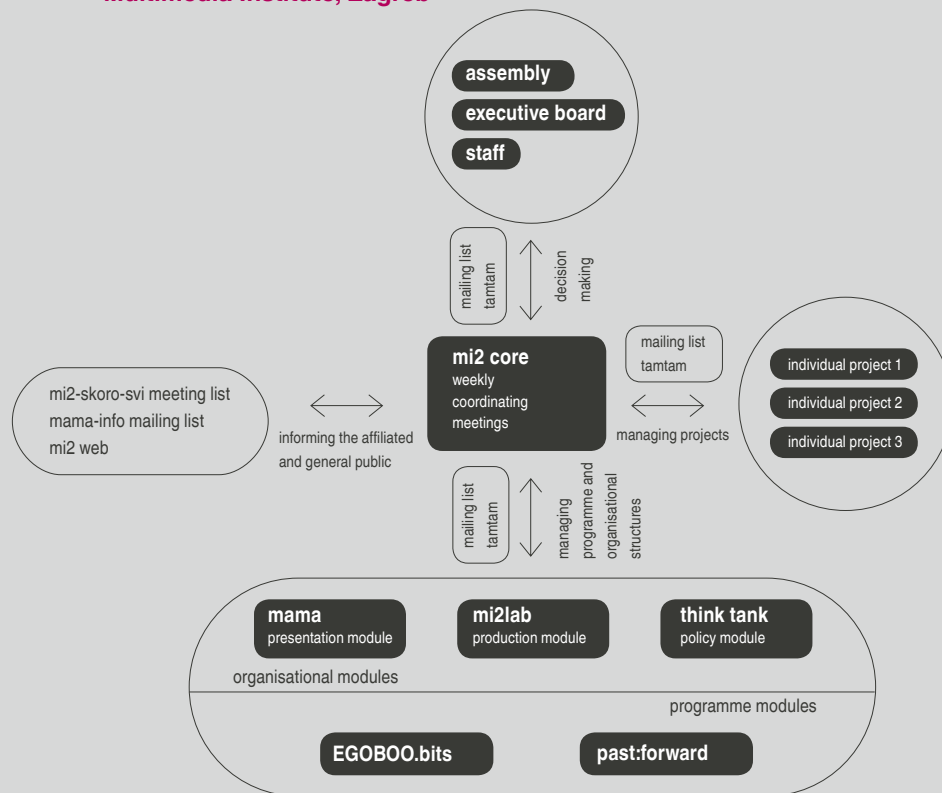
The entire external and internal environment within which the Multimedia Institute operates (precarious sources of financing, lack of social status and recognition of its field of operation, a project-led orientation - characteristic of most NGOs - towards the newly discovered fields of operation, enthusiastic models of group formation within the organisation, etc.) prevents it from achieving a higher degree of institutionalisation, organisational and administrative stability. A firm hierarchical structure would require - for the given size and intensity of operation - an unsustainable (overburdening) amount of accompanying mechanisms and human resources. In the absence of this, the organisation's activity would simply be blocked in areas which it sees as constituting its basic competitive advantage.

The organisation's development to a high level of non-hierarchical structure enables it to enjoy significant autonomy in its various programmatic and organisational modules. It is concerned less with the mechanisms of management and decision-making and more with the establishment of (a) quality system and evaluation mechanisms, and (b) efficient, effective, transparent and participative mechanisms for channelling information.

In order to achieve these aims, the Multimedia Institute has developed various mechanisms within the organisation (annual assemblies, meetings of the relevant governing bodies, regular weekly meetings, meetings of departmental heads, daily briefings etc.) and oriented towards the outside world (public relations, marketing, advertising, etc.), making intensive use of the tools of on-line communication such as web pages, distribution and mailing lists and direct e-mails. The focal point of all the communication and information channels in the Multimedia Institute is the coordinating body known as *mi2cor*. It is important to emphasise that all the day-to-day communication is conducted by a combination of e-mail and oral communication, and that the Multimedia Institute has answered its need for on-line work on projects and programmes with a special programme called *TamTam*, as a collaborative tool providing a simple environment for on-line cooperation and publication on the web. A series of additional features should be integrated into the programme in the not too distant future.

We can conclude that a strong focus on the maintenance of a highly distributive channel of information and communication leads not only to the radical simplification of procedural institutional functioning, but also to the acceleration of the processes of decision-making, innovation in programming, and adaptation to changes in the environment. That is why the following diagram suggests, rather than defines, the complexity and the diffuse nature of channels of information, as well as their hierarchical orientation around strict processes of decision-making, or to the creation of specific projects and/or information products. Paradoxically, an orientation of this sort secures a high degree of inclusiveness of both agents, basic ideas and communication processes.

The information flow chart of the Multimedia Institute presented in Graph 4 only takes into account the central structure of the information pathways within the organisation, leaving out those structures that have been developed within projects and/or organisation and programming modules. A further feature not shown in this Graph are the numerous information pathways intended to communicate the contents in relation to different communities, users and audiences linked with different projects, programmes and modules.

There are four fundamental information pathways that *mi2core* either facilitates or mediates. The first is the flow of information from the bottom up, relevant for decision-making in the various corporate bodies of this institution (i.e. Executive Board, Assembly etc.), and in the opposite direction it makes possible the dissemination of information needed for day-to-day implementation of the formally defined directives sent out by these bodies.

The second flow of information determines the project work, even though such projects are largely independent when it comes to their inner structuring and programme. The overall execution of the project depends very little on the formal organisational structures. It is precisely for this reason that *mi2core* has an important role to play as a mediator between the project and organisational types of information flow (from information on the availability of different resources to information required for evaluation).

The third flow of information covers aspects of the management of modules, both organisational (*mama, mi2lab, mi2thinktank*) and programmatic (*EGOOBOO.bits, past:forward),* as permanent forms of activity by the Multimedia Institute. The characteristics of the organisational modules are determined by the infrastructural and typological organisation of activities as individual and relatively independent organisational units, while the programming modules are more often determined by the specific contents and individuals gathered around a given module.

The fourth flow of information defines the output information relevant from the perspective of the organisation as a whole in relation to (a) a community of active and informed individuals gathered around the organisation (*mi2-skoro-svi* mailing list), (b) direct users (*mama-info* distribution list), and (c) the general public (*mi2.web*).

After applying the five mechanisms mentioned here - individual self-analysis, the management method, assessment of the stage in the organisation's life cycle, the organisation chart, the matrix of the process of decision-making and the diagram of the channels of information - institutions and organisations can get a very clear insight into its organisational potential and into the key problematic areas. This serves as the basis for further development using methods of strategic analysis.

Functional strategic analysis (FSA)
Having gained a basic understanding of the organisational characteristics and following the establishment of an appropriate 'diagnosis' of how the organisation functions, the next step is to apply the method of functional strategic analysis (FSA). This analysis places the organisation's potential (i.e. its strengths) in relation to the opportunities coming from outside, and at the same time it enables the organisation to overcome its weaknesses and to remove any outside threats.

The following graph shows a possible analytical sequence in the preparation of the strategic plan as a precondition for further organisational development.

Scheme 1: **The analytical sequence approach**
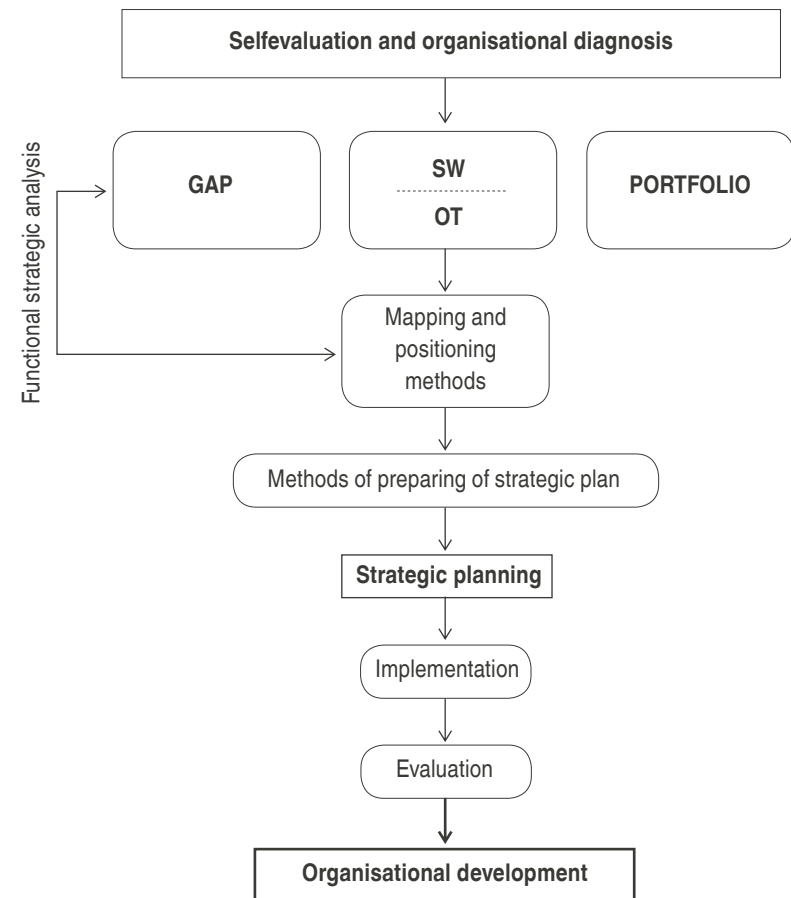
Functional strategic analysis can embrace a variety of methods, but the one most frequently used is the SWOT analysis in combination with the 'positioning' method. We believe that this is the most suitable method for organisations in the field of culture and the arts. It provides a 'natural' link between the methods of self-evaluation and organisational diagnosis, since in one part it analyses the internal organisational elements representing the organisation's strengths and weaknesses, while the other part turns towards the outside environment and naturally links with the positioning methods. Other methods used include PORTFOLIO and GAP. The PORTFOLIO analysis is most frequently applied to business-oriented cultural organisations and above all to large and diverse organisations, and to systems (corporations) made up of a number of heterogeneous units. The GAP analysis is used with organisations whose development presupposes organic growth (i.e. an increase in the volume of production in cultural industries).

Strategic analysis: SWOT

The term SWOT is an acronym for four concepts: Strengths, Weaknesses, Opportunities and Threats. This analysis is usually done on several previously established layers: internal organisation, sectorial analysis (competitiveness), and the outside environment on the levels of municipality, city, state, region and European. It looks in both directions - to the present and to the future. The strengths and weaknesses have to do primarily with the analysis of the organisation itself at that moment in time, while the opportunities and threats coming from outside focus equally on the present and the future.

This analysis is particularly valuable in turbulent circumstances, because - when properly applied - it makes possible a relatively painless shift in mental attitude away from the daily operational routine, whose only objective is to overcome the complications brought about by the instability of the socio-political situation. Its aim is to recognise opportunities and to open up to the prospects of development. Furthermore, accurate perception of dangers stimulates the organisation to find appropriate preventive actions and strategies.

Internal analysis (SW analysis)

The internal analysis starts with recognising the organisation's strengths and weaknesses in all aspects - programmes, programme quality, reception in the community, human resources, technical, material and financial resources, quality of organisational processes, decision-making, information and the organisation's memory (transfer of the organisational culture and tradition, documentation, and archival storage).

External analysis: strategic analysis of the environment (OT analysis)

For the external analysis to succeed, the most important thing is to define the levels of observation, that is, the areas that the organisation regards as its *relevant environment*. The relevant environment for the external analysis of institutions and organisations consists of the following:

▸ the framework of international cultural cooperation (networks, programmes, institutions, mechanisms);
▸ political and social conditions in the macro-region;
▸ national cultural policies;
▸ regional and local cultural policies;
▸ the current state and level of development of the civil sector;
▸ the state and level of institutional development of the branches of arts and culture in which they work;
▸ the current state of the cultural market (trends in cultural consumption, cultural models, audiences);
▸ the functioning and development of the media system.

As can be seen, this is a kind of funnel-shaped analysis, which proceeds from the more comprehensive to the narrower and more specific areas. At every level both the opportunities and the potential threats are analysed in as many dimensions as possible, making use of data from research institutions, national statistics bureaus, media studies, etc. Of course, one and the same environment may be assessed as favourable for one sort of institution or organisation and unfavourable for another - this depends on the variables that each organisation considers appropriate for a given area. The variables should be defined with respect to the mission and goals of the organisation. The superficial approach, that is, the belief that simple brainstorming can produce high-quality analysis without the definition of the framework, can prove fatal. Therefore, the process of external analysis involves the following operations:

▸ definition of the areas and levels of analysis;
▸ determination of variables for each area and level;
▸ collection and analysis of results from previous research;
▸ recognition of the opportunities and threats and their graphic representation.

Although it is believed that strategic analysis is ineffectual in turbulent circumstances, because predictable events can totally change a situation and take off in a new and unexpected direction, this analysis, nevertheless, is useful in that it opens up new prospects and horizons, and is a useful starting point for possible future scenarios. In the case of unstable countries, to a much greater extent than

in the Western European countries, there is a palpable need to adapt constantly to newly emerging conditions enabling an organisation to survive. The price that organisations pay for this may be high to the extent of abandoning some of their fundamental objectives and priorities. At the same time, an organisation must constantly seek new waters, spreading its activity over a broader regional space (for instance, South East Europe), or re-positioning itself within the field of social activity which may not have been its primary objective.

cs/06

Case study: **An analytical SWOT table**

Open Cultural Forum (OKF), Cetinje, Montenegro
The Open Cultural Forum was established in 2001 by writers and publishers from Podgorica, Cetinje, Zagreb and Sarajevo. The Forum has two priority objectives: the revival of cultural life in Cetinje (which was a political, spiritual and cultural centre of Montenegro from the late 15th to the mid-20th century) and the intensification of cultural cooperation among writers, publishers, cultural initiatives and publishing projects in former Yugoslavia and the wider Balkan region.

Figure 7a: **SWOT-analysis for the Open Cultural Forum in Montenegro: strengths and weaknesses**

Strengths	Weaknesses
+ Uniqueness in programme orientation in Montenegro + Involvement of a large number of partners and collaborators - non-governmental and state cultural organisations; writers, translators and publishers in Montenegro and throughout the Balkan region + Persistence and consistency in pursuing an original concept of work - continuity of production + Diversity among the employees of the organisation in terms of backgrounds, ages, educations, interests, but with similar attitudes, self-interests and objectives) + Awareness of the need to develop and cultivate professional standards and criteria, primarily in the domain of literature and translation + Openness towards new collaborators and partners + Takes an active role in communication with cultural workers and writers in the region + A positive image, in the sense of recognising the Forum as an agent in public and social life	- Inability to sustain itself financially - Lack of marketing logic and of adequate competencies - Absence of regular control of the working processes - Lack of synchronisation of the working processes - Inadequate and irregular communication within the organisation itself - Inadequate managerial and administrative skills

Figure 7b: **SWOT-analysis for the Open Cultural Forum in Montenegro: opportunities and threats**

Opportunities	Threats
+ Expansion of the network of partners and collaborators + Removal of linguistic barriers in the region and possible joint activity in the book market - marketing of Montenegrin publications outside the country + Increased staffing + Expansion of activities + Establishment of partnership relations beyond the regional language through the development of translation + Improvement of cooperation with the government institutions in the sphere of culture + Improved cooperation with the non-governmental sector in culture leading to joint work on the creation of cultural policies (lobbying) + Financial support by the Ministry of Culture to secure the situation of the Journals which present Montenegrin literature and culture and communicate with the neighbouring countries and the world at large.	- Undefined cultural policy - The precarious position of the non-governmental sector in culture - The economically unstable situation in the country - Low purchasing power of the population - Absence of a booksellers' network - Difficult material situation of libraries - No customary buying of books and literary magazines on the part of the people - Unresolved copyright issues and no proper legislation to regulate the publishing trade - Only a small number of sponsors in Montenegro to support culture

Taking into account weaknesses and threats, the organisation has to find strategic solutions to overcome the deficiencies and to minimise possible negative influences from the outside. For example, in this concrete case, the organisation has to join initiatives, or to initiate actions that aim at popularising both reading and book buying. At the same time it is clear that they have to focus on internal capacity building and raising the quality of internal communication and the decision-making process.

The mapping and positioning method: art field map and map of institutional positioning

The next step, following the external analysis, is the sharpening of the focus onto:

1. the artistic and cultural field of activity of the institution or organisation and
2. their geographical scope, with the purpose of mapping the areas and the positions of the institution within those areas.

1. The mapping should include the following:

   ▸ programmes and activities that are missing (pinpointing the gaps);
   ▸ programmes covered by activities of poor quality;
   ▸ activities covered by quality programmes.

   This analysis takes into consideration the activities of all the institutions and organisations in all three sectors, as well as the individuals, the education system and the media that operate in a given area. The product can be a map of the socio-cultural cycle of a given branch of culture, highlighting the stages in any particular institution or NGO. This implies complementarities (for example: training and other activities, audience animation), but at the same time it points to sharply competitive domains and to the gaps which if filled would assure greater market competitiveness.

2. The map of activity of an institution or NGO in the local community specifies all the relevant institutions, organisations and individuals who - though not necessarily belonging to the specific area in which the organisation operates - may have a great deal of influence on the development of the local community and thus also on the development of the organisation itself. The two maps described here mark the next step in the functional strategic analysis (FSA) - (re)positioning.

   Positioning is the process of determining an institution's place on the area map and on the local community action map at the time the analysis is being carried out. Positioning also tests the sustainability and the place of the organisation over an extended time span. That is why positioning usually gives answers to the questions: *Where are we?* and *Where would we like to be?* In answering these questions the organisation does not focus primarily or exclusively on the relation of competitiveness but rather on cooperation, complementarity, and partnership.

cs/07

Case study: **Art field map (socio-cultural cycle)**

- -

New Media Centre - kuda.org, Novi Sad, Serbia

kuda.org is a non-profit organisation of artists, theorists, media activists and researchers in the field of information and communication technologies (ICT). It explores critical approaches towards the (mis)use of ICT and emphasises creative re-thinking for the development of network society.

Figure 8: **The position of Kuda.org in the socio-cultural cycle of new media**

kuda.org	Creativity	Diffusion of information	Education	Animation communication	Other activities
Public Institutions	MUSUB Institute for Internet Mus of Voivodina KultCentNS StudKultCentNS AustCultForum Bgd **ZKM Karlsruhe**	Rex Bgd **MIT Press V2 Rhizome-Spectre**	UU Bgd AKF Bgd		CentKultAnim NS Finnish Embassy FrenchCultCen Bgd Goethe Institute **Kulturreferat Munich**
NGO	**PublicNetBase** kino klub ns *a.network*	*a.network* kolektiv remont csub *Multimedija, Skopje Interspace, Sofia*		Exit media	**Location1 Deckspace i-DAT**
Private initiatives	Futura publications publisher magic box	Izba klub ns	FaM NS		Daniel Print
Individual experts	**Konrad Becker Steve Kurz Nina Czegledy**	D&BP bequest	Slobodan Markovic Vladimir Maruna		Veljko Damjanovic Vladan Joler
Media	TV NS Urbans	**Mute magazine**		Apolo TV NS IN radio NS Danas news Vreme magazine Radio Bgd 202 Radio b92	

World I *Regional* I National

The first and last columns show the activities of kuda.org, including all the forms of support, consultancy, technical assistance, etc. which indirectly influence the quality of decisions and the accomplishment of the basic activities.

The first column shows the categories of subjects with which kuda.org co-operates. The table highlights the most developed and most frequent forms of day-to-day activities. The blank spaces reflect the uneven occurrence of the activities listed here. A separate diagram presents the system of marking in terms of spatial positioning.

Of special importance are the blank 'fields' in the map, which not only indicate what is lacking in this area, but also demand active involvement of Kuda.org in developing sufficient activities. Where this is not possible, like trying to develop university education in the field of new media, lobbying and advocacy should stimulate policy-makers and other social actors to start initiatives and projects in this field.

cs/08

Case study: **Map of institutional positioning in the relevant geographical area**

Institute for Contemporary Arts, Zagreb, Croatia
The Institute for Contemporary Arts in Zagreb established in 1993, is a non-profit organisation. Since that time it has acted as a kind of a national centre for the documentation, presentation and evaluation of the most important trends in the field of the arts in Croatia and Europe-wide. Due to this, the Institute has developed equally well its exhibition, research, consultancy, educational and information/documentation components. The Institute is currently in a relatively stable stage of development, a reflection of the cultural policies of the country and the city in which it operates. However, since the Institute has highly diversified activities, the main problem is distinguishing between the multitude of institutions and individuals which are potentially important for the Institute's organisational and programmatic development. They should be judged in terms of their priorities and their strong functional ties within the environment.

Problem:
A dynamic and flexible hierarchy and structure is the key analytical element in mapping the environment. This is all the more important as the Institute is a small organisation whose status within the institutional framework of the national and local (city) cultural policy is not clear. Since the main form of the Institute's activity is project work, there is a danger that over a long period of time the community may lose sight of the strategic aspects of this work and end up with a situation of operational 'stifling', that is to say, with an excessive number of smaller and time consuming micro-activities that can lead to 'organisational fatigue' and the loss of the internal developmental dynamics and publicly recognised identity.

Solution:
The environment should be defined in terms of the multifunctional principle, with special emphasis on project work and funding. While the former stresses the internal identity and focus on the organisation's activities, the latter stresses a key factor of its survival. In view of this procedure, only two activities have been singled out for analysis. This helps to focus attention on key determinants, both in the geographical and institutional sense.

Graph 5: **Map of institutional positioning in environment - analysis of general and operational environment, Institute for the Contemporary Arts, Zagreb**
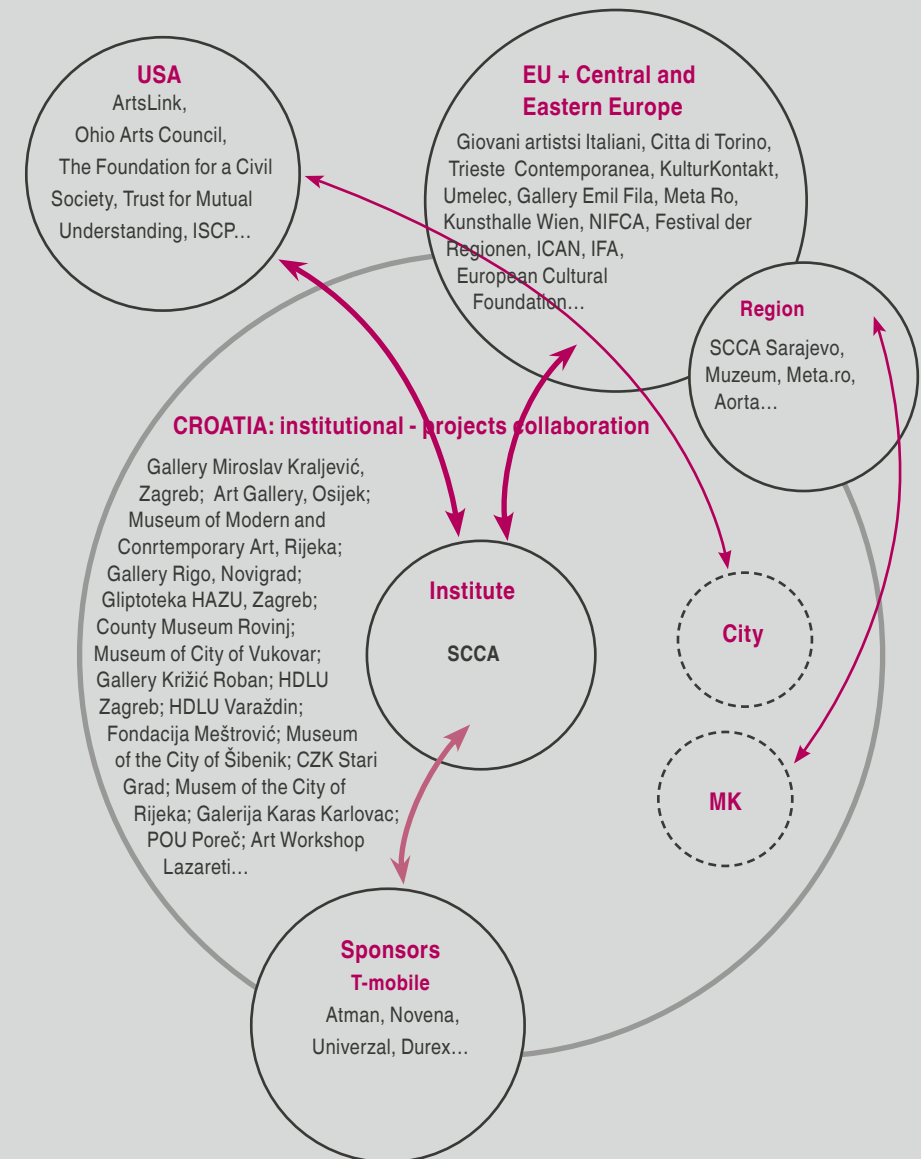
The graphic representation clearly points to the United States as being a crucial factor in the two activities singled out for analysis. The emphasis is on direct institutional cooperation, first and foremost the exchange of artists and residential programmes. This cooperation is for the most part initiated and implemented without the mediation of Croatian institutions, be they public institutions linked with cultural policy (primarily the Ministry of Culture, the city of Zagreb and other cities and counties), or professional institutions and organisations. The Institute's cultural cooperation with the EU member countries proceeds in a similar way with clearly defined priorities. This is why both cooperation schemes are shown in the diagram with full-line bi-directional arrows. Since cooperation with the EU countries is a priority for the Croatian Ministry of Culture, such activities are supported with part-funding by the Ministry. The same is true, up to a point, of cooperation with Central and Eastern Europe. The graph shows very clearly that regional cooperation in South East Europe is lagging behind in this regard. The reason is not the political orientation of the organisations or the lack of knowledge of the arts scene in the countries of the region, but rather the chronic shortage of funds from regional and wider international sources.

Given the fact that the Institute has no exhibition space of its own, it is forced to organise its many events in cooperation with a number of other artistic and cultural institutions. This enables the Institute to exhibit its own collection, and it also has positive effects on the diffusion of works of art and on the reception of contemporary art - this de-centralisation, therefore, brings about additional by-products. These projects are as a rule co-funded by local organisations and institutions. The important point here is that the financial support given by sponsors has recently increased, and has spread throughout Croatia. The links with the sponsors are less **intense** in the professional sense, while in the financial sense the link is very important, albeit also conditional and subject to compromise.

Capacity building as a process of stabilisation

Capacity building is the fundamental process in the stabilisation of organisations and their activities operating in turbulent circumstances. The organisations that have embarked on the process of organisational development, by applying the basic methods described here, will acquire specific knowledge and skills required in their daily lives. Thus the positioning map of the local community is the fundamental mechanism used by public relations officers in their day-to-day work, while the diagram of information pathways serves as a constant reminder of all the relevant parties involved in the process of decision-making. The institutions and organisations should reach the following levels of performance in their work:

- an awareness of the organisation as a complex system of inter-relationships;
- an improvement of the internal organisational cohesion and institutional culture;
- an awareness of the organisation's capabilities and achievements so far;
- permanent openness for learning;
- the focus on human rather than material resources;
- the recognition and acceptance of change in the environment;
- the spread of intra-organisational dialogue - democracy of inter-personal communication;
- an awareness of the need for new programme and organisational directives and achievements (a sensitivity for strategic thinking and action).

It should be clear that capacity building is a precondition for the implementation of the methods of strategic planning which aim to enhance the organisation's capacity to overcome the consequences of operating in turbulent circumstances. Capacity building is the foundation of strategic planning, the subject of the next part in this book.

Strategic planning
A step into the future _4

PART 4

The theory of organisational development advocates the adoption of different approaches and appropriate mechanisms, mostly derived from planning as carried out in the commercial sector. This means it is necessary to modify and adapt the chosen methods to the highly changeable environment which impacts on the cultural sector, and especially on the public sector since it is under state control and depends on political circumstances which affect legislation. While the economic field is regulated by international treaties, accepted by most states as they seek to join the World Trade Organisation (WTO) and the International Monetary Fund (IMF), the field of culture - even within the European Union - is left to the nation-states to regulate themselves, which many of them interpret as the right to impose strict control and to dictate the direction of activities.

The internal heterogeneity of the field of culture poses a problem in its own right, as regards both the choice of activities, and the size of organisations and their inner structure. It needs to be remembered that cultural organisations exist in all three sectors: public, commercial and civil.

For this reason the mechanisms of strategic planning should be sufficiently general to be widely applicable and sufficiently specific to meet the requirements of organisations in different fields of operation. Strategic planning is the mechanism which guarantees that the knowledge, insight and skills acquired in the initial part of the process of capacity building will be not only applied but also properly used for organisational development. The reasons favouring the practice of long-term strategic planning, even in turbulent environments, are many, the most frequently quoted being the following:

- attaining stability and security for the organisation;
- greater flexibility and preparedness for spontaneous changes (the creation of systemic preconditions for *ad hoc* changes);
- better readiness to react to unexpected threats from the outside environment;
- better negotiating position for the organisation;
- greater credibility and recognition of the organisation in its environment;
- improved programme quality.

In the last analysis, all of these characteristics lead towards a diverse and adaptable programme, larger audiences and better income generating capacity on the part of the organisation itself, i.e. its sustainability in turbulent environments. Strategic plans are particularly important for public cultural institutions, because it is practically the only mechanism which forces them to re-examine the established programmes and to turn towards the future, to new strategies and innovative modes of operation. In this way a strategic plan can be a means of fighting institutional 'sclerosis' and individual and collective apathy on the part of the agents.

The value of strategic planning in turbulent environments

The value of strategic planning in turbulent environments can easily be questioned since organisations are focused primarily on the solution of immediate threats and on the elimination of observable weaknesses. An additional problem is that in most developing and transition countries, culture is seen as an integral part of the broadly accepted tradition and identity of the country. For this reason, the method of strategic planning is itself perceived as a threat from above, thus intensifying, rather than reducing the instability of a given environment.

The most difficult task that the authors of this book faced in numerous capacity building training sessions (programmes) was to dispel the participants' fears and to refute their objections to a relatively demanding and complex process of strategic planning, including the preparation of a strategic plan. The whole exercise, so it seemed to the participants, was futile in that it could not propose realistic changes, nor would any of the (direct or indirect) participants in the process feel obliged to implement the planned initiatives and projects. The step into the future is thus experienced as a step into a void, rather than as something which guarantees a relational, dynamic treatment of the changes, defying full definition. Moreover, such changes are said to be very often unfavourable for the development of cultural activities.

A strategic plan does, however, need to be applied, otherwise the initial motivation of people working in institutions or organisations may turn to apathy if it becomes obvious that plans are meaningless in an environment which does not accept them or in conditions of operation that change from one month to the next. Take for example, the Central Asian Academy (Bishkek, Kyrgyzstan), a non-governmental organisation bringing together independent artists and intellectuals from four Central Asian countries: it was an active participant in the early capacity building seminars and developed the techniques of networking and fundraising, but they did not manage to create their strategic plan. The people from the Academy were highly motivated and came up with several international projects. However, subsequent drastic changes in government policy led to the introduction of a ban on the activities of the international organisations on whose help these projects relied. They therefore suffered a series of setbacks several months after launching the projects and after renewing the registration of the organisation. The strategic plan, had it been available, would have enabled these projects, as well as other key initiatives, more substantially, to more easily overcome the sudden and unexpected situation which the organisation itself could not influence but by whose consequences the very existence of the organisation was threatened.[21]

There is one more reason for questioning the significance of strategic planning in environments in which there are no systematic demands for it or for cultural policy and planning in general. The suspicions manifest themselves in questions over who the plan is intended for and who will ever make use of it. Actually, the most difficult task is to develop the inner inclination within the organisation for strategic thinking and understanding of the organisation's need for strategic planning, The plan is important firstly, for the institution itself and only secondly for other bodies (authorities, donors, etc.). Experience shows that agents in the environment can differentiate those institutions that cultivate strategic thinking and planning from those that do not.

Conditions for preparing a strategic plan

If the preparation of a strategic plan is part of the process of capacity building, it is a direct continuation of the processes of self-evaluation and organisational diagnosis. The organisation wishing to start work on a strategic plan must form a team consisting of the representatives of the relevant categories of employees. The team will conduct the necessary research and prepare the required reports: the 'formulae' of managerial skills, chronological maps, organisation charts, the matrix of the decision-making process, a diagram of information channels, the analytical SWOT table, a map of the area of operation, and the institutional positioning map.

It is clear that the entire programme and organisational management team must be included in the process of the strategic plan preparation. The team will also have to include external collaborators and members of the board of governors. The team will define the methods and dynamics of their work, choosing a time that will not interfere with its members' usual work schedule. The team must be given an opportunity to focus exclusively on the key developmental questions for the organisation and their activation through the strategic plan. At each important step in the preparation of the strategic plan, the team must have an opportunity to share opinions and debate the proposed options. This is particularly necessary when defining the vision and essentially new strategic lines of development, because these questions require a consensus from within the organisation.

Useful tips for the organisation of the process of strategic planning:

- highlight the positive attitudes towards strategic planning in your organisation;
- draw up a precise outline of the preparations for strategic planning;
- set the deadlines for each stage;
- involve all the relevant persons;
- involve persons from outside the organisation if they possess the required experience;
- specify the roles and responsibilities of each individual person;
- specify the modes of reporting and process monitoring;
- circulate the draft document and organise a discussion around it;
- encourage analyses, debates, suggestions for improvement;
- provide a mechanism for the formal adoption of the final document.

21 In January 2004 the decision was made in Uzbekistan to re-register international organisations. Banks promptly stopped all transactions for them. It was therefore impossible for the Soros Foundation to transfer the money for the international music festival and the IETM conference in Tashkent, threatening both of these events with cancellation.

Predicting future scenarios for the relevant environments (region/state/city…)

The main characteristic that distinguishes stable societies from those that live in social and political turmoil is the presence of a social development plan. In stable societies, organisations can rely on the existing vision of social development and also on accurately defined strategic objectives as formulated in different policy documents[22] and strategies of cultural development. In societies of unrest, this vision is lacking and the framework for social change is not defined. Political agents change at short intervals, each of them bringing a completely different vision and set of attitudes, so that not even the procedural mechanisms are fixed or fully clarified. For this reason, organisations must, as a precondition for the preparation of a strategic plan, envisage several possible scenarios of development, so that they can integrate into the plan all necessary additional mechanisms and strategies for overcoming possible hazards.

Most organisations lack the knowledge and skills for comprehensive developmental scenario planning. They are, thus, forced to rely on the existing research conducted by academic and scholarly institutions and to extract from them alternative options of development. However, a cultural institution may - as part of its programme of activities - organise debates and workshops on future cultural development, and thus make public part of their work on the formulation of the strategic plan. This is particularly suitable if simulation models are developed, because it is then possible to involve different agents, who, each from his or her own social position, assess the socio-political and economic circumstances and evaluate the feasibility of a proposed development scenario. Of course, the scenarios will for the most part not include extreme situations (war time destruction, natural disasters such as earthquakes, etc.), but even under such circumstances they would help to trace the path for future activity.

Questions to be answered by future scenarios

The scenarios offer suggested answers to the following key questions:

▸ What are the possible political options?
▸ What is the country's position as regards international relations?
▸ What is the potential of the country's economic development?
▸ What is the country's energy base (national resources, etc.)?
▸ What kind of technology is currently in use?
▸ What are the demographic trends in the region and in the surrounding areas?
▸ What is the social structure of the population?
▸ What level of education has been achieved or is achievable?
▸ What are the fundamental values that characterise public discourse in the country (intellectual situation)?
▸ What is the country's political culture?

Taking into account the variety of opinions and answers to the above questions by the respondents, it is possible to formulate several different development scenarios. These, together with the previously presented analysis of the environment (*functional strategic analysis*), enable the management, at a later stage, to formulate specific development strategies for the organisation.

In political and strategic analyses, especially when made for crisis-ridden regions, it is customary to consider several scenarios at a time, ranging from the desirable to the less desirable, or from the probable to the least probable, but still possible. In this regard, the former Yugoslavia is a highly indicative case, because it was the subject of such analyses from the end of the Second World War. The laboratory-experimental character of the now superseded country was often proffered as a test-case for possible scenarios in multiethnic communities in other parts of the world. The fact that this was a country held together by a single-party system, and president-for-life (Josip Broz Tito), always raised the question of what would happen and which scenario would materialise following the president's death and possible change of the political system. At that time there already existed a wartime scenario, which, however, was never publicly debated in Yugoslavia itself.

When the war broke out and the country disintegrated, affecting the entire region, it became necessary to define again possible scenarios for this heterogeneous area. Though it may not seem so, this turn of events was of great significance for the cultural institutions of *all* the countries in the region. In fact, a considerable part of the region's artistic production is linked to this theme and presented on the local and international level (the relations between the Balkans and Europe, mutual unity/diversity, collective memory, memorials, collective fantasies, stereotypes, etc.).

By way of an example: four scenarios for the SEE region

By way of an example, we shall describe four possible scenarios for South East Europe. Only some of the questions and criteria will be discussed, primarily those related to international relations, political options at national level, levels of political culture, and economic interests.

The integration scenario is based on a high degree of optimism, the belief that the entire region will soon become part of broader, Europe-wide integration processes, which will in turn bring about modernisation and harmonisation with the development trends and tendencies prevalent in the rest of Europe. This scenario implies high levels of stability in all of the countries in the region, their full openness and mutual cooperation. Although there can be no doubt that this model is highly desirable, it is already clear, unfortunately, that its chance of success is very limited. It requires comprehensive and broad based support from inside and outside the region. The countries in the region differ among

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22   Those policies might include development of tourism, agriculture, transport and communication, ecology, and especially education, sciences and sports.

themselves on a number of political, economic and social criteria, especially in relation to the degree of readiness to harmonise the laws and other elements in line with the requirements of the European Union.

The disintegration scenario is an extremely pessimistic one, implying as it does the widening of gaps among the countries across the region and the impossibility of regional stabilisation over time. It also predicts that the countries in the region will not succeed in their individual stabilisation and modernisation efforts. According to this scenario, the region as a whole, and the majority of the countries within it, will suffer from repeated political crises, interrupted communications, and mutual animosity and intolerance.

The fragmentation scenario assumes an individualised and mutually independent development of the countries of the region, partly through membership in the European Union and partly by relying on their own developmental resources and favourable international position. This does not exclude a third possibility, namely, that some countries might opt for '*development in defiance*', an autarkic model of self-sufficiency. According to this scenario, one part of the region will succeed in its stabilisation and development effort, while the other part will remain outside of the European integration processes.

The interest/participation scenario relies on the real potential of cooperation based on interest. This possibility is rooted in a linguistic closeness, common values and good mutual knowledge and understanding. This is true in particular of some parts of the former Yugoslavia that may function as a common market. This scenario can prove stimulating for those cultural domains whose products are marketable. It also provides for the possibility of more intensive exchange and cooperation on particular projects.

Although the examples given here are meant to illustrate the situation in South East Europe, similar developmental scenarios could be designed for the Caucasus region and other regions in the world that have suffered from wars and conflicts. Naturally, organisations need to be stimulated to think about possible national scenarios of development that will give more precise indications about other, primarily social-demographic and technological-cultural characteristics of the region. Thus, the countries with marked demographic growth will have several possible scenarios at their disposal, but the cultural institutions in almost all these countries will clearly face the task of directing their programmes towards engaging the younger population. Conversely, in the countries with rapidly aging populations the scenario will need to envisage the acceptance of immigrant labour, which will require programmes of intercultural communication and mediation. The countries facing economic collapse will require a yet different set of development strategies for their cultural institutions.

Choosing a strategy

On the basis of such an analysis and the available methodologies, the first step in strategic planning is the discussion, analysis and selection of developmental scenarios and corresponding strategies. This is the crucial task, requiring a great deal of creativity and joint, multi-dimensional thinking. To make the best use of the advantages and to find solutions for the weaknesses and threats, the organisation must be able to choose from a number of very precise strategic options. The decision may prove painful or risky for the organisation, especially when it concerns changes in programme policy or the reduction of personnel.

The most frequent strategic options in the domain of culture refer to the following types of organisational changes:

programming and organisational competitive strategies:
- diversification of programmes;
- diversification of resources;
- increasing the volume of production and services: the organisation's growth (increased number of personnel);
- commercialisation of programmes and the spread of services;
- audience development and market expansion;
- programme-focused orientation/shrinking of the organisation (declining numbers of personnel);

quality achievement strategies:
- support for quality development: achievement of excellence;
- strategy of harmonisation with professional standards of operation;
- securing (exclusive) licensing rights;
- education and transfer of knowledge;

strategies of linkage:
- orientation towards partnership/co-productions;
- networking;
- internationalisation;
- decentralisation of activities;
- inter-sectorial linkage;

strategies to engage the public:
- positioning in the public domain and working towards public visibility;
- lobbying and support-gathering strategies;
- public commitment strategies and changes in the public space;

strategies to secure sustainability:
- strategy of minimal self-sustainability;
- merging strategy;
- strategy of privatisation;
- migration strategy;

'sunsetting' (exit strategy):
- strategy of dissolution, with the preservation of institutional achievements and collective memory.

Programming and organisational competitive strategies

Although programming has been dealt with in Part 2 of this book, it is not possible to talk about organisational strategies without relating them to programme strategies as together they form a group of strategies that rely on the previous analyses of the community and its needs, as well as on the organisation's ability to use all of its comparative advantages for development. The focus of attention is on the institutional set-up and on key characteristics of the programmes.

The decision to **diversify programmes**, as one of the key strategies, is made when the organisation decides that there are a number of activities and commitments in the field of culture that are not sufficiently catered for by the activities of other cultural institutions, or when the content of their own programmes is no longer sufficiently motivating to those working on them. This strategy is often implemented by introducing variety into the programme contents thereby supporting cultural inclusiveness and pluralism in the local community. This usually has positive repercussions in other areas of the organisation, such as greater financial diversification. For example, the decision to expand the programme's contents to include minority languages, or to reflect the interests of persons of different sexual orientation, will not only bring new audiences, but also, potentially, new funding. Equally, the decision to expand the activities towards new branches of art and forms of expression may have a positive multiplying effect. Thus, the introduction of dance or non-verbal theatre helps expand the boundaries of existing aesthetics, and at the same time it attracts new audiences and acquires a new image and reputation in public life. This strategy may sometimes require a complementary *strategy of increased employment* or contribute to a better use of and greater efficiency of the existing employees. This strategy may prove to be a key for increased motivation of staff, who, working on the same programmes over a number of years, exhaust their own ideas, fall into routine working patterns and fail to achieve a high standard of programme quality.

The diversification of resources is a new requirement caused by changes in cultural policy due to the unstable economy of turbulent environments. In such environments it is extremely dangerous to rely on a single source of funding, as this can easily lead to the demise of a given organisation. On the other hand, the move towards a larger number of sources of funding increases the independence of the organisation, gives it direct responsibility for its own development, and provides for a better understanding of the environment and its needs. Applied over a long period of time, this strategy results in enhanced organisational dynamics, faster assimilation of new knowledge, and the spread and diversification of the financial resources of the institution or organisation in question. This is the reason why the public authorities in most Western European countries have deliberately started to develop mechanisms that will force institutions and organisations to adopt such a strategy. In turbulent environments, this strategy is a consequence of the decline in funding and of the inadequacy of public and all other forms of funding for culture.

The increasing volume of production and services usually leads to the growth of the organisation and to more employment, except in cases where this strategy is designed to solve the problem of a surplus in the workforce or of the inadequate use of existing staff (especially in the public sector). In the non-governmental sector, the injudicious implementation of the strategy may be very risky because it results in a proliferation of tasks which the existing organisational structure is ill-equipped to support and carry out.

Another strategy - which may be considered independent but which is a consequence of the impossibility of constant growth of funds for culture - is the strategy of **commercialisation of programmes or the spread of services.** A variety of marketing methods are used to calculate the monetary value of the organisation's existing products or spectrum of new products. These are either products of the basic kind (i.e. those deriving from the institution's fundamental activity, such as the organisation of theatre workshops) or additional products (i.e. those that generate new income, for example by running souvenir shops, cafeterias or hostels) in order to increase the level of self-funding. Commercialisation does not necessarily mean vulgarity or the lowering of aesthetic and programming criteria within a given organisation or institution. In actual fact, concern for a variety of elements of business policy, such as pricing or modes of collecting earnings, leads to a mutual recognition and respect among all agents in the cultural chain. This is something that public institutions usually fail to recognise.

Audience development and market expansion is the strategy that is most frequently ignored in turbulent circumstances, because the organisation is fully engaged in seeking self-sustainability and dealing with the day-to-day concerns. Audience development requires a long-term systematic effort, regardless of whether it is intended to animate non-audiences, to develop young audiences,

or to introduce programming and methodological innovations targeting specific social groups. Market expansion to other countries presupposes regional marketing investments on a scale well beyond the reach of the institutions and organisations operating in turbulent environments. The risk of a return on investment and the realisation of marketing objectives is simply too enormous.

Programme focusing or 'right sizing' is the most frequently employed strategy in turbulent circumstances, because the community values identity (uniqueness) and programme excellence more than anything else, while cultural policies favour the downsizing of the organisation, that is to say, reductions in staff. The aspects of programme focusing that the people in the organisation can do in the best and most efficient manner certainly include excellence and competitive advantages of the organisation. This is also a good and simple way of changing the personnel structure of the organisation.

Quality achievement strategies

The second group of strategies are those that aim for the **achievement of quality** - exceptionally high quality in a specific, precisely defined professional domain. This is very important for all organisations which seek international recognition and which operate on the world cultural scene and in the world market. It is implicitly believed that such strategies, viewed over a long time, will prove to be the key guarantors of the organisation's sustainability and achievement, and the key to maintaining its high regard.

Support for quality development, that is, the achievement of excellence by the organisation, is the key strategic commitment that must find its reflection in all aspects of the organisation's activity. This is clearly a generic strategy - one that requires all the other chosen strategies to focus on the highest possible level of achievement. In turbulent circumstances, it is assumed that this focusing will, over a long period of time, undoubtedly result in recognisable quality and high standards.

The strategy of harmonisation with the professional standards of operation is one that precedes or determines any commitment to excellence. An institution or organisation operating in a precisely delineated domain must aim at standards that have been adopted by appropriate international organisations or that are part of internationally recognised practices. This is particularly important for museum and gallery activities (ICOM), librarianship (IFLA), film, and - increasingly - for the performing arts. The observance and implementation of standards is a necessary precondition of networking and potential partnerships.

The acquisition of (exclusive) licensing rights is the strategy relying on contractual agreements for special projects through professional licensing by appropriate ministries or other organs of public administration in domains which the organisation has proved itself professionally and achieved recognisable results. In a small number of cases, licensing rights are defined by law, but in most cases professional associations are competing among themselves for the right to issue licences in a given (unregulated) domain. A characteristic feature of societies undergoing turbulent changes is that they lack regulation for many areas of culture, so that any organisation or institution can engage in any area - from programme production to education of children - and even govern professional artists. The associations of artists or the appropriate professional associations must fight for the introduction of a licensing system which suits their own interests and the interest of overall quality in their line of work. The examples that illustrate this point include ballet dancing for young children (risks for children's health if the teacher lacks the professional knowledge and skills) or theatrical groups performing in schools (the risk of cheap commercial productions touring schools, devoid of any artistic quality). Once a public authority agrees that licenses are necessary, it usually invites bids for one or more licensors. The acquisition of the right to issue licenses is usually a long-term strategic interest of an organisation, but it is also a great responsibility, since this brings not only welcome revenue, but also a duty to stimulate the process of learning within the organisation, a keeping up with world standards in a given domain, and an orientation of the institution towards quality of operation - otherwise the right to issue licenses can be lost.

Education and transfer of knowledge as a strategy of development presupposes the general orientation of the institution or organisation towards the systematisation of knowledge acquired through practice and confirmed by achieved results and by the corresponding respect and reputation gained. This strategy supports the development of the organisation's reputation and position in its environment, at the same time it also opens up new fields of action for the staff of the organisation, who need new challenges and fresh motivation. It is commonly believed that the transfer of knowledge is a step higher up the ladder of professional involvement, regardless of whether this is done through specific educational programmes in the organisation (seminars, workshops, etc.) or through partnership consultancies, decentralised activities, or assisting other organisations preparing for the acquisition of appropriate professional licenses.

Strategies of linkage

Since the1980s, the cultural policies of most European countries have constantly re-examined the role of cultural institutions and organisations in social devel-

opment (broadly defined). At the same time, the establishment of new cultural dynamics has been stimulated by the strengthening and enlargement of the EU and by the activity of the Council of Europe. An increasing number of foundations also have policies that stimulate the joint actions of institutions and organisations from different countries. Consequently, spontaneous followed by systematic strategies of linkage have been established in cultural practice at all levels - from the local (linkage of civil initiatives), via the regional (often inter-sectorial) to the international (networks, co-productions). Since links and communications are often interrupted in turbulent circumstances, particularly at the state level, but also at the level of individual communities, such strategies deserve special attention from external interested parties (international organisations and donors).

The orientation to partnership/co-production is, admittedly, often merely 'technical' in nature, implemented to facilitate financing, but also to get a better public response and for participants to gain international recognition. This strategy can also contribute to better quality work in the organisation (carefully selected complementary partnerships may result in the transfer of knowledge), and support for new fields of operation. This is to say that partnership is a developmental strategy only when it is clearly defined and linked with other objectives of the organisation. We are talking here not just of any kind of partnership or co-production, but of the strategically chosen long-term partnerships which result in improved performance in a number of fields of operation.

Networking may seem at first sight to be a very simple strategic solution - to make an organisation a member of existing international networks is not difficult in itself. However, only after a process of careful selection should the most appropriate network be joined, with the organisation clearly committed to carrying out a major part of its projects reliant upon the network or its members. So far, membership of networks has been more important in promotional work and professional service than for the development of organisations themselves. It must be recognised, however, that membership of networks has often provided broader organisational support to organisations operating in exceptionally turbulent circumstances and enabled them to respond to the challenges they face through assistance from other network members, solidarity and lobbying, etc.

Internationalisation is a specific form of strategy which includes network operation, but which also has a wider meaning in that most programmes and contents of an organisation's work lead to an opening towards the rest of the word. This is especially important in the closed societies of Third World countries, whose only possibility of access to international cultural channels depends on assistance

from external agents and international cooperation schemes. Internationalisation as a strategy may also have an additional meaning - that local knowledge is used to represent the world. For example, the introduction of art history in schools has, in many countries, been seen as an act of strategic subversion opposed to a closed education system.

Decentralisation is a strategy that not only produces greater involvement and activity in a wider social community (meaning also market expansion), but it also creates opportunities for strategic partnerships within the country, thereby achieving greater strength and stability for culture. In practical terms, an organisation may thus achieve a more complex structure of activity than it would normally be able to achieve on its own by relying on different partners in the local communities in a flexible manner. If, owing to turbulent circumstances, some programme elements cannot be realised from within the organisation, appropriate solutions can be sought out from among the various 'decentralised partners'. Another important reason for the selection of the strategy of decentralisation - in the absence of the appropriate government policy of cultural decentralisation - is the feeling of responsibility on the part of the non-governmental sector, as well as some public institutions, to contribute to the levelling out of differences in cultural development between larger and smaller communities.

Inter-sectorial linkage is, at the time of writing, the most frequently applied and highly acclaimed strategy of organisational development. The most frequent types of inter-sectorial strategic projects are those that are agreed and planned as long-term activities in the domain of culture and tourism, culture and education, culture in processes of urban regeneration of post-industrial or post-war cities, culture promoting social inclusiveness and development of smaller communities, etc. This not only contributes to the spread of influence and the strengthening of the position of the organisation, but it also creates the conditions for innovative and interactive organisational solutions applicable to the needs of the community at a given moment. The choice of this strategy may boost the organisation's development, but it can also be detrimental to the fundamental *raison d'être* of the organisation.

Strategies to engage the public

Cultural institutions are increasingly becoming centres of social debate and lobbying for issues of interest to a broader public or to specific social groups[23]. Equally, they become the promoters of new ideas and forms of social actions.

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23   It is no wonder, therefore, that new cultural centres such as the one in Sofia, Bulgaria, put the word 'debate' into their names: the Red House for Culture and Debate.

Positioning in public space and the development of public visibility and recognition is a strategy required by those institutions that have lost their previous status (such as Houses of Culture in the SEE region) or by organisations that had developed around a particular project or issue and after the successful completion of that first project are now looking for ways to continue their operation, possibly switching to a different field of culture (for instance, an organisation for the protection of abused women has changed over time and become an organisation for women activists and artists working on artistic and socially committed projects). This strategy relies primarily on the development of public relations and marketing techniques, as well as on new contents and partnerships, especially in the sphere of the media and in more specialised professional spheres.

The strategy of lobbying and gathering support is very frequently applied in turbulent circumstances as a response to threats coming from outside, such as political pressure, embargos, and mechanisms of economic pressure (the abolishment or cutting back of grants, raising rents for office premises, etc.). The lobbying strategy means the gathering of a broader and more specific cultural public around a clearly defined and practically achievable goal. The goal may be to secure the survival of the organisation itself or its operations. The reasons for the choice of this strategy have to do with the survival of the organisation, fighting for the freedom of artistic expression and to react against the banning of performances, exhibitions, etc. The organisation's activities may be well-rooted in democratic principles, but may nevertheless be jeopardised by the change of the political system or regime. The organisation can be the main lobbying agent for the improvement of the general conditions of cultural development in a given community, particularly as regards legislative and financial frameworks, professional standards, the status of cultural organisations and institutions, and freedom of artistic expression and action.

The strategy of public commitment and changing public space helps to position organisations more clearly and to extend their field of operation from the narrowly cultural to a broader social and political level. The objectives can include the general democratisation of society and the development of a critical public. The most successful among them aspire to become *foci* of social and cultural activism whose voice and public involvement cannot be ignored. Moreover, and especially in turbulent circumstances, they are recognised by international organisations and supported by broader international political factors as the only agents of desirable social change.

Strategies to secure sustainability
In areas of exceptional instability because of war, terrorist attacks, constant conflict, hyperinflation, general impoverishment, complete international isolation, etc.,

the key strategy to adopt is one that enables the organisation to survive by adjusting to current conditions.

The strategy of minimal self-sustainability, that is to say, of mere survival in extremely unfavourable circumstances, requires the reduction of activities to the bare minimum, to those which can be maintained by unpaid voluntary work, and by using previously accumulated resources which are exploited to their

maximum potential. No universal recipes can be given for this strategy and in fact, this strategy is not a matter of choice but one of necessity. Its success or failure will depend on the innovativeness and adaptability of the staff of the organisation to overcome the inevitable feelings apathy and helplessness by seeking ways to take action despite the adverse conditions. The important thing is to combat the defeatist feeling that nothing can be done and to work step by step making small improvements until normal operation and development of the organisation resumes.

Merger, or fusion with another organisation, is resorted to when an organisation's independent continuous existence is impossible, or when the merger promises faster progress towards a sensible balance for an organisation and its programming. Merger is usually a top-down operation as a form of rationalisation in the public sector. It is important to preserve the main achievements of the merging organisation, its network of contacts and the respect it has gained in the community. The entire undertaking is rather risky, as it is not easy to fuse separate identities and create new ones. When organisations of differing sizes and significance are merging, the smaller ones are swallowed up by the larger organisations and the positive elements that they bring to the new organisation cannot be properly evaluated.

Privatisation strategy was widely employed, particularly in the late 1980s, with new liberal strategies of development influencing the scene. This was undoubtedly one of the most delicate interventions in culture, discussed and written about more than it was actually practised, even by the countries recognised as the leaders in the privatisation of the public sector (Great Britain, the Netherlands). In countries with a clearly unstable public sector and high budget deficits, such as the transition countries, the management of public institutions can propose a potentially life-saving *strategy of partial privatisation (privatisation of management and special services)*. However, the legislative provisions do not favour a full-scale adoption of this strategy - one of cooperation and partnership of the public sector with other sectors - since such a strategy is viewed with suspicion by most countries.

Migration strategy is adopted when the political or economic conditions threaten the existence or further development of the organisation. Thus, in the early 1990s, when the Yugoslav crisis was just beginning, the Pralipe Theatre of Skopje, Macedonia (a theatre of Roma minority) migrated to Germany, where they settled and continued their work as an independent theatre company at the Theater an der Ruhr in Mülheim.

'Sunsetting': the exit strategy

The closing or liquidation of an organisation may in some cases prove better than stubborn insistence on a lethargic and purely legalistic continued existence. Apathy and feelings of hopelessness bring about the loss of all the organisation's previously acquired credentials; the collapse of the resources (brain drain, obsolete technology and equipment, poor maintenance of buildings, and the lack of even a minimal level of hygiene) provokes the criticism of the public, which easily forgets the cultural and social capital previously gained. On the other hand, the closing down of an institution according to a clear strategic (exit) plan makes it possible to transfer part of the surviving cultural capital to another institution and thus to strengthen the field of operation and to preserve memories and significance of this institution. With time and under new circumstances, its reconstruction might once again become possible. This means that even the strategy of 'exiting' can and should build the foundations for several different potential scenarios. One scenario may provide for further activities within the framework of another organisation; another scenario may provide for the temporary transfer of activities into another organisation until the conditions are favourable for the first organisation's revival; a third scenario may involve a merger of several organisations and the creation of a new organisation, with the elimination or temporary immobility of certain areas of activity.

When the political changes are so radical that they lead to totalitarianism or a distinctly authoritarian regime, the organisation may find it impossible to continue to work and, at the same time, to preserve its reputation and respect. Closure may be the best solution in this case. Take, for example, the case of Jerzy Grotowski's Laboratory Theatre which continued to work for several years under martial law in Poland until, in 1984, the entire company voted to close the theatre down. A year later Grotowski's Working Centre was established at Pontedera (Italy) as an institution with a different profile, mostly dedicated to the exploration, documentation and publication of Grotowski's own work.

Other classifications of strategies

There are also other classifications of possible strategies, especially with respect to the reasons, objectives and ultimate goals of their application. One of the better known systems of classification recognises reactive, protective and proactive (developmental) strategies, but the present authors do not deal specifically with

these, since such strategies are not concerned with the function of the organisation's development. Applied over a long period of time, they actually bring about a reduction in the internal dynamics of an organisation, and frustration and feelings of helplessness when it comes to influencing its future.

Another system of classification also recognises three types of strategies: *growth, stability and restriction* (Milisavljević, 1996). We have already discussed the *strategy of growth* in a very precise manner, distinguishing between its different forms, for which we have identified separate strategies. Stable strategies are used when an institution is satisfied with its results, but in culture and arts such satisfaction inevitably ends in self-complacency, stagnation and the loss of quality. Stability never satisfies the most creative persons, nor can it be an end in itself for any cultural institution. It can be effective only in strictly delimited and closed systems, like in the former Soviet Union, where institutions like the Bolshoy Theatre achieved supreme mastery in music and ballet. But it should be noted that the top artists enjoyed privileged positions in the system (the highest possible status in society); at the same time they were not free to leave the institution and to seek better career opportunities abroad. The moment the system opened up, most of these artists left and moved to institutions which were more innovative and dynamic in their programming. (At that time, such qualities in an institution could be found only abroad, which resulted in a brain drain on a large scale.) *The strategy of restriction* is applied in cases when, owing to instability and crises in the outside environment, an institution or organisation is forced to restrict its scope of operation to a minimum (in our classification, this is known as the *strategy of minimum self-sustainability*).

The importance of cross-linking strategies

The classification advocated by the present authors is characterised by a high degree of comprehensiveness and elaboration. The above classification does not exhaust the possible strategies applicable in the sphere of culture in turbulent circumstances. For this presentation we have chosen those strategies that have, in our opinion, proved most effective and efficient.

The strategies in themselves are not the magic wand or life jacket for an organisation or institution. It is only by cross-linking and the reliance on appropriate organisational resources and on the opportunities and challenges from the outside environment that we can truly influence organisational development and capacity building. Thus, it is clear that the chosen strategy of education cannot properly influence organisational development if it does not tie in with the strategies of diversification of programmes and audience development, or with the diversification of programmes and securing of accreditations. It may temporarily bring some funds to the organisation and provide employment for its staff, but it cannot guarantee survival over a long term.

Similarly, membership of a European or some other cultural network will not essentially change the organisational potential of a foundation unless the networks are used to implement other strategies through their projects and operational methods. Since the field of cultural power is determined by the activities of many agents, it is by its very nature unstable, so that the selection of strategies and their combinations are a key precondition for the repositioning of an organisation and its internal consolidation. This is a clear indication that in the evaluation of strategic choices the question of their inter-relationships is crucial for the quality of the process itself and its main outcome - the strategic plan.

Preparing the strategic plan: the descriptive section and strategic tables

The strategic plan must embrace all levels of the organisation and its activities in specifically defined environments. The term 'scope of planning' covers the organisation itself, its partners, the networks in which the organisation operates, the broader social programmes and policies in which its programmes are situated, the funding bodies and those who support the organisation - in short, everything that falls under the umbrella of strategic functional analysis.

The dimensions of planning will depend on the values and philosophy of the organisation (its vision, mission and goals), its inner structure and human potential, physical, technical, informational, its financial resources, and aesthetic and programming achievements. In this sense, strategic planning relies on self-evaluation and organisational diagnosis.

The authors favour the use of strategic tables to perceive all the main determinants of the process and to act as a reminder of what has been done and what remains to be done as the organisation turns its attention to future development. The tables highlight the multifunctional aspects of strategic planning, but at the same time - and this is its main drawback - they do not insist on the description of the method of realisation.

Methodological instructions for a textual description of the strategic plan:

- combine the extensive textual part (analytical elaboration) with a summary tabular representation of the strategic plan;
- use additional literature for each specific problem or domain (fundraising, partnership, networking, etc.);
- design the textual-tabular representations so that they can be fully understood by people outside your organisation or institution; do not forget that the strategic plan will be used as a public document;
- make an attempt (at the end of the project) to condense the text into a highly serviceable document.

Descriptive section

Development scenarios: vision, mission and goals

The descriptive section of the strategic plan elaborates on the possible scenarios of social development and their implications for the future of the organisation and defines the vision, mission and goals over the long term, implementing appropriate developmental strategies.

Strategic planning, unlike conventional planning, requires a developmental scenario, a vision which can and should be based on the organisation's previously defined mission, and a goal that it will pursue over the next five or ten years. The vision of the organisation's future should be both realistic and ambitious; it must stand apart from the daily routine and act as a mobilising and inspiring force for choosing new, occasionally radical and risky strategies.

If the mission is defined as an expression of the values, significance and reasons for existence of the organisation, then the vision can be defined as an expression of the aspirations and ambitions of the organisation to be realised over a long period of time. The vision literally means placing the organisation in the future - in the desirable future - even in cases where one possible social scenario is extremely unfavourable. The vision, therefore, represents the measure of future achievements and the aspiration that will guide the organisation in choosing the most effective strategic solution.

Figure 9: **Key questions in defining an institution or organisation**

The vision	What do we want to be?
The mission	Why do we exist?
The strategy	How do we actualise and accomplish this?
The goal	For whom and for what purpose?

In the process of strategic planning it is necessary to verify the organisation's existing mission and, if necessary, to find a way for its re-definition. In any case, generalised and standard pronouncements on the mission (often contained in Article 1 of the constitution of a public institution in culture, or in the summary definitions of the reasons for existence of any institution of this type) are simply not enough. Statements like 'a museum is an institution engaged in the study, preservation, restoration and exhibition of part of the cultural heritage in a given area' are not a very good starting point for a precise statement of objectives, or for the identification of the main purpose, required for the definition of the vision of development.

Figure 10: **Vision and mission, differenting characteristics**

Vision	Mission
Inspiring	Strengthens values and defines identity
Predicts and promotes new aesthetics and programme challenges - trend-setting	Defines the aesthetic-programming criteria
Mobilising	Strengthens organisational cohesion
Distinctive and innovative	Recognisable in the public space
Ambitious	Adequate to the organisation's resources
Future-oriented	Rooted in the present

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Case study: **Defining possible development scenarios**

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Darhia, NGO, Skopje, Macedonia

Figure 11: **Policy alternatives, defining a possible organisational vision**

Alternative possible visions	Mission
1. Central coordinating office in South East Europe for the preservation of the Roma (Gypsy) culture and language 2. Central coordinating office for the development of inclusive culture and art programmes for the Roma community in Macedonia -Roma creativity 3. Roma cultural and educational centre for the education of new generations of professionals and artists, trainers from the Roma community who will then run programmes in Macedonia and throughout the Balkans	Darhia, Skopje: Non-profit organisation engaged in the preservation of the Roma cultural heritage and language and in Roma involvement in the democratic processes and progressive moves of civil society by promoting Roma culture within Macedonia and in the wider region

Visions defined differently need different strategies and methods of implementation. If an organisation should opt for the first vision, some of the fundamental strategies would have to include networking, internationalisation, programme focusing, and support for quality development. Should an organisation opt for the second vision, its main strategies would be programme diversification, audience development, public involvement strategy, and decentralisation of activities. The third vision would require the use of the strategy of education and knowledge transfer, securing accreditation for the education of Roma professionals to work in Roma cultural organisations, and inter-sectorial linkages.

When an organisation tries to define the vision of its own future development, many dilemmas appear. The organisation will take into account its own interests and available resources, as well as what other scenarios offer. It is for this reason that it is desirable to have different visions, provided that the priorities are clearly defined from the standpoint of the organisation. Provision should also be made for the alternative visions, if the first vision cannot be realised because of unfavourable circumstances. For example, if the disintegration scenario of development is realised, it will clearly be very difficult to realise the vision of the organisation as a regional centre. On the other hand, the integration scenario does not realise the vision of the regional centre by itself. It only creates an opportunity for it to be realised more easily if the organisation has chosen the proper strategies and implemented its strategic projects and programmes within its framework.

Relationship between programme and organisation

The key determinant of an institution's activity is its programme. The programme is what makes the institution visible and gives it its *raison d'être*. Even when the mission and goals of the institution are not known, they can be implicit in the programme of activity. It is therefore clear that there is a harmony between these three elements, i.e. the mission, the goals and the programme, and the harmony must be established in defining the vision and the appropriate development strategy.

Figure 12: **Main elements in defining an organisation**

Mission	Goals	Programmes	Target groups	Effectiveness and impact
Vision	Strategies	New programmes and strategic projects	Institutional (re)positioning	Expected long-term results

The programme summarises the values, and the cultural and aesthetic strategies that the institution or organisation wishes to promote. The programme represents a broader conceptual whole that embraces a number of smaller projects and regular activities. There should not be too many programmes, making it easier to gain internal and external insights into the organisation's activity. This raises the degree of transparency, and implicitly maps the key managerial-organisational flows. In a theatre, for example, the programme is the repertoire policy; in a library it is a policy of book holdings and animation activities. In complex cultural institutions and non-governmental organisations it is also important to have fixed programme outlines in the form of major trans-disciplinary programmes, such as educational programmes which link up with all possible parallel sectors of activity (e.g. music, film, literature) or which introduce innovative and experimental programmes.

Although a new vision for an organisation will entail programme changes, supplementing certain items and rejecting others deemed unnecessary, it is clear that its essential character, if favourably evaluated as a relevant innovation and addition to the mission, should not be neglected. The importance of this dimension of the programme is reflected in the fact that some networks admit institutions as members only after they have had an insight into the results of the work of their artistic directors. If the artistic director should leave the organisation, then the organisation must re-apply for membership clearly stating whether or not the artistic and programme policy has changed (see for example, the policy of Théâtres de l'Union de l'Europe).

In dealing with institutions in the public (or state) sector, the question of which programmes are realised does not arise very frequently (since the programmes are determined by law). The key question concerns their quality and artistic-cultural profile. For this reason there may be major differences in the profiles of municipal theatres - in their repertoire, in the quality of their artistic achievements, in their attitude towards 'classical' as opposed to 'new' art, in their attitude towards the visual/verbal balance, in their attitude towards domestic/foreign products and towards tradition/innovation, etc.

In any case, the managerial staff (that is to say, art directors and programme editors-in-chief) are obliged to define their programme policy. This policy must be in keeping with the general policy of organisational development, otherwise there will be conflicts and clashes of interest among the managerial ranks. It is difficult to say what precedes and what follows, but it is clear that programme policy must be the basis upon which the business policy of the institution is built. This necessitates a sensitisation of the arts personnel, especially in the public sector, to broader cultural programme issues, through which the institution can hope to enhance the opportunities for its own growth and development. For example, by including audience development in its programmes, a theatre may not only get additional income from ticket sales, but could also generate added revenue from donations intended to promote the accessibility of art works to underprivileged social groups. The best way to do this is for the art director personally, when planning the future repertoire of the theatre, to look for ways to meet these demands, knowing full well that any specialised programme solution involving the separation of the 'main' (arts) programme from the 'programmes for donors' would essentially break the identity of the arts institution in question and lower the level of quality already achieved.

Experience shows that, for several reasons, it is risky to develop programmes that do not spring 'organically' from the vision and mission of the institution or organisation. Firstly, such programmes lower the general quality of the institution's work, bringing about a lack of interest and conformism in the audiences, and projecting the vision of a 'service' institution, unwilling and unable to present to the public what their artistic criteria regard as important. The demands coming from the community change very quickly even in so-called stable environments, while in turbulent environments an institution may, in the long term, be seriously threatened by disintegration.

Aspects of strategic plans: strategic tables 1-8

Selection of appropriate strategies

As pointed out at the start of Part 3 of this book, the choice of appropriate strategies that contribute to the organisation's development and ensure a higher quality of its work, is one of the four key issues in organisational development (see formula in Part 3). Management theory approaches this question from a variety of angles, supplying criteria and parameters for their selection[24]. In assessing and selecting possible strategies, the following questions should be considered:

1. Is the strategy harmonised with the programme policies (vision, mission, goals) and with the general organisational culture of the institution?
2. Is the strategy appropriate in view of the conditions in the external environment?
3. Is the strategy adequate with respect to existing or potential organisational resources?
4. Will the results of implementation of the strategy be easily measured?
5. Does the strategy involve high risks for the organisation? In which case, what are the alternatives?

The elaboration of the strategy through programmes
(an example of partnership)

Strategic table 1: **Elaboration of each chosen strategy**

Programmes & activities	Main actors	Form and description of strategy	Key element of the strategy	Expected results
Programme A	Partners: National NGOs	Chains of partnership	Decentralisation: locations and implementation	Audience development outside the centre (effects of decentralisation…)
Activity 1		- tours	City 1, 2, 3...	Contribution to one's own professional development and the development of the local community

Programmes & activities	Main actors	Form and description of strategy	Key element of the strategy	Expected results
Activity 2		- workshops	City 1, 2, 3...	Income, transfer of knowledge
etc.				
Programme B	University	Multipurpose partnerships	Innovative complex problem	Improved programme quality. Image in the cultural public
Activity 1		courses of professional development		Personnel development
Activity 2		- debates...		Transfer of knowledge
etc.				Expanded knowledge in the organisation
Programme C	Specific partners: local television	Type of partnership: complementary...	Media support	Public reputation
Activity 1		production of commercials	Widespread dissemination	Increased popularity
Activity 2		guest appearances; feature items	Advocacy and lobbying	Focusing the attention of the public and administration on actual problems

The tabular presentation of specific strategies requires as many tables as there are selected strategies. For this purpose, it is important to establish all the relevant elements of implementation of the strategy (and these cannot easily be predicted in the same way for each of the strategies), with suitable tabular modifications. In the above example (Strategic table 1), we outline the implementation of partnership strategies in an art gallery. We show the main forms of partnership that the gallery has established with organisations in different sectors, with non-governmental organisations and cultural institutions within the country (exhibitions and audience development), the university (to facilitate the professional education of curators, but also to run short-term professional training courses for NGO activists (artists who work with groups of people with special needs), and finally with the local media (to increase the recognition and popularity for individual programmes).

Human resource development plan and the education policy of the organisation

Strategic table 2: **Personnel development plan and education policies of the organisation**

	Name	Profile	Knowledge and skills	General Educatio- nal needs	financial plan and Educatio- nal plans	Planned costs salaries and fees additional edu- cation etc.
Staff						
New needs						
Occasional collabo- rators						
New needs						
Management board						

	Name	Profile	Knowledge and skills	General Educatio- nal needs	financial plan and Educatio- nal plans	Planned costs salaries and fees additional edu- cation etc.
Desirable						
Volunteers						
Friends and colleagues (support)						

Parameters for preparing a human resource plan

Strategic table 2 deals with human resources, both the existing ones and those that are required for new strategies and programmes. The analysis should pay attention to both full- and part-time employees, as well as to regular external collaborators, volunteers, and in particular to the Executive Board, Arts Council, and other bodies relevant to the activities of the organisation.

The implementation of each new strategy usually requires a body of people possessing highly specialised knowledge. It would be useless to choose a strategy, even if it was the only one possible for the given institution at a given point in time, if the people with the requisite knowledge, and without whom this strategy could not be implemented, were nowhere to be found.

Preparing a plan for educational development

It is necessary to study the profiles of the employees (their knowledge and skills) in great detail, relating them to the profiles required for the implementation of the future strategies through appropriate programmes, projects and activities. Quite clearly, our time is a time of change and even in stable societies professionals in culture are expected to monitor technological innovations, new professional requirements and standards, aesthetic trends and related theories. In turbulent circumstances, in which the organisation itself is not equipped to properly support continuing professional education, the people working in such organisations are expected to do much more - not only to follow and implement the knowledge in narrowly specialised domains, but also to provide services that are indispensable

in the social context, such as the analysis of social and political developments, changes in legislation, and economic developments.

Human resource development is a particular problem in large, unwieldy institutions. It is rare to find detailed insight into the existing knowledge and skills of the employees, and it is even rarer to find lists of educational needs of the employees either for the domains in which they work, or from the point of view of the organisation's future needs. Personal motivation for education is not shown even where it might be said to exist. Even when a person attends professional educational courses on his or her own initiative, the knowledge that they gain is not implemented because large organisations are reluctant to change their methods of work and to introduce organisational transformations.

For the reasons just mentioned, *continuing professional education* in the domain of management in culture is a necessary but not sufficient precondition for organisational development, general capacity building and quality of activity. In addition to opportunities for continuing professional education, the motivation of people for learning is another prerequisite (leading to professional improvement, better salaries, improved working conditions, independence on the job, the opening of new developmental prospects, travel, new career prospects, etc.). Also, identification of the need for specific knowledge and skills in an organisation should be made both before and after the implementation of the employee professional education scheme.

In large organisations there are human resource services that determine the expected results of the work of every individual, who is then assessed at least once a year. These parameters of assessment of achievement relate for the most part to managerial, administrative and technical tasks. There is hardly any institution that dares to formulate too precisely the parameters of achievement on the conceptual, programme and artistic side.

The most frequent parameters used in preparing the plan of human resource development are the following:

- ‣ productivity and planning capability;
- ‣ communication skills;
- ‣ interpersonal, team-work orientation;
- ‣ knowledge of the job (technical skills);
- ‣ dedication to work;
- ‣ loyalty/identification with the vision of the institution;
- ‣ goal/result oriented decision-making capability;
- ‣ readiness for constant development/adaptability;
- ‣ For managerial staff:

- ‣ capability for strategic management;
- ‣ leadership;
- ‣ coordination ability.

The parameters for the assessment of the employee's contribution to the conceptual and programme development and for the quality of art-related work must be established for each cultural and arts organisation separately, as well as for practically every individual (depending on the results expected of him/her), the form of art which the organisation practises, and its goal and mission.

The assessment of the individual achievement of each employee is usually presented in a descriptive way ('exceeds expectations', 'meets expectations', 'fails to meet expectations'), but it can also be expressed numerically on a scale of 1-5, with grade 3 standing for 'meets expectations'. In some cases, a separate numerical assessment is made for each of the above parameters, in which case the assessment ends with the sum total of grades and a descriptive explanation. Such a procedure leads to a finer differentiation of the individual achievement of each employee, especially in the larger institutions where depersonalisation of employees is by no means rare. The general statement of assessment is signed by the employee, his immediate superior, and head of the human resource department.

The next step is the preparation of an individual plan of educational development and increased efficiency and effectiveness. The plan should do the following:

- ‣ identify the knowledge and skills that the employee must acquire over the next period;
- ‣ determine who - within or outside the organisation - will train the employee and where the education and training will take place;
- ‣ determine the parameters and indicators for the assessment of the employee's success in completing the particular education and training scheme;
- ‣ determine when, on which job and for which tasks, the employee will be in a position to apply the newly acquired knowledge and skills.

The final result should increase the employee's effectiveness and open the prospects for his/her promotion within the organisation. In this way, employees themselves are given an opportunity to express their educational needs and the projection of their professional career as they see it. This should be coordinated with the needs of the organisation, so that the employee is motivated for education and training and so that the organisation itself can benefit from the process.

This strategic table should summarise the professional profile of the employee and his knowledge and skills, and propose the plan of education that will reflect the wishes and needs of the individual and the organisation (with special emphasis on the motivating factors important for each individual employee). This strategic table can also serve as an analytical means for the assessment of the feasibility of the selected strategies. A quick glance will reveal whether such strategies are realistic or not (especially those for which competences within the organisation are insufficient), and whether they are compatible with the *organisation's future educational policy*.

Volunteers and friends of the institution

Since all cultural institutions also have broader public aims, it is desirable to introduce two additional categories of collaborators - volunteers and friends of the institution (these are usually colleagues working in the same or wider cultural domain).

It is well known that voluntary work is neglected in turbulent circumstances because it requires an additional organisational effort. It should also to be noted that in such circumstances it is unrealistic to expect people to work as volunteers for the cultural sector, when there are usually more pressing needs for humanitarian work. Otherwise, volunteers are the most important social group from which future personnel will be recruited. This is especially true of university students and the younger population in general, whose voluntary work enables them to develop professionally and, in some cases, attaches them to a particular institution or organisation for a long period of time.

On the other hand, the circumstances described here point to the need for a greater involvement of the 'friends' of the institution, including colleagues and broader professional circles, who will not only publicly support the activities, but will at the same time be 'informers', lobbyists and public opinion formers on behalf of the institution, both at home and abroad. This may prove decisive for the survival of the organisation, especially in the non-governmental sector. Even when 'friends' perform quite specific tasks (like participating in the preparation of a strategic plan), the institution cannot remunerate them directly since there are no funds for the purpose. Occasionally, however, if the institution knows their motives and ambitions, it may invite them to participate in various educational programmes, conferences and public events, thus earning their loyalty and attaching them more securely to itself. The management of the institution may apply some other methods of motivation, for instance, by appointing such people to various advisory bodies or to high honorary committees, which will assure the social and professional reputation of the friends of the house, or by inviting them to participate in press conferences and thus publicly acknowledging their contribution to the development of the institution.

Material resource planning: information, space, technical facilities, finances

Strategic table 3: **Material resources plan**

Programmes & activities	Existing/required material resources[25]				
	Information	Technical	Spatial	Financial	
				Public	Donors, sponsors, the organisation's own income, partners' resources
Regular operation				i.e. Ministry of Culture	
Programme A					
Activities 1				i.e. Ministry of Education...	
Activities 2					
Programme B				Regional authority	
Activities 1					
Activities 2				City	
				Municipality	
Total					

This table gives a synthesis of the existing and future needs for resources in the light of the new strategies and newly designed programmes. It is very important for an organisation to develop an awareness of what can be realised within its own space and with its own potential, so that in the planning process it can choose

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25   In this column it is important to distinguish between 'existing resources' and 'required resources' by seperating the two with a space or by using a different colour or font.

complementary strategies to compensate for resource insufficiencies brought to the surface by the selection of the main strategies. If one of the strategies, for instance, the strategy of programme diversification, envisages the realisation of programmes for which the organisation is inadequately equipped in terms of space and technical facilities, it is obvious that at that point already the strategy of partnership should be planned as a complementary strategy in order to remove the present inadequacies.

The need for databases and a website

Cultural organisations and institutions often neglect the acquisition and development of information resources, whose importance is growing both as regards the day-to-day operation of an organisation and the overall documentation of all its activities, including the institutional memory in the form of archives. The archiving and documentation activities are often linked with new technologies, the latest being, digitisation, which requires special technical resources and properly trained personnel. The most important thing is to have databases in the organisation itself, as these contain information about the organisation, about its programmes, arts networks, artists, and the entire branch of art in which the organisation is active. All of the information resources, from directories to archives and libraries, should be in the function of the main and accompanying programmes run by the organisation. The most important information resources should also be kept on the organisation's web site, since the public assessment of its quality and importance, that is, the quality of its organisation-information-communication structure, will often be based on this.

Fundraising and lobbying

The plan of material resources is required to ensure that the organisation should at once (as a rule, immediately upon the adoption of the strategic plan) start working on fundraising and lobbying for the solution of key questions (especially in the case of public institutions). Often, material resources (space, technology and information) are crucial for the future programme and artistic development. Simultaneously with the acquisition of resources for arts and cultural projects, the management must actively seek funds for other, publicly inadequately perceived, technical and information needs. Research has shown that the communication and information costs are growing steadily and that for this reason alone they should be an integral part of the long-term strategic plan.

In order to be successful, fundraising must be planned over a long period of time as part of the existing strategies that will enable the organisation to realise its developmental objectives. Fundraising must also have precisely defined tasks, dynamics and tactics. It is a campaign that must be conducted with clear goals and a high degree of professionalism.

The plan of the fundraising campaign comprises the following operations:

▸ the definition of the specific objective expressed in terms of the sum of money that is to be raised;
▸ clearly articulating the need and importance of this objective;
▸ identifying and listing potential donors and sponsors (selected on the basis of the complementarity of their business policies and the objectives of the organisation);
▸ planning the content and methods to adopt for the campaign (gala dinners for donors, press conferences, media campaigns, etc.);
▸ preparing specific sponsor offers and the developing negotiating tactics;
▸ anticipating forms of expression of gratitude to the donors;
▸ planning the final event - a ceremony in accordance with the character of the organisation and the nature of the campaign;
▸ presenting the results of the campaign to the wider public;
▸ recording the whole campaign and its results;
▸ planning future fundraising campaigns.

Special mention ought to be made of the importance of awareness among arts organisations of the growing need to generate their own resources (even though the percentage of funds raised in that way may be modest). The organisation's own resources give it greater credibility and respect and strengthen its external and internal image. The plan of acquisition of their own resources should be harmonised with the programme concept and in agreement with the marketing manager, who elaborates the details of the plan (souvenir shop, other forms of sales, pricing, diversity of services, etc.). This plan is particularly important when an organisation chooses the strategy of commercialisation and spread of services. Such plans are elaborated in detail in one of the tables within the Strategic table 1, where each strategy is analysed independently.

Figure 13 features a list (by no means without exhaustive) of possible sources of funding. The task of the management of any arts and culture organisation is the identification of the funding sources and their creative linkage with the programme objectives of the arts organisation in question. The *diversification of the sources of funding* is recognized as one of the preconditions of stability and survival of the organisation in turbulent circumstances, as well as the key parameter for the assessment of its progress and development.

Figure 13: **Structured survey of possible sources of funding**

Public funding	Donations	Sponsorship	Partnership	Own revenue
Ministry of Culture	National foundations	Financial contribution	Financial contribution	Entrance fees
Ministry of Education	Philanthropy	In kind (beverages, food, paper and other products supplied by the sponsor)	Assignment of personnel	Books, programmes and other printed materials; CDs and other media products; Souvenirs, etc.
Ministry of Social Welfare	Awards	Services	Use of equipment	Copyright on the use of collection artefacts (lending for exhibiting and photographs publishing)
Ministry of Tourism	Voluntary work	Premises	Premises	Financial revenues (interest rate, actions, investments...)
Regional administration	International organisations: UNESCO, CEI, Council of Europe	Technical equipment	Loan of artefacts (art works) for exhibitions, etc.	Consultancy services
City & Municipal administration	Governments, Embassies and foreign cultural centres	Media services	Media services	Education services

Public funding	Donations	Sponsorship	Partnership	Own revenue
Lottery and games (public fund)	Foreign foundations	Professional services: preparation of operational plans, marketing campaigns and total design, etc.	Professional services: painting, design, sound recording, etc.	Revenue from restaurant, hotel, coffee shop, etc.
Percentage of the tax paid by the citizens to a given institution (Italy, Hungary)	Private persons (e.g., art collections or funds)	Financial contribution linked to the obligatory previous purchase	Distribution and sales	Renting of space and equipment

Collections as a strategic resource

In spite of the fact that in Strategic table 3 the cultural capital of the community and **even its own** is not shown as resource, the organisations which do own significant collections of artistic works, museum and archive artefacts, books - particularly museums, archives and libraries - should treat these collections as an important strategic resource. In which case it would be necessary for each organisation to define and design the separate strategic table to show possible use of these resources as a crucial tool for programmatic and organisational development. The arrival of the new generation of cultural managers, often changes the character of the institution. So the archive can become a very vibrant institution with exhibitions and other programmes accessible and attractive for different target groups. Sometimes, one piece of museum artefact alone can be an extremely important resource, both culturally and financially, such as the Laying Buddha in the National Museum in Dushanbe (Tajikistan), although in this case its uniqueness in the world is still not sufficiently recognised or exploited.

Development of public relations and the organisation's identity

Strategic table 4: **Concept of public relations and organisation's identity**

General concept	Target groups	Instruments	Budget	Collaborators and agents	Expected results
Desirable image - organisational culture: - characteristics - visual identity	**Primary target groups** (most relevant segments and types of audience): journalists, editors and critics; politicians and leaders of public opinion; **Special target groups** (from the standpoint of specific strategies and programmes): diplomatic representatives; non-governmental organisatons; financiers; teachers and university lecturers...	Expression of identity: name of the institution, individual programmes and projects Slogan Logo, lettering, letter paper, business cards, invitations... Christmas and New Year cards, picture postcards... Brochures, programmes, catalogues, posters, flyers... *web page* Architectural design of the building, maps, shop windows... • Memorabilia • Mailing lists of target groups • Specific events, ceremonial occasions, etc. • Club of friends of organisaton	...	Professional association Professional media (journals and etc.) Networks and international organisations Mass communication media, i.e, journalists and editors	Public reputation Reputation in professional circles Recognisability in international professional circles Presence in the media

The format of this strategic table has been designed to enable the institution to define its *concept of public relations*, which includes the following: definition of the image that the organisation is trying to develop internally and externally, selection of communication strategies, target groups, methods and mechanisms used to achieve the desired end, with the provision of appropriate material, financial and human resource investment.

Public relations are planned with respect to the previously established maps*: the map of the area of activity (socio-cultural cycle)* and the *map of institutional position* (the activity of the organisation in the community). It is through this process that we define the target groups and types of public important for the organisation. At this point we study the degree of harmonisation of the already established image with the internal organisational culture and in relation to the selected target groups. That is why the process of development of public relations begins with a critical analysis of the internal image of the organisation and the values that it represents, as well as with a general assessment of the organisation's culture.

Organisational culture

Organisational culture is a term that covers a complex set of aesthetic, structural and procedural values and patterns of behaviour. These embrace a system of internal norms and customs and approved practices, along with the forms of behaviour in communication with the outside world. The outside world comprises the audiences, partners, media, and wider cultural public (trade unions, political parties, administrative bodies, etc.). The terms used to define organisational culture are visual identity, atmosphere in the organisation, feeling of togetherness, sense of belonging, type of management, and modes of communication within the organisation. In the case of arts institutions, terms such as taste, style, level of aspiration and sensitivity are also used. Organisational culture should derive from the aesthetic-programme definition of the institution adopted by most of its employees and clearly reflected in its overall activity. It is clear, for instance, that the organisational culture of national theatres will be quite different from that of small private theatres. The differences will be on the level of aesthetic-programme definition and reflected in the mode of communication, style of official correspondence, the spoken language in official and even non-official communication, the furnishings of the foyer, lounges and office rooms, not to mention the employees dress code and the way in which intra-institutional parties and celebrations are organised.

Public relations and target groups

The mission and vision of the organisation and its organisational culture determine the *concept of public relations* and *the target groups*, as well as *priorities in communication*. Thus, when a museum opts for a strategy of internationalisation, it must develop a corresponding strategy of public relations, which will not only have a much wider area of activity, but will perhaps for the first time include in its target groups some institutions and organisations that have up to that point been neglected (Ministry of Foreign Affairs, foreign correspondents networks, diplomatic corps, etc.). This means that the concept of public relations is firmly linked to previously defined postulates of development and strategic priorities. The identification of the target groups in public relations is focused on those groups which are important for the organisation's current and future policies.

As already shown in the *map of institutional positioning*, there may be a distinction between cultural public in general and the public important for a particular arts organisation. Most institutions consider work in the field of culture as the most important, seeking, therefore, to establish relations with other relevant organisations and institutions within that field and only touching upon the field of policy when it is relevant for culture (Ministry of Culture and other administrative bodies). Other types of arts organisations, whose field of activity is closer to political or social activism, can establish its public relations on a much wider plane and thus have a much wider range of the media with which they cooperate. Of course, innovative organisations with new and ambitious strategies may establish relations with particular social groups and sections of the general public, as well as with atypical media which at first sight may seem to have little relevance to cultural life, such as trade unions, scholarly institutions and professional societies. This may result in the formation of a *club of friends of the organisation*, which may itself develop specific activities for public relations and promote the organisation's reputation, and even organise donor and sponsorship campaigns.

The discrepancy between the programme and the pubic relations concept may prove disastrous for a cultural institution because its product is 'non-objective' (the expectations of a performance or an exhibition are built on the public image of the organisation). If a particular PR campaign creates the expectations in the public that a theatre is going experimental, but its 'product' turns out to be a play performed in the classical fashion, the public, journalists and critics will feel cheated and will write reviews expressing that feeling. This will harm the credibility of not only the public relations service, but of the theatre as a whole, and will leave lasting negative effects in the form of disbelief in any subsequent pronouncements

directed at the media or used in a marketing campaign. The ultimate consequence is the loss of identity of the cultural institution in question, because the public has a confused picture of its true profile.

Within the concept of public relations, specific *mechanisms of activity* are designed for different target groups, with particular emphasis on the 'actions' intended for the *core group* of the cultural public in the given domain. Thus, in the domain of ballet, the core group is made up of the editors of specialised media for ballet and dance, the journalists and critics who follow ballet, the key choreographers, principals of ballet schools, and undoubtedly, the major sponsors of ballet and dance in a given community.

The mechanisms of activity are selected and planned both in relation to the organisational culture and to the general concept of public relations, clearly reflecting the needs of each target group separately. That is why press conferences - a frequently used public relations tool - are actually one of the least effective, because they are aimed non-selectively at a broad media public and are frequently implemented in a conventional fashion, quite different from the organisational culture of, for example, an innovative non-profit organisation.

The instruments of public relations are very varied, ranging from *total design* (logo, lettering, institutional colour, size of publications, etc.) that may or may not result in a manual of graphic standards, press releases, press conferences, photographic portfolios, special events (such as celebrations, receptions), excursions, awards, and finally memorabilia (badges, accreditation cards, souvenirs, decorative items, replicas of museum exhibits, etc.) and stationery, which also reflects the institution's image (folders, pencils, notepads, etc.). The complexity of this work can be illustrated with an example of a relatively simple decision on the artefact prepared for a symposium organised by an arts organisation: should we use a briefcase, a backpack, a bag, or a transparent folder? Clearly, style is one of the key issues in the development of the institutional image and the reason why visual identity in all its forms, must be part of the same spirit and same organisational culture.

Marketing concept and strategy

Strategic table 5: **Marketing concept and strategy**

General marketing concept	Product or service	Target groups	Marketing instruments	Expected results	Budgets and dynamics of realisation
(Relevant for the institution in relation to its chosen strategy of development)	Clear definition of the area	Broad cultural audience	Brochures, Billboards Games Website - ticket sales TV campaigns Monthly advertisements in the newspapers	Increased interest of a broad audience in marketing and in the institution's products	
Programme A	Performances translated into sign language for hearing and speech impaired	People with special needs and their families; Private associations and institutions	TV campaign - advertising commercials, slides Brochure: evaluation in professional associations Direct mail	New audience groups. Improved image of the theatre as a socially responsible organisation.	
Programme B etc.	Regular repertoire performance	Standard theatre audience - students - older people - teachers and university lecturers	TV commercial, radio jingle Pricing policy (diversification) Subscription Method of ticket selling (box-office, subscription installments, electronic payment through the Internet) Development of reservation systems; Last minute sales	Diversification of theatre audience (in terms of generational and status affiliation...); Increased earning from ticket sales; Increased attendance; Improved possibilities of repertoire and programme planning; Greater stability of the institution's own income	

In elaborating the concept and strategy of marketing, it is necessary first to define what is the product or service produced by a particular arts organisation. Marketing is a set of specific actions which aim at successfully selling a product to a specific audience, at a specified price, under certain conditions. The main aim of marketing is to increase the institution's own revenue, and this is the yardstick by which its success is measured. Naturally, increased popularity, presence in the media, informing the audience about the range of activities performed by the institution are important - but not the primary - aspects of marketing. They belong more to public relations sphere.

Although the *marketing concept* is related to the general concept of visual identity and organisational culture, it may undergo certain modifications in particular cases and in relation to specifically defined target groups. The concept and strategy of marketing must reckon with the previously defined policy of public relations and its scope, making frequent use of their information resources, partners, and even individual instruments.

The fundamental questions of marketing are the following:

- ‣ Who is our audience?
- ‣ What is its purchasing power?
- ‣ What are its cultural habits and lifestyles?
- ‣ What are its value orientations?

Unlike business marketing, the marketing of arts should not be allowed to use this information in order to change the institution's organisational culture and its programme policies. Arts marketing must try to develop new forms and methods of operation, as well as new services to make the present programme more communicative and thus attract new audiences. This last task is often related to the strategy of development and education of the audience, but this strategy has more complex and broader objectives - understanding the importance of the organisation's work, promoting its aesthetic and artistic objectives to the wider social community, and creating conditions for the inclusion of different social groups (i.e. the so-called non-audience). This strategy will demonstrate its effectiveness in marketing - attracting new audiences, sales of more tickets, and the creation of conditions for the subsequent greater interest of sponsors.

Strategic table 5 is a very suitable means of testing the success of the implementation of different strategies. For this reason, the textual explanation of the general marketing concept should clearly establish the links between the develop-

mental strategies and elements of the marketing strategy, such as target groups, selection of instruments, and advertising dynamics. Clearly, the highest degree of coherence should exist between the expected marketing results and the expected results and effects of implementation of the strategic plan as a whole.

It is impossible, for example, to select the strategy of programme diversification without at the same time essentially changing the structure of the target groups for the marketing campaign. The strategy of inter-sectorial linkages may require even more specific innovations in marketing and its instruments, because the cultural institution will in this case be addressing also the traditional non-audiences (tourists, hospitalised patients, persons in old people's homes, etc.) using specific media, specialized publications, trade fairs, as well as professional and scholarly symposia in the appropriate domains.

Advertising dynamics and marketing budget are two important factors of success of the strategic plan that generally receive too little attention in the cultural sphere. Investments in marketing are often treated not as investments, but as a necessary expenditure. Such a view reflects the lack of interest in audience development. Equally, this shows that audience is not considered to be a relevant parameter in the assessment of the organisation's success.

The dynamics of advertising is usually neglected in turbulent circumstances, and it is by no means unusual to find that the public (that is, the potential audience) receive the information about the programme only at the moment it is to be realised. What is lacking is long-term subscription schemes, annual tickets for museums, free pass badges, and other forms of support in recognition of the loyalty of an audience and the marketing managers should develop the innovative ways to encourage such an audience to remain loyal. Such tools can not be designed in advance and or made universal for the use of all organisations living through turbulent times, because such endeavours have to be community driven.

Part of the advertising plan is a detailed *media plan*, including the high points in the campaign and the key media that will be used (in relation to the target groups). There are not many arts organisations that make use of the creative dynamic models of advertising, building a tension in the cultural public, an atmosphere of restlessness and eager anticipation of the final information about a cultural event. A scandal may prove fatal for an arts organisation, because it reduces the interest in the normal programmes and the organisation as a whole. In an extreme case, it can cause its demise, either under the pressure from the authorities or due to internal conflicts.

The budget plan

Strategic table 6: **Organisation's budget**

> Checking whether income and expenditure are balanced:
>
> 1. Income: see Strategic table 3
>
> 2. Expenditures:
> Expenditure for organisational functioning (running costs): salaries, material expenses and overheads (energy, premises, administrative expenditures, telephone and communications) security and insurance, depreciation cost and etc.:
> Programme expenditures:
> Expenditures for regular operational activities: PR, marketing, travel, networks and international co-operation (membership fees);
> Expenditures related to the capacity building and organisational development: additional education training, evaluation costs, external evaluation costs, consultancy services, etc.
>
> 3. Investment costs
> Income and expenditure balance sheet

The budget is defined differently in different countries in accordance with the positive legislation regulating this sphere of social life. For this reason we do not give an elaborated table with budgetary items, but we do insist that the full description should be given of the income and expenditure, thus making the organisation's financial operations transparent. The bottom line is the balance of income and expenditure. The actual form of the table will be determined by each organisation in accordance with the positive legislation and usual practice in its country.

Parts of the budget plan have already been given in some of the previous tables: the organisation's income (Strategic table 3); salaries and costs of additional training (Strategic table 2); PR costs (Strategic table 4); marketing costs (Strategic table 5). This by no means exhausts the organisation's expenditure for each particular programme and for overheads (costs of electricity, communications, administration, security, etc.). It is important to present the planned income and expenditure, as well as the balance sheet, in tabular form, which will detect the critical points and impose norms for the realisation of income (minimum number of admission tickets sold, the necessary minimum of sponsorship funds, income from services, etc.). Alternative strategies of income generation must be provided for cases when the monitoring shows that the planned income under a given item will not be met.

Strategic evaluation of the programme[26]

Strategic table 7: **Strategic evaluation of a programme**

Objectives	Parameters	Criteria	Indicators	Methods
Gain professional reputation and introduce professional standards	Implementation of international professional standards	Extended professional knowledge - level of familiarity with international norms Organisation of professional education in the institution itself Readiness of the employees to become involved in professional training Technical expertise of the institution to back up the implementation of the norms	Scope in using these norms: number of MA and PhD degree holders in the organisation; Number of days devoted to professional improvement; Subscription to the relevant periodicals; Professional and scholarly papers by staff published in reputable professional journals; Range of equipment and its frequency of use	External evaluation of achieved standards Self-evaluation Record of the situation at the beginning and the end of a given strategic programme
Achieve greater reputation for the institution among the general public	Presence in the public (clearly defined position on the cultural scene, in cultural policy decision-making, in the media, etc...)	Audience diversification Presence in the media Taking part in arious cultural policy actions	Increased number of visitors Percentile breakdown of different social groups Structural diversity of visitor groups Specific groups of visitors...	Continuing audience development research Analysis of the media response (press clippings, etc.) - content analysis

26   Cf. Figure 13: Structured survey of possible sources of funding

Objectives	Parameters	Criteria	Indicators	Methods
Strengthen the programme identity of the organisation (list the characteristics of identity)	Elaboration of identity: Reputation of identity	Coherence, Documentation, Exclusiveness /social involvement /experiment	Language coherence Graphic coherence Colours use	Comparative analysis Case study (of a characteristic project) Iconological analysis
Improve its position on the world art scene	The organisation's international presence	Membership of the networks The organisation's own programmes with the international component Reputation in the international professional circles	Guest performances Number of tours Invitations to festivals, awards Recognition in professional periodicals	**Internal analysis-comparison in relation to the previous period** Comparative analysis with a "benchmarking" institution (model institution)

The formula in Part 3 points out the key role of strategic evaluation as part of the matrix for organisational transformation. One of the most complex tasks of each institution and organisation is the definition of precise evaluation instruments and related methods. It is interesting to note that the evaluations done within the organisation or outside may result in assessments that stand poles apart.

The process of evaluation starts from previously defined objectives and selected strategies, whose level of realisation is to be established. The next step is the preparation of the instrument of evaluation - a matrix defining parameters, criteria and indicators.

The parameter is the key word, the defining element of the matrix that derives directly from the main organisational objective and the appropriate strategy. If an arts institution aims to become the *benchmark* in its domain and attempts to achieve this through the strategy of professionalisation, the direct parameter of evaluation should be *implementation of international standards* in the organisation and *transfer of knowledge* to other organisations. Each of these parameters is subject to further elaboration, achieved by defining for it a set of criteria and precise and easily measured indicators.

Thus, for example, the parameter *implementation of international standards* leads to the use of the criterion of *knowledge of international norms* relevant for the given domain and its application in the domains such as conservancy and protection of museum exhibits, transport of artworks, security at exhibitions, etc. The indicators for this criterion could be defined in terms of the coverage of the museum holdings with respect to these norms (for instance, fifty per cent of the holdings protected), the degree of implementation of such norms in the transport of artworks, the number of staff adequately educated and trained for their implementation, the availability of technical equipment for the implementation of the norms, etc.

It is desirable to keep the evaluation matrix stable and to review it over prolonged stretches of time. In this way it becomes a means to estimate the institution's long-term progress. With time, the requirements for each indicator (the percentage of coverage and realisation of a given criterion) are increased, so that fifty per cent coverage of given criteria may be an excellent result in the first cycle of strategic planning but quite inadequate in a later planning period. For example, the criteria for the return of almost completely lost audience in a specific theatre can be expressed in this type of quantitative indicator.

It should not be forgotten that excellent arts organisations and institutions develop their own measures of excellence and thus become synonyms for quality in a given domain and a benchmark that other institutions try to emulate. Thus, the quality of operatic singing at La Scala in Milan or a ballet performance at the Mariansky Theatre in Saint Petersburg stand as synonyms for peak quality in their respective fields. Equally, national museums such as the Louvre or Prado are also symbols of high-quality protection of artworks and their superb presentation.

To sum up, the task of this aspect of work on the strategic plan, i.e., programme evaluation, is the establishment of relatively stable parameters linked with the institution's identity. At the same time, the criteria and indicators listed at the beginning of the planning period must undergo constant development and elaboration, they must become increasingly complex and demanding. Each subsequent cycle of strategic planning must clearly reflect the development of the indicators.

The methods of evaluation depend to a large extent on the type of parameters and on the criteria and indicators selected. Essentially, evaluation can be *internal* and *external,* and under ideal circumstances both are necessary. *Internal evaluation* is obligatory and it can be performed at no extra cost, requiring only a somewhat heightened effort by the employees.

Internal evaluation can be performed through the self-evaluation of departments or individuals, or in the form of a survey conducted from the centre. The evaluation team can also use methods of *observation*, *interviews* with key staff members, *operational data analysis*, and *analysis of relevant documents*. Special attention should be paid to the evaluation of the *case studies* selected as characteristic for the activity of a given institution.

Furthermore, the method of *comparative analysis* can be used, comparing this organisation with other organisations with a similar profile. The method of *contextual analysis* will place the results of that organisation into the proper context of time and place, and in the context of newly emerging, usually unexpected, changes in turbulent circumstance.

The management of an institution is responsible for the acquisition of the data for all the envisaged indicators. What these indicators are, has been well-known from the day the strategic plan was adopted. For instance, for the parameter *audience development*, the criteria and indicators are defined in advance. Similarly, if the indicator is *diversity of social groups in the audience*, the management is obliged to organise audience surveys at certain intervals, enabling the organisation to follow this indicator over a prolonged period of time. The methods of evaluation cannot be exhaustively listed, because their choice, like in any other research work, will depend on the problem itself (in this case, parameters) but also on the hypotheses that need to be confirmed (criteria and indicators).

If the parameters are primarily aesthetic in nature, they require a qualitative analysis that will never be strictly verifiable or fully confirmed by quantified indicators. For instance, the parameter *aesthetic excellence* can hardly be established objectively. It is quite possible that two or three external evaluators may come up with quite different assessments. Equally, the criteria for the assessment of excellence carries with it a strong element of subjectivity, even though they were stipulated in advance by the organisation, in accordance with its objectives and identity. Programme exclusiveness, which may be an important criterion for excellence in one organisation, can prove unimportant in another, say, an arts institution with a social mission. Conversely, the originality and innovativeness in the procedures or topic elaboration may be negatively evaluated if the identity of the institution is seen primarily through the preservation of tradition and well-established values.

Evaluation of the achieved level of organisational development

Strategic table 8: **Evaluation of the achieved organisational development and achieved capacity**

Parameters	Criteria	Indicators	Methods
Strategic planning quality	The strategic plan as an instrument in regular operations.	Number of meetings of the Executive Board to discuss realisation of the plan; Number of meetings of the Advisory Board / Council to discuss the fulfillment of the plan	The analysis of the minutes from various meetings; Observation; Interviews Impact analysis
Personnel quality	Professional knowledge Team work	Motivation Self-initiative Diligence Reliability Readiness to learn Readiness to transfer knowledge	Interviews; Analysis of organisational culture; Situational analysis: Diagnostic analysis of the organisation
Management quality	Degree of elaboration of procedures Effectiveness and efficiency of management Style of management The division of authority Evaluation of programmes and achievements	Transparency of procedures within the institution; Staff involvement in the process of decision-making; Effective team work; Precisely defined functions of the Executive board; Procedures and clear criteria of evaluation of the effects and programmes of work	Procedural analysis of decision-making through content analysis of documents, interviews and case studies

Parameters	Criteria	Indicators	Methods
Organisational structure quality	Cohesiveness Functional diversity Capability for synergy and coordination in regular operations	Solidarity at work; Timeliness and level of internal information Clear positioning of the tasks of education, technological development, international co-operation (and other forms of co-operation foreseen by the organisation); Flexibility for ad hoc re-organisation as the need arises	The analysis of the development of the organisational structure
Financial stability	Diversification of sources The organisation's increased incomes Effectiveness and functionality in the use of resources Investment into the future	Timeliness in acquisition of resources The relation between the programming and administrative expenditure The relation between the programming and fixed expenditure Investment in future development, technical equipment, personnel training	Budget and fundraising analysis
Availability of technical and technological equipment	Adequacy of equipment	The use of equipment in programmes Obsolence of the equipment; The degree of the exploitation of equipment from the standpoint of its capabilities	The analysis of the present status and needs
Premises	Adequacy of space Efficient use of premises	Good working conditions: good illumination, spatial layout and good ventilation General atmosphere and interior design, identification of space and organisation- internal and external	Observation

Parameters	Criteria	Indicators	Methods
External competence	Openness to co-operation Participation in cultural policy Coherence of objectives and programme parameters of evaluation in relation to the relevant cultural policies.	Partnership, networking Active participation and contribution to cultural policy debates Transparency Level of correlation of the strategy and priority of the organisation with developmental policies at different levels of government	Comparative analysis Case study
Communication, marketing policy	The effect of relations with the public: - Public recognition - Reputation in professional circles - Finding one's way out into the world at large - Presence in the media Effects of the marketing policy - Attractiveness of the programmes to attract new audience; - Interest of the sponsors and donors;	Presence in the key media; The quality of design of marketing and communicational materials; Increased presence of the organisation's director in domestic and foreign cultural circles Increased number of visitors Increase of earned income and more intensive fundraising; Regularity of research (competition, audience, etc.)	Content analysis Iconological analysis The analysis of visitors statistics and box-office takings

In stable systems of cultural policy at all levels, the authorities establish relatively precise frameworks for the evaluation of achievements of institutions funded or part-funded by these authorities. At the same time, professional associations and societies set the norms and standards that need to be obeyed if the institution is to keep the right of operation in a given field (museums, libraries, archives, etc.). In turbulent circumstances, the criteria of evaluation are for the most part neither determined from the perspective of the cultural policy makers nor from the perspective of the cultural public, that is, professional societies and associations.

This could potentially be dangerous, creating on the one hand, a breeding ground for cultural voluntarism, in which the value of institutions and their achievements is assessed in an arbitrary fashion. On the other hand, it could lead to a situation in which the institutions themselves cannot properly assess their own organisational development and convincingly demonstrate the achieved level of their excellence and organisational maturity. An additional problem is how to evaluate, and reward, special achievements and exceptional individual contributions either to a wider community or to the organisation itself. Since turbulent circumstances are often accompanied by poverty and privation, the strategy of egalitarianism or levelling appears as a strategy of survival of a given sector. It has very serious repercussions for the organisation's management as it is prevented from developing the strategy of motivation and rewards.

The authors of this book have tried to present a possible, but open, evaluation matrix, which each organisation should supplement, depending on the context (turbulent circumstances which prevent or require special abilities) and on its own specifics and objectives.

The chosen parameters (in the left vertical column in the matrix) represent projection points for the basic desirable achievements on the part of the organisation. That is why these parameters are an expression of an organisation's ability to act on its own, with its own resources and capabilities, in accordance with the established objectives and within a specific environment. In this way we get direct measurements of the process of capacity building and the improvement of the overall organisational development. The parameters given in Strategic table 8 are a direct outcome of the basic tenets of this book - to indicate to the organisation how to build its own capacity through strategic planning and to achieve a high degree of organisational stability. All of the parameters, quite obviously, stand in a mutual relationship and reflect the linkage of key objectives, selected strategies and concrete forms of activity.

Therefore, the first parameter is the quality of the strategic plan - not, of course, in and for itself but in the sense of its applicability and relevance in turbulent circumstances. Since its implementation will depend primarily on the human resources and managerial quality, it is precisely these two parameters that stand first on the list. Although the strategic plan will not automatically prescribe a special strategic table (changes in the mode of management), it requires that the analysis of the human resources should be followed by a policy of education for 'leadership'. This policy relates, and must relate, to the managerial personnel to improve their capabilities and readiness for the successful management of the organisation, its projects and activities, as well as the overall process of implementation of the strategies and strategic planning. This should fulfil the conditions for the raising of the quality of the organisation's overall structure, which is precisely the next parameter of evaluation.

The following three parameters deal with the further development of the organisation's crucial resources, namely, financial stability, technical-technological equipment and space facilities. The criteria that emerge serve not only to specify each of the parameters, but also to determine the specific developmental aim of the organisation in its field of operation, as well as the degree to which it has been achieved. That is why the criteria given in Table 8 cannot be considered the only possible ones, nor can they be exhaustively listed, but are offered here as illustrative examples. The same is true of the indicators listed there.

The last two parameters deal with the acquired competence of the organisation to act in the context of specific cultural policies, both on the national level and in the relevant international environment. At the same time, the analysis examines the ability of the organisation to follow and predict changes in the environment and to develop specific relations in the professional setting, as well as in the social setting (i.e. partnerships and dialogue with professional organisations, non-governmental institutions, different population groups, various subcultures, etc.). This creates the conditions for public transparency, which is one of the key prerequisites in the process of organisational development, especially in the field of culture.

The number of parameters and their content can vary considerably from one organisation to the next. For this reason, in preparing the strategic plan, the organisation must itself define these parameters in the light of its significant developmental objectives and chosen strategies. Thus, for instance, in organisations whose chosen strategies are *internationalisation* and *networking*, the necessary parameter for organisational development will also be *information/communication development*, without which no serious programming activity is possible on the international level.

Possible model of self-evaluation, the procedural approach:

• regular gathering of data (monthly), according to the predetermined matrix (contents, sources and methods);
• preparation of the questionnaire for the strategic evaluation of the programme and evaluation of the reached level of organisational development;
• individual filling-out of the questionnaire (every six months);
• analysis of the questionnaire and its results;
• preparation and distribution of the evaluation text;
• group discussion of problems highlighted in the evaluation text;
• adoption of the evaluation report (with changes and amendments as a result of the debate);
• Preparation of the agenda of activities designed to eliminate observed difficulties and deficiencies.

The methods listed here (extreme right-hand column in Strategic table 8) stipulate the development, within the organisation itself, of the knowledge and abilities for the use of different methods of research, analysis and interpretation of data. Evaluation assumes the use of different methods of empirical research, such as individual and group interviews, observation, situation analyses, document analysis, etc., as well as interpretative methods such as statistical analyses, methods of comparison and iconological critiques. In essence, the most frequent, even obligatory, method should be the method of self-evaluation, which needs to be procedurally defined to avoid possible tensions and conflicts in making value judgements. This would at the same time create the conditions for the further development of organisational culture and verify the judgements and conclusions about the achieved degree of institution building.

Control and monitoring

The organisation must prepare its own planning cycle and be prepared for the possibility of control and monitoring. Monitoring has multiple objectives and in the first place, it should allow us to monitor the implementation of the strategic plan and to pick up on possible serious departures from it. In such a case, the monitors report this fact to the executive board and to the management of the institution, who then take the necessary measures to deal with the inadequacies and get strategic plan back on track. If it is found that - owing to external or internal changes - the strategic plan cannot be implemented as it stands, then it should be revised.

In addition to this, the monitoring process must check the adequacy of the chosen strategies and the efficiency and effectiveness of the methods of their realisation. Monitoring must focus especially on negative and threatening developments, particularly in the area of the human and material resources (human resource management, financial operations, information, and technical equipment) and in the area of the overall operations of the organisation (decision making, productivity, business efficiency, public relations, marketing, etc.).

Under turbulent circumstances, it would be desirable for monitoring to take place every six months, while a more in-depth evaluation should happen at least at the end of the first half of the planning cycle. In actual fact, it would be useful to perform a self-evaluation of the results of the implementation of the strategic plan at least once a year. This evaluation should take into account the results of the monitoring systematically gathered and complemented by data obtained through other methods of evaluation (for instance, by audience research). This would give a deeper insight into the current state of implementation of the strategic plan and possible prospects of its supplementation or revision.

Combined presentation: strategic tables 9-11

The following three tables present no new data but are rather derived from the existing analyses and original documents (e.g., the organisation's constitution, company by-laws, job classification), including the descriptive part of the strategic plan (vision, mission, goals) and the previous strategic tables.

These tables synthesise all the key elements of the overall strategic plan and have equally important internal and external roles. They are inescapable tool for every meeting of the executive board or of any other governing body in the organisation, where they serve as a basis for decision making. Not infrequently, the strategic plan is used as a 'reminder' for the formulation of the agenda of the meeting and for subsequent action.

At the same time, they serve as a logical verification of the coherence and harmony of the mission, strategy, objectives and tasks - both within the organisation and even more frequently in external communication, especially in the domain of fundraising and public legitimacy of the work of the organisation.

Operation plan (multi-year)

Strategic table 9: **Multi-year operative plan**

Objectives (for three years)	Main programmes	Projects & activities	Timetable	Resources			Marketing plan		Expected results
				Human	Material (space, technical equipment, IT)	Financial	PR	Advertising instruments	

The length of the planning cycle of an organisation is usually fixed in relation to the tradition of the society and to the demands of cultural policy. In societies that have no tradition of long-term planning, the plans usually coincide with the calendar or fiscal year. It is therefore recommended that cultural institutions should decide themselves on the length of the planning cycle, its beginning and end. In most cases, especially under turbulent circumstances, a three-year period is considered appropriate.

This table comprises the most important elements from the descriptive part of the strategic plan (i.e the vision, mission, goals, programmes and projects), along with the different elements of the strategic plan (strategic tables relating to resources, public relations and marketing), and by bringing them into a mutual relationship

and placement in the appropriate time within the three-year planning period. The table gives a panoramic view of the organisation, its fundamental programming activities and desirable directions for future development (expected results). A new item in this table is the time scale during which a programme should be carried out. This item provides a procedural framework for implementation which is easily verified, so that we know precisely whether or not the organisation is capable of maintaining the planned developmental dynamics.

Time-cost table (year-by-year breakdown)

Strategic table 10: **Time - cost table**

Programmes & activities	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Budget
Programme A													
Education													
Activity 1 workshops		planning			workshop 1 3000	evaluation 500			workshop 2 1500	evaluation 500			5500
Activity 2 training of trainers							preparation 500					seminar 2500	3000
Programme B													
Programme C													
Personnel													
Running costs													
Marketing activities													
Total													

This table shows whether the expected results can be achieved within the allocated time and in a manner planned, and whether the influx of money and the expenditure in connection with programme activities go step-in-step. This is particularly important because contingency provisions must be made to bridge the possible financial gap, but in turbulent environments and circumstances there are no banks or other institutions that would readily step in with funds for bridge loans. Therefore, the organisations that operate in such circumstances must develop partnerships and networks of solidarity and be prepared for mutual assistance. This table has a very important place in stable countries and is therefore often considered unworkable in turbulent circumstances, because the uncertainty is so great that the data required cannot be supplied with any degree of precision. It is left to each organisation to decide to what extent and in what degree of detail it can fill out this table, and for which time period. In cases of high inflation it is foolish to make three-year, or even one-year, financial plans. Still, this is no excuse for the failure to engage in short-term precision planning. What is needed are the appropriate ways of doing this - such as using the point system for costs, or adopting a hard currency as the necessary yardstick.

Summary of the strategic plan

Strategic table 11: **Synthetic overview of the strategic plan - summary**

Vision & mission	Long-term objectives	Developmental strategies	Main programmes	Expected results
		1. networking	Programme A	Programme A
			Programme B	Programme B
			Programme C etc.	Programme C etc.
		2. partnership	Programme A Programme B Programme C etc.	Programme A Programme B Programme C etc.
		3. commercialisation programmes	Programme A Programme B Programme C etc.	Programme A Programme B Programme C etc.
		4. audience development and market expansion	Programme A Programme B Programme C etc.	Programme A Programme B Programme C etc.

This is a combined, 'control', table whose main purpose is to enable the 'planners' to have control over the performed job. It involves horizontal, transversal reading to check on the logic of the organisation's development and on the choice of strategies in relation to the mission, vision, goals, programmes (current and planned), and expected results.

Once the process of strategic planning is completed and preparations for the textual presentation of the plan are underway, this table finds its place at the beginning of the final version of the strategic plan. Thus, the table represents something of an identification card of the institution, and as such it is eminently suitable for communication with the environment and for the presentation of the organisation. Of course, it can also be used independently of the whole strategic plan - for instance, as part of the presentation of a specific project to a potential sponsor or donor, so that he/she can at once appreciate the strategic importance of that particular project or programme within the overall scope of the organisation's activities.

The benefits of strategic planning in brief
Although the preparation of the strategic plan in accordance with the methodology proposed here is a highly demanding and time-consuming task, even for small organisations, it should be noted that it is undoubtedly *the* most important of all the organisation's tasks. In view of the complex nature of the process, especially in turbulent circumstances when many other tasks (such as the daily struggle for survival) take precedence, a high level of individual and collective frustration among the staff and a feeling of the futility of the entire process can arise.

However, if the process is methodologically sound and properly organised (involving all the relevant members of the staff in the process of planning, organised dialogue with partners, consultation with the relevant personalities in the community, etc.), the multiple benefits from the process will not take long to appear. The mere fact that an organisation is taking this step speaks in its favour, it shows that it is conscious of the need for a new development cycle and that it wishes to promote itself in the relevant environment with new values and programmes, drawing the attention of the public to the organisation and stimulating an interest in its work. Naturally, any arts organisation wishes above all to develop the quality of its programmes and activities, so that through them it can become recognised in the community. In this sense, the strategic plan is the central mechanism of A*daptable Quality Management* (AQM). Without such a plan, such this type of management is impossible.

It is interesting to note that under stable conditions the history of the organisation can be followed through the strategic planning periods, which usually last for four or five years. It is believed, namely, that within that period of time an integral developmental cycle will be completed and that the next strategic plan will open new questions and new developmental prospects, and consequently new artistic achievements and programme determinants.

In turbulent circumstances, the history of an organisation or institution is derived from the systemic changes or sudden political and economic cuts that take place in the environment and have direct repercussions for their functioning. This can best be seen if, within the process of self-evaluation and before starting work on the strategic plan, the institution begins to work on the preparation of chronological maps. These show the extent to which organisations can be subjected to influences from the environment and how they can react to them.

The strategic plan should be a mechanism that instils self-confidence into organisations and gives them strength to take their destiny into their own hands. Thus, in turbulent environments the history of an organisation can more clearly be divided into the periods before and after the introduction of strategic planning as a systemic activity that takes place in precisely fixed cycles.

In view of all this, strategic planning is a spiral process whose main elements are planning, implementation of the plan, evaluation, and - on the basis of its results - a new developmental cycle that will always be at least one step ahead of the preceding cycle.

Developmental philosophies of art organisations

Following the completion of the first cycle of strategic planning, an organisation should proceed to the second planning cycle. The primary task at this point is to define the overall developmental philosophy, and to redefine the vision and mission of the organisation, taking at the same time a new qualitative step. This new step should be not to select appropriate individual strategies but rather to identify the possible manner of their combination or synthesis in order to achieve greater synergy in accordance with the previously defined concept of development.

In organisations that operate in turbulent circumstances, questions of philosophy of development deserve much more attention, because a strong adherence to a particular philosophy can not only be a distinguishing feature but also a key organisational capital guaranteeing the organisation's survival and uniqueness.

The philosophy of development relies on the critical self-reflection that has precisely defined the values for which the organisation stands. Critical self-reflection is usually undertaken during the drafting of the strategic plan, as well as during the evaluation of its results.

Three factors are fundamental for the definition of a coherent and recognisable philosophy of development:

1. the *organisational culture* of the arts institution;
2. *leadership*, which includes aesthetic, conceptual and organisational characteristics;
3. the *internal and external image and identity* of the organisation.

The *philosophy of development* is often confused with the *operating philosophy of the organisation*. The *operating philosophy* is directly related to the mission and goals of the organisation and to its priority strategies and programmes. *The philosophy of development* assumes that the organisation has very clear postulates for development and a vision of itself in the future. The assumption is that all the strategies and basic programmes and methods are intended to enhance the achievement of the goals. The goals are, for their part, presented as highly relevant artistically, ethically or socially.

Relying on past experience with organisational development and capacity building in arts organisations, the authors present the following types of developmental philosophies:

• the organisation that generates and discovers things: a laboratory;
• the activist organisation: a meeting ground of ideas;

- the learning organisation: a learning ground;
- the organisation that creates knowledge: a research ground;
- the entrepreneurial organisation: a workshop;
- the trend-setting organisation: a studio of new trends, a novelty seed bed;
- the earning organisation: a stock exchange of marketing ideas.

The organisation that generates and discovers things: a laboratory

The 'laboratory' is an organisation that places innovation at the centre of its pro-gramme, either in its local community or on an international scale. Such organisa-tions are built on the principle of excellence in arts production. Our time requires new approaches and novel forms in arts production. The achievement of excellence in interpretation alone, or within prescribed art forms, is no longer sufficient for earn-ing legitimisation in the relevant professional circles (although such organisations may be synonymous with relevant past cultural events and orientations). That is why the organisations that are truly innovative experiment with forms and methods of artistic expression, sometimes destroying them or putting a question mark over their relevance. At the same time, they must seek and find suitable organisational forms within which they can operate in an appropriate manner.

The developmental philosophy of such organisations is based on the promotion of quality and new organisational culture characterised by *total quality management.*[27] For this reason, the strategies which they select usually belong to the group of qual-ity achievement strategies - *the strategies of harmonisation with the professional standards of operation, securing accreditation rights, education and transfer of knowledge* - as well as some strategies from the domain of strategic linkage, such as the *internationalisation strategy* and *public engagement strategies*.

On the whole, organisations of this type are tied to the person at their head, in most cases a strong artistic personality (for example, Pina Bausch of the Wuppertal The-atre in Germany). We have already discussed the dangers of charismatic leaders in Part Three, dealing with organisational development. The charisma and creative energy of such a director brings the organisation recognition and a reputation, mak-ing it easier to fundraise. However, the lack of investment in the rest of the organi-sation is the weakness of this model. A good example of this type of institution is Tadeusz Kantor's Kriket Theatre in Krakow. Although, after his death, the city of Kra-kow gave a new building to this theatre, in the absence a new philosophy of devel-opment it began to stagnate artistically and was unable to maintain its previous rep-utation and status.

A key element of the 'laboratory' type organisation is that it tends to function as an open platform for artistic expression. The reputation that the organisation has built over time helps to attract well-known names and talented young artists to its pro-grammes. It also helps to secure a creatively stimulating atmosphere for artistic work and for the successful completion of individual projects. If the organisation earns a reputation of success in this effort, there will be more and more artists who will proudly refer to the fact and for whom it will be an important reference point in their career. Thus, for instance, the Odin Theatre in Denmark functions both as a theatre and as an open platform for the entire movement of the so-called 'Third Theatre'. [28]

The activist organisation: a meeting ground of ideas

The developmental philosophy of such an organisation is the philosophy of artis-tic activism. Not infrequently, the mere choice of the place of activity testifies to the nature of the organisation's commitment and to its activist profile. The majority of such organisations operate outside the capitals of their countries and in some cases outside the culture and cultural policy establishment as well. Examples of the most active institutions of this type in the Central and Eastern Europe are the Association of Theatre in Education, Wybrzezak Theater (Gdansk, Poland), the Karosta Centre near Liepaja in Latvia, and the Borderland Foundation in Seyni, Poland.

The most appropriate strategies for this type of organisation include *strategies of linkage* and *public action*. When brought into mutual relationship, such strategies can build powerful organisations with a strong domestic or international lobby. In tur-bulent circumstances, organisations of this type are necessarily also specific meet-ing grounds for debating the ideas and values that circulate in the political and cul-tural spheres of society and for the investigation of the social and cultural conse-quences that these ideas and values may bring about.

Exceptionally important are the organisations that not only examine the values and ideas from a theoretical standpoint, but also study and apply them in their artistic practice. In this sense, they have a critical and stimulating function, and at the same time they introduce elements of a provocative social and cultural engagement.

The learning organisation: a learning ground

In response to constant changes in the environment, some organisations have evolved a high level of openness to learning and a correspondingly flexible organi-sational structure. This model is most widespread in the educational arts institutions and organisations whose task is to teach others.

Probably the best example of this type of organisation is the Moving Academy for the Performing Arts (MAPA), which, in the 1990s, travelled throughout Europe and linked individuals, their ideas and organisations on the one hand, with what it was able to offer itself in terms of its knowledge and resources, on the other. For instance, although the organisation started with the programme of spreading new methods of performance and management in the sphere of the performing arts, the programme was later radically changed and adapted to the needs of different communities. In Croatia they ran a programme for lighting engineers, and in Slovakia they initiated education-project platforms for young artists in the field of dance.

The learning organisation builds its philosophy of development to a large extent on the ability to comprehend quickly and in depth the needs and resources of the local communities. In this way it has a mediating role, helping to bring together individuals and organisations on the national and international level. By learning, it also transfers knowledge from one community to another, among those in which it operates. Thus, it opens itself to new fields of activity, rejecting ossification in its present field of operation. The key strategies that such an organisation chooses are *education and knowledge transfer*, *networking*, *decentralisation*, and *inter-sectorial linkage*. A learning organisation may be precisely targeting one particular field, or, conversely, acting as a link between very different fields. In this latter case it develops innovative inter-sectorial programmes for which the employees themselves must first be trained and made aware of the need for such programmes and of their possible results. Programmes like this often require innovative structures of organisation, in which case the learning organisation may assume varied forms during the same strategic period. Differences among the organisations of this type are vast, even when they operate within the same field, since they can take the form of networks, platforms, academies, centres, laboratories, or traditional cultural institutions.

Learning organisations commonly select their development strategies from the domain of *quality improvement strategies*, as well as from the domain of *strategies of public engagement*. Of course, an organisation that wishes to make the knowledge which it generates recognisable on a wider European and world scene will also have to use the strategies of *networking*, *partnership, internationalisation*, etc. On the other hand, an organisation that wishes to generate specific knowledge, needed by the local community in which it operates, can make good use of the strategies of *decentralisation* and *inter-sectorial linkage*.

Such organisations use expert assistance systematically and remain open for contacts within the community, working with other organisations in the same field, and outside the field if they notice opportunities for complementary and joint action.[29]

Their activity greatly depends on the openness of society and on the immediate local community - that is, it depends on the freedom of contact, movement, research and expression. In communities in which such freedom is not present, there is no organised learning and the organisation's developmental philosophy may change. It may even become necessary to re-settle the organisation, to dislocate it physically to another, more friendly environment to ensure the appropriate conditions for its development.

The organisation that creates knowledge: a research ground
Although one of the tasks of learning organisations is to create new knowledge, their philosophy of development is not based on research and creation of new knowledge *per se*, but rather on the absorption of existing knowledge and its introduction into the organisation. Thus, the function of such organisations is, on the one hand, to mediate and to communicate. On the other hand, the philosophy of development of organisations that create knowledge is based on independent research and the attempt to systematise this knowledge and codify it as a norm for other institutions in the field, all the while preserving the clearly stated copyright and 'ownership' of this knowledge.

The European Cultural Foundation in Amsterdam, which works with its own programmes, can be regarded as an institution that creates new knowledge, since this is the primary purpose of most of its programmes. Interestingly enough, most of the programmes with a research component are realised in regions of political instability. This enables the researchers to study the phenomena exposed to constant change and to experiment with the models and methods of implementation of different programmes. Their *Arts for Social Change* programme has involved not only research and knowledge creation about new models of intercultural mediation and appropriate methods, but also the establishment of several resource centres in which research is continuing and processes of social and artistic activism in local communities are being documented.

The *Kultura Nova* programme (implemented in cooperation with the Soros Foundation offices in the countries concerned - Croatia, Macedonia, Montenegro, Serbia) has evolved a specific methodology of organisational development and capacity building for non-governmental organisations in culture. Their *Policies for Culture* programme was first developed in Romania and was subsequently modified in Bulgaria, Macedonia, Croatia, and Serbia, tackling both the method itself and the highly desirable platform for public engagement (linking the parliamentary, the executive and the civil sectors). The new knowledge thus created - especially as it focuses on the model of the platform and the methodology for its establishment - is important not only for the region, but also for the wider European and world context.[29]

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29   Cf. Weeda, Şuteu and Smithuijsen 2005.

Entrepreneurial organisation: a workshop

In this type of organisation, the developmental philosophy is based on the need to respond to the perceived needs of the social environment, and the organisational culture is based on the criteria of efficiency and productivity. Adizes's theories of management are built around four basic managerial functions: production, administration, entrepreneurship and integration. According to this theory, entrepreneurship is based upon innovativeness and constant quality improvement in all aspects of the organisation's operation. To this end it is necessary to expand resources and to find the time for reflection and experimentation with new ideas and programmes (thus reducing productivity). The overall efficiency of the organisation is substantially reduced, but the overall quality and long-term prospects are greatly enhanced. As Adizes notes, the managers oriented towards production see entrepreneurial development as an obstacle, slowing down and reducing productivity in the organisation.[30] In countries where the role of the impresario and today the role of the producer, are recognised, entrepreneurial/producer activities are seen as very important. A good example of this is Sergey Diaghilev, the founder of the Russian Ballet (Ballets Russes), who brought a production to Paris, where his ensemble, in synergy with other great artists[31], was able to explore and develop new forms of stage expression and thus greatly extend its field of activity.

The example of the Istanbul Foundation for Art and Culture (Istanbul Kultur ve Sanat Vakfi) shows that highly effective art organisations can be established in very turbulent circumstances. The Istanbul Foundation has opted for the standard model of activity through international arts festivals. Working without any support from public funds or governmental cultural policy, this organisation has established five events: the *Istanbul Art Biennale*, the *International Theatre Festival*, the *International Film Festival*, the *International Music Festival*, and the *International Jazz Festival*. In 1992, the Foundation received the prestigious *Tropheé Internationale des Arts et de la Cultur*e from UNESCO's International Institute for the Promotion of Culture. Even though the organisers have adopted the European model of organisation and programme development, they have built, in their country, an entrepreneurial organisation whose developmental philosophy is based primarily on a high degree of responsibility in relation to the needs of the community (which up to that time had taken little part in developments in world art). Since their organisational culture rests on the criteria of efficiency and productivity, they embody the philosophy of an entrepreneurial organisation in the true sense of the word.

This philosophy of development usually relies on *organisational and competitive strategies*, as well as on the *strategies of quality improvement (accreditation)* and the *strategies of linkage (inter-sectorial linkage).* In turbulent circumstances, such

organisations will first look for the *strategies of sustainability*, such as *privatisation, mergers* with other organisations, *migration to a new environment*, etc.

The trend-setting organisation: a studio of new trends, a novelty seed bed

This type of organisation is most widespread in the fields of entertainment, audio-visual industries, and publishing - everything that is most appropriately referred to as the 'creative industries', sometimes called the 'content industries'. Such organisations employ increasing numbers of artists, designers and literary managers. Their influence on the cultural market is all the more powerful as they manage to inter-relate and link together the marketing principle, mass production, services and media presentation, thereby becoming an important element of large production systems in developed economies.

Operating in a strictly market-oriented and competitive environment, they are forced to constantly seek new forms and new styles, as well as the mechanisms that increase consumption and attract mass attention. The most successful among them are indeed trend-setters, and it is no wonder that we find them concentrated in world fashion centres, centres of design and media production.

When the conditions for business operation change, and turbulence occurs in the environment, such organisations usually decide to seek new environments in which to operate, or they enter into agreements with powerful media organisations in world centres.

The entertainment industries are indeed a response to a global need, and even in distinctly socially underprivileged environments we find media and entertainment corporations such as Globo in Brazil and Televisa in Mexico. Both corporations practically have the monopoly over their national markets and wield great political power enabling them to select and appoint the national political leaders. At the same time, they also shape elitist lifestyles (the jet-set), its patterns and values, as well as the patterns of mass culture[32]. They have been helped in this regard by the fact that both Brazil and Mexico have large domestic markets for the entertainment industries and their products. Thus, they were able to establish a new trend in television entertainment, new types of soap operas*, telenovelas*, which they now successfully sell to mass audiences in more than one hundred countries. In turbulent circumstances, so-called cheaper genres are used (such as talk shows or reality shows) adapted to the local sensibilities and production capabilities.
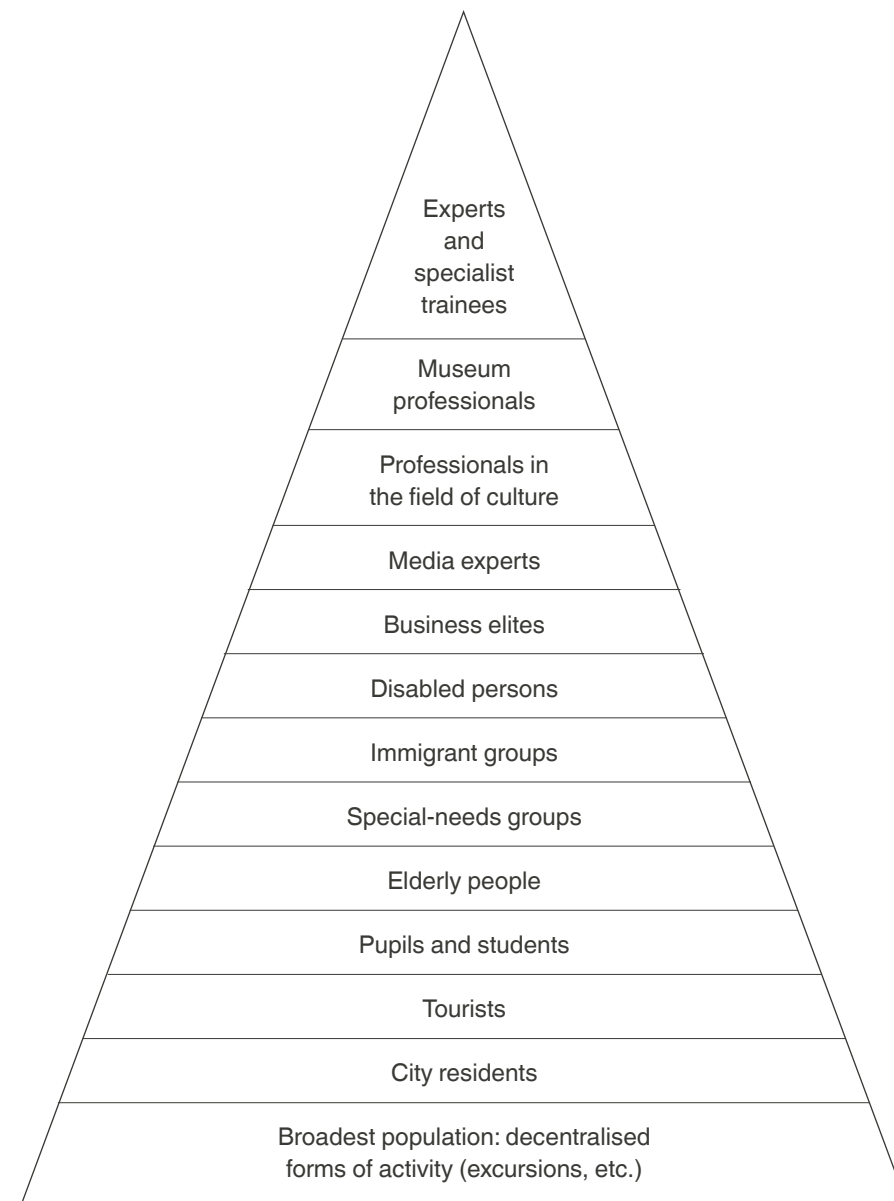
30 Adizes 1988.
31 Among others: Pablo Picasso, Jean Cocteau, Manuel de Falla, Eric Satie, Igor Stravinsky, Claude Debussy...

32 Smiers 2002, 36.

The earning organisation: a stock exchange of marketing ideas

The 1980s saw a change in cultural policy, when it became evident that state budgets could not continue to grow indefinitely, and, accordingly, the cultural sector could not hope to receive ever more funding from the state. This resulted in new pressure on cultural institutions in the public sector to generate their own revenue and to improve their efficiency and effectiveness by better management. This was a clear indication of the need for marketing and for the development of programming policies. Accordingly, the best among them had a new developmental philosophy imposed upon them - the philosophy of an earning organisation.

As already mentioned in Part 3, Great Britain, followed by the Netherlands and some other European countries, inaugurated the process of 'privatisation' of the management of private museums. Museums were administratively transformed into foundations with more flexible and efficient management and with greater opportunities for attracting sponsor and donor funds. This opened the possibility for direct commercialisation, provided that potential profits were ploughed back into their basic activity as reinvestment. Thus, for example, the Rijksmuseum in Amsterdam greatly expanded and diversified its activities in relation to the different target groups. This example shows how a single museum can independently build its own audience pyramid (see below). The Rijksmuseum works at almost all levels of the pyramid in accordance with its newly adopted developmental philosophy.

Chart 1: **The audience pyramid**

Experts and specialist trainees

Museum professionals

Professionals in the field of culture

Media experts

Business elites

Disabled persons

Immigrant groups

Special-needs groups

Elderly people

Pupils and students

Tourists

City residents

Broadest population: decentralised forms of activity (excursions, etc.)

The pyramid may vary according to the location and the type of institution. Thus a small tourist resort with an important museum will have tourists at the base of the pyramid, followed by pupils and students from the whole country, while the local population will make up the peak of the pyramid. Large scale, 'blockbuster' exhibitions have proved the most suitable method for the expansion of the audience (the base of the pyramid).

Probably the best example is the exhibition of what purports to be the most complete ensemble of the works of Albrecht Dürer, in the restored Albertina Museum in Vienna. An enormous effort was required to bring together the works that are scattered in many collections throughout the world. The main emphasis was on exploiting the marketing potential of the exhibition on the European and world level. The marketing strategy revolved around Dürer's key drawing, the fieldhare, which is so delicate and frail that after this exhibition it will not be accessible to the public for the next fifty years[33]. This information was highlighted, with the drawing of the fieldhare taking centre stage in all the publications accompanying this exhibition.

Most of the examples of this kind come from stable environments, in which publishing houses, music production houses and theatres operate in large and economically powerful markets. Even in turbulent circumstances it may be possible to build organisations that earn money if the systemic provisions allow this. The necessary precondition is the existence of a local/regional market. This is borne out by the example of Egypt with its well-developed music recording industry, or Bollywood in India. However, in the communities in which political pressure is exerted on artists this does not happen, although there might be a good potential for the development of such organisations. A characteristic example of this is that of Iran, whose films are well received in the world at large but are banned on the domestic market, which prevents the artists from earning any income for their organisation. Therefore they make fewer films, with less security, than would otherwise be possible.

Although the new technologies, with the stress on their effectiveness and efficiency, could serve the organisations in turbulent circumstances equally well, most of the highly successful organisations are physically located in countries with well-developed creative industries (like Amazon.com and the search engine Google, for example). The new technologies greatly reduce production costs and can effectively operate in a local community, but it is worth noting that even large countries like China, India and Russia are often unable to use the potential that these technologies offer. Paradoxically, India is one of the most significant producers of software, but this production is mostly intended for American corporations (outsourcing). The knowledge and skills of the Indian workers remain unutilised in the country in which they live and work. It is obvious, therefore, that in addition to the professional and scientific knowledge that exists in a given country, it is also necessary to have an entrepreneurial culture and managerial knowledge and skills.

33 Dürer, *Junger Feldhase*, aquarel 1502.

The need for complementary philosophies of development
Whereas in the 1970s the concept of 'development' was a key focus of debate, it is now on the more specific issue of 'sustainable development'. The term came from ecology and was used to highlight the holistic approach to social development, in which equal attention is paid to economic and ecological categories. Over time, the term began to assume a more technical connotation, working on the micro level of individual organisations and focusing on their financial success and organisational sustainability. But the appropriateness of such a focus is questionable, in that an arts organisation can function relatively successfully from the financial and operational standpoint, but this says nothing about its importance and objective success in the field of culture. At the same time, most European cultural policies do not prioritise the issue of sustainability for highly prominent and important cultural institutions, because they represent a value in their own right in a given national culture. The question of sustainability normally arises when we are dealing with a privately owned organisation, which must find ways to survive on the market. The same is true of the organisations in the civil sector, which are forced to find the funds and to 'win' the potential donors with arguments about the need for the funding.

The examples of the developmental philosophies and corresponding types of organisations given above show that only organisations with a clear vision, a coherent value system and programme, and a corresponding organisational culture can attain the highest quality.

The classic European model of development of cultural institutions can be called the *organic evolutionary model.* It takes for granted that the core or essence of the institution cannot be significantly altered in line with the changing social system, because it is technologically bound to the process of production of a work of art or activity, as these were defined in the 19th century. Museums, theatres and public libraries are for the most part the same today as they were when they first appeared, apart from the fact that they have had to modify their structures to respond to the demands of the times, to new technology and to new professional standards. Whilst these institutions could be accused of having outlived their usefulness as models, they can still achieve good artistic results if they apply the techniques of *Adaptable Quality Management* (AQM) outlined in the next chapter.[34]

Finally, it is important to note that the stability and overall quality of a cultural system depend largely on the implementation of different, usually complementary, philosophies of development. The cultural community needs organisations that create and discover things, ones that earn money, ones that are trend-setters, ones that learn or explore, organisations that are at the cutting edge, and finally, ones that are entrepreneurial and that open new areas of activity and new markets.

34 For a critical reaction to the 'organic evolutionary model' see Schlesinger 1997, 67-78.

The AQM approach Adaptable Quality Management in turbulent circumstances

We use the term *Adaptable Quality Management* (AQM) to refer to a form of management within the arts sector which insists on the preservation and development of programming excellence, and on the timely selection and implementation of the managerial knowledge and skills that best meet an organisation's needs as it tries to overcome the turbulent circumstances in which it operates in order to ensure internal stability. AQM requires, in the first place, the creation of appropriate conditions for the development of an institution's arts programme (see Part 2), as well as its internal and external organisational activities, recognising but also overcoming the dangers/threats from the outside environment (see Part 3). As we have already noted, the strategic plan (see Part 4) is the essential mechanism of *Adaptable Quality Management*.

Adaptable Quality Management presupposes that the institution in question has already achieved a high level of programming excellence and activity and that it has a good public reputation. According to Adizes, this high point in the life cycle of an organisation carries the risk of the organisation being lulled into complacency by the recognition and praise that it receives and by the momentary financial success, so much so that it does not feel the need for further development or for reviewing its own essential activity[35]. This is especially true of organisations operating in turbulent circumstances, since their attention is focused on changes in the environment, particularly on those changes that might threaten the organisation's status achieved so far. *Adaptable Quality Management* emphasises the need for constant evaluation of success achieved to date and for reflection on future development. It discourages a routine approach to strategic planning cycles, demanding instead, with each new cycle, a new qualitative step forward in accordance with the predetermined key parameters of development.

Characteristics of Adaptable Quality Management (AQM)

Adaptable Quality Management:

- cyclical definition of methods of development: defining organisational crossroads and turning points;
- analysis of spontaneously emerging methods and solutions: systematising good organisational practices;
- strategic plan monitoring: the means and procedures for finding new systemic solutions;
- asymmetrical and flexible organisational structure: defining the radiant focus of creativity;[36]
- non-autocratic leadership: delegation of some managerial functions to collaborators;
- flexibility in management: preventing staff 'burnout';
- stability of developmental parameters and indicators of adaptability: defining the qualitative matrices of excellence.

35 Adizes 1988.
36 See corresponding section below.

Cyclical methods of development

According to AQM, the strategic planning method is applied differently in the first stage than in the second and third cycles of strategic planning. The stress in the first cycle is on organisational diagnosis and capacity building, and in the second cycle on the programme and artistic development. The third cycle aims to develop this potential to the full and to use it to give new impetus and energy to the organisation despite the turbulent circumstances. This means that each cycle represents a crossroads, from which only those elements of programming and organisational development which satisfy the criteria of excellence are carried over into a new cycle, along with those that represent promising potentialities that could be further developed with new methods and strategies. In contrast, those elements, particularly activities, that do not meet the highest criteria of evaluation should be scrapped at once (through the strategy of programme focusing, for instance). It has been noted that this is the most difficult task facing arts management in turbulent circumstances, since many activities are maintained only for the perceived stability they offer (tradition) and as a concrete point of reference in an ever-changing environment. People often fail to see that standard programmes and activities prevent an organisation's development, because - despite the relatively mediocre quality - the positive image of the organisation is also embodied in such programmes.

Systematising good organisational practices

When we speak about the culture of excellence, we inevitably come to the question of whether this is at all achievable in turbulent circumstances. International research in which the authors of this book have taken part shows that turbulent circumstances may even favour innovation in the strongest organisations in such environments[37], although for most organisations the consequences are very serious. In the former group of organisations, however, a turbulent situation stimulates the spirit of creative improvisation and adaptation. But at the same time it prevents an organisation from long-term and strategic thinking, and from treating the solutions it comes up with as a springboard towards the long-term systemic answer to the question of the organisation's future. The aim of AQM is to *evaluate and assess the spontaneously emerging practices* from the standpoint of their real importance for the organisation and as a response to the dangers and threats coming from the outside environment. In spite of the turbulent circumstances, the organisations seeking to achieve and maintain excellence should establish constant parameters and criteria for the assessment of the quality of activities and methods of management that will support development and not just mere survival.

Strategic plan monitoring:
the means and procedures for finding new systemic solutions

In the course of implementing the strategic plan, regular monitoring should reveal the methods that have proved effective for the achievement of the programme objectives, even though such methods may originally have evolved by chance, in response to challenges and threats coming from the outside. This set of good practices should be analysed to establish its true potential for further development and institution building. They are particularly important when dealing with methods and forms of activity not defined in the strategic plan because of sudden and unexpected changes (rampant inflation, political upheaval, radical change in cultural policy, etc.).

If the strategic plan is drawn up when turbulent circumstances are already the *status quo*, the organisation must envisage the possibility of its revision and adaptation. *Adaptable Quality Management* will require both pro-active and re-active measures, contributing to the consolidation of excellence and to the strengthening of the existing organisational culture. In this way, if it should become necessary, the organisation will be in a position to act promptly, adapting strategies and creating new programmes that are more suitable in the given situation than those chosen in the process of strategic planning.

Defining the radiant focus of creativity:
asymmetrical and flexible organisational structure

It may appear that the process of adaptation and change will upset organisational equilibrium, but in actual fact the equilibrium will be maintained precisely by common team strategies, synergies and cohesion (integration). According to Ichak Adizes, the core of creativity of an organisation is mobile, can be centred and dispersed, and is of crucial importance for the development of the organisation. The organisation's **radiant focus (i.e. the core of creativity in the organisation)** should have full autonomy in adapting the chosen formats and strategies. Paradoxically, therefore, an arts organisation operating in turbulent circumstances - if it operates through departments or separate programme units - must give these units greater autonomy in their work. However, the organisation's management (leadership team) may require a better insight into the operational details and more intensive monitoring (more intensive, that is, than is customary for cultural institutions operating in stable circumstances). This dialectical relationship is the necessary precondition and means of achieving organisational balance in the system made up of elements that occasionally need to be transformed independently of one another.

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37 Among the many research projects, we mention only those in which we have taken part and which have resulted in proper documents: Cultural policy of Georgia: experts' report (2002), published by the Council of Europe (CDCULT (2002) 11B); Cultural policy in Croatia: national report (1998), published by the Council of Europe (CC-CULT (98) 5A); Cultural policy in Serbia and Montenegro Part I Republic of Serbia: national report (2003), also published by the Council of Europe (CDCULT (2003) 1A); Cultural policy in Serbia and Montenegro Part II Republic of Montenegro: experts' report; Art and Culture Task Force report (1991) Budapest, Open Society Institute; assessment of cultural policy and management educational needs in Central Asian countries, published in 2003 by UNESCO and the Open Society Institute-Budapest, in 2003.

The complexity of this issue explains why, in turbulent circumstances, artists and managers often establish small organisations that are more easily monitored and transformed, and in which the questions discussed in this chapter do not arise. But since in the same circumstances we find traditional and complex institutions with large numbers of organisational units, the problem deserves serious attention.

Museums, cultural centres and other large cultural institutions often face the question of whether or not to give greater independence to their individual departments or activities, especially when the situation in the outside environment favours the development of only some activities, while radically curtailing the development of others. The asymmetric development of organisations is not a good solution in stable environments, either in theory or in practice, but in particular circumstances it may prove necessary to enable an organisation to survive as a *centre of excellence*, preserving at least one *radiant focus of creativity* and enabling the organisation to continue to grow. *Adaptable Quality Management* insists precisely on the identification of such radiant *foci*, shifting the attention of the organisation from one aspect to another, while striving to preserve the achieved level of quality of programme activities as a whole.

The dividing up of the organisational structure and its asymmetrically flexible organisation is the most suitable way of managing complex arts institutions in turbulent circumstances. How and when this subdivision into smaller units is to happen and what specific forms it will take, depend on the circumstances of each case, on the cultural contexts and the organisational culture. In some communities in which the usual method of management of cultural institutions is the collegiate (democratic) principle, it will be easier to carry out the subdivision than in the case of organisations based on the leadership or hierarchical approach.

Non-autocratic leadership:
transfer of elements of managerial functions to collaborators
A characteristic of AOM is its reliance on a non-autocratic form of leadership. This will be hard to implement in cultural institutions that rely heavily on the personality of a leading artist or a charismatic artistic figure. This issue has been dealt with in an earlier section on capacity building. Good conflict management is not generally a strong point among charismatic leaders, and in turbulent circumstances, in which conflicts are more pronounced, it is better to divide up the organisation and to delegate decision-making to individual departments (programming units, project teams, etc.).

Flexibility in management: preventing staff 'burnout'
Management in turbulent circumstances requires much greater flexibility to prevent the 'burning out' of staff. If this should happen, the manager must have plans of action at the ready and incentive measures for the employees - from shortening working hours and introducing flexible working time to mobilising volunteers or external collaborators (re-distribution of work tasks, etc.).

The first six characteristics of AQM are outlined shortly in this Part. We believe that the seventh characteristic: stability of developmental parameters and indicators of adaptability - owing to its importance from the point of view of arts management - should receive special treatment and will therefore be elaborated in the following section.

Long-term parameters and adaptable criteria and indicators of development

Defining the parameters of excellence
It is usually only the most important national institutions that engage in extensive analyses of their own work. They are normally timed to coincide with important anniversaries, when such institutions publish monograph studies containing analyses and historical surveys, along with discussions about aesthetic concepts, programme characteristics and organisational culture that are predominant in the life of the institution in a particular period of its development. The history of the institution is traced from one period to the next, marked by the charismatic artistic personalities at its helm and their most significant achievements. Less attention is devoted to the characteristics of managerial and organisational culture in a wider sense, to questions of cultural policy, or to the spirit of the times that influenced the standards and modes of operation and guided the accepted parameters of development and evaluation. This is because both the organisations and those who produce such analyses fail to identify the goals and long-term aspirations of the organisation. Consequently, they do not know what the basic parameters for analysis and evaluation of the institution's achievements should be. It is taken for granted that the goals of the institution have always been the same - the attainment of artistic excellence.

It is therefore crucial that the strategic plan defines the parameters according to which the institution's achievements in a given planning period will be assessed and evaluated. These parameters stem directly from the objectives and anticipated results, and they formulate the essential mission of the institution with greater precision. They confirm the values on which the institution was built, and project the institution's future development as defined in its mission statement.

The parameters for the evaluation of the programming and cultural excellence, which are analyzed in this section of the book, provide the key framework for future evaluation, not excluding additional parameters linked with a particular type of organization and its specific objectives and developmental philosophies.

The parameters of programming excellence:

- judging aesthetic excellence;
- the organisation's contribution to stimulating creativity;
- 'cultural quality' and programme relevance;
- an innovative approach to programmes and to the methods of their realisation (new formats);
- success in knowledge transfer;
- degree of self-sustainability (indicator: self-generation of income);
- role in shaping cultural policy;
- advocacy of cultural pluralism;
- achieved level of accessibility and participation;
- effectiveness outside the focal point of activity (effects of decentralisation);
- macro-regional and international cooperation.

Judging aesthetic excellence

We have already pointed out the importance of what we call an *aesthetic-axiological analysis,* which examines and determines the main artistic achievements of the organisation or institution in question. The aesthetic-axiological analysis must have a clear theoretical and methodological starting point. A leader in the field, an expert and theorist, is required to deal with this.

Not infrequently, this parameter of evaluation is considered only from the standpoint of superficial definitions, in terms of critical reaction, jury awards, number of invitations to festivals etc., the tacit understanding being that works which rank high on these grounds should be recognised as the acme of artistic achievement. In small nations and cultures, in which the number of events, festivals and awards sometimes exceeds the number of productions and institutions, such an analysis may prove counterproductive. Generally speaking, if jury awards are to be taken as a criterion of the aesthetic excellence of the programme, it is necessary to rank the list of awards in a particular domain in order of their true cultural significance.

In addition to these, mainly quantitative, indicators, it is necessary to develop the more complex qualitative indicators appropriate to the branch of art and to the field of activity of the institution in question. It would seem natural that the parameters should be developed by the artistic advisory board together with the artistic director, or by a body performing an equivalent function. However, in most of the organisations that we have studied, the artistic councils engage in the approval of the proposed repertoires or exhibition programmes etc., rather than in entering into a deeper discussion, let alone analysis, of the aesthetic profile and poetics advocated by the institutions at a given point in time.

For example, in a standard city repertoire theatre, the artistic director explains the rationale behind his proposed repertoire, invoking criteria such as *current interest* ('this is on in London or Paris at the moment'), *attractiveness* ('this is the play whose topic, spectacular staging and stage design will attract audiences'), *exclusiveness* ('this is the author whose works are played only on our stage'), *artistic relevance* (measured in relation to the non-explicit poetics and practice of this theatre, that is, its tradition), or *cultural relevance* (cultivation of domestic and foreign classics, the thematic framework for the performance, etc.).

It would be highly desirable to discuss these criteria before the repertoire is fixed, that is, as part of the debate about the future poetics and artistic vision of the institution, for which a more precise artistic poetics should be formulated that would be the basis for the identity of the institution. For instance, one theatre may opt for the so-called 'postmodern poetics', another for 'contemporary ritual theatre', the third for an interdisciplinary interaction of the theatrical art to other, especially digital media, the fourth for the non-verbal experimental theatre, and so on. It is difficult to define the types of poetics in advance, because, for instance, the commitment to ritual theatre can involve quite different poetics - from Artaud's theatre of cruelty, through Barba's 'Third Theatre', Schechner's performance theatre, Kantor's approach which stresses scenographic and ambiental solutions and highlights collective memories, all the way to idiosyncratic poetics and specific syncretisms. The essential requirement is the conscious development of a poetics within which an institution intends to work. This is necessary also in the opposite direction - when the diversity of poetic approaches is the essential identity of an institution. Precisely because this is the most frequent case and because it is thought to be a quality in itself (since it makes possible a plurality of approaches), the diversity that the theatre advocates and promotes must be the product of full awareness and not the result of a momentary condescension to the audience lacking a clear stand and ending up in *Kitsch* and blurred or purely commercial image.

The organisation's contribution to stimulating creativity

This parameter is directly related to cultural policy, in whose core we find the responsibility for the stimulation of, and care for, creativity in a given society. In most branches of art, this responsibility has been transferred by the government to institutions in the public sector (theatres, the philharmonic and other orchestras, museums of modern art etc.), or to the private sector in the case of the arts in which market operations are possible (publishing, music, film, media, fashion, design). At the same time, the civil sector tries to develop the areas of culture that remain uncovered by the state or private sector (experimental and alternative art in all domains, especially in collective arts such as theatre and film).

Ignoring creativity reduces the work of an organisation to the mere presentation of the achievements of others. Taking a long-term view, we see that this orientation destroys the quality of artistic life and the artistic vitality of the community in which the institution operates. What is even worse, via a feedback mechanism, such an orientation actually destroys the institution itself. The most characteristic examples of this phenomenon are found in the domain of contemporary visual arts, in which, very frequently, the museums of contemporary art rely on the strategy of survival, reducing all their activities to the simple presentation of their existing collection. This is particularly true in situations of turbulence, in which funding for the acquisition of new art works is greatly reduced. Such an activity deprives the local artistic scene of valuable input: artists leave or cease to work on significant projects for which the money is not forthcoming; art criticism becomes unnecessary, and loses its place and importance in the media; with time, public interest in art declines because there are no new projects or exhibitions of modern art and, consequently, no media interest.

The criteria for this parameter would be the following: *realisation of new art projects, involvement of local artists in the materialisation of their ideas, and stimulating young and unknown artists to create art and to publicly present their works*. It is evident that most of the criteria involve both production and presentation equally.

For instance, the usual indicator of evaluation for the criterion *stimulating young and unknown artists to create art and to publicly exhibit their works* may include special competitions for young artists, (in which case the winner will be obliged to perform publicly or to exhibit his or her work), or summer camps workshops that the institution may establish with this specific aim in mind. A particularly important criterion within this parameter is the *link between cultural institutions and arts schools*. The indicators in this case can be the number of programmes in which art academy students take part, the number of programmes which directly present the works of graduate and undergraduate students, the number of joint educational and artistic programmes and projects, and provisions for artist-in-residence arrangements enabling artists to do some practical work within an institution.

'Cultural quality' and programme relevance

This parameter is of crucial importance for the type of cultural institutions whose activity is based on the production of programmes that are more than just presentations of art. This parameter also covers institutions such as archives, libraries, museums, cultural centres, and institutions for children's cultural development. Surprisingly, the notion of cultural quality is not used in the theory of arts management. However, cultural or artistic quality is even more crucial to cultural organisations than profit is to the commercial sector. It is the primary evaluation criterion.

'Cultural quality' can be analysed through the study of several general criteria, such as *professional relevance; complexity of presentation; programme relevance from the perspective of public interest and wider social development; programme relevance from the perspective of the profile and identity of the institution; programme relevance from the perspective of audience interest,* etc.

Each of these criteria is analysed in terms of specially determined qualitative and quantitative indicators. Thus, for instance, *professional relevance* must be evaluated from several perspectives: in addition to indicators relating to standards and norms developed by the profession, it is necessary to develop the institution's own indicators which will relate existing resources with the institution's development plans and user needs. The indicators developed by the profession are taken over such as they are. In the case of libraries, they are the standards adopted by the International Federation of Library Associations (IFLA) in 1977, and in the case of museums they are ICOM's standards[38] and UNESCO's standards for protection and preventive protection. The organisations or institutions should also develop their own indicators which relate their existing resources to their development plans and user needs. Taking a museum as an example, we can list a large number of indicators: the extent of elaboration of holdings in different collections, public access to the material elaborated, the integrity of the collection and adequacy of a permanent exhibit, adequacy and quality of captions and markings for the exhibits, instructions on the routes to follow through the museum, the quality of the accompanying publications and programme leaflets, etc.

38   ICOM: International Council of Museums.

The next criterion, *complexity of presentation*, also has several indicators. A museum exhibition of works of art from a particular period, school or movement can be evaluated in terms of the following indicators: the exhibition's representative scope of all the genres and forms that characterise that particular period or movement; the degree of success in the presentation of the socio-political and cultural context of the period in question (spirit of the times); the degree of success in the presentation of the given phenomenon in the context of relevant developments in other countries and regions (the comparative approach).

Programme relevance is defined by the recognition of the importance of a given programme or activity for the community in which the institution operates, its relation to the cultural policy of that community, and the assumed or real interest of the audience.

For this reason, each of these criteria will require several indicators, such as those which evaluate the success of the criterion of *programme relevance from the standpoint of public interest and wider social development*. The indicators may be the degree of correlation of programmes/library holdings with the educational programmes in that particular community; the degree of correlation of programmes/library holdings with the development strategies of the community in question (introduction of new technologies, education for democracy, human rights, integration processes, etc.).

The definitions of the criteria and indicators within the parameter '**cultural quality' and programme relevance** are particularly important for institutions that operate in turbulent circumstances, because they are likely to ignore such criteria and indicators as irrelevant in the situation in which they find themselves and which does not favour standardisation and norm setting as a precondition of the quality of professional work. Still, even in the most difficult circumstances, it is important to follow professional developments and recognised world standards in a given domain. The institutions should strive - despite everything - to get as close as possible to world standards. It is possible to establish acceptable indicators (relative to the organisation's internal resources and capabilities) that will stimulate the institution to go beyond the already achieved level of quality, and at the same time a determination to prevent the decline in standards. New technologies make it possible to keep up with developments in the profession without excessive demands on resources and investments.

An innovative approach to programmes and methods of their realisation (new formats of activities)
Even the most traditional cultural institutions, whose function is conservative in the sense of preserving tradition and safeguarding the products of creative work (such as the national library, the national film archives, museums etc.), must - if they wish to be truly effective in contemporary society - come up with new forms of programmes and methods for their realisation.

The criteria for the assessment of the quality of programmes are: *new content of work realised by the institution in the previous planning period; new methods of work with participants; new types of service offered by the cultural institutions; use of different media for the presentation/implementation of the programme*, etc.

It follows from what has just been said that specific indicators are used to correspond to the type of institution and to its different objectives. That is why we only list here examples of indicators that, in our experience, are required in the majority of cases. The criterion *new methods of work with participants* is necessary because institutions have to open up to different target groups and to their needs, meaning that the institution must revise some of the established modes of operation, such as opening hours, type of service, place of service delivery, etc. For this criterion we propose the following indicators: the level of use at new spaces of service delivery, as opposed to the institution's existing premises; the degree to which services outside the regular opening hours are used; the degree to which new methods of work are accepted; and assessment by the staff of the quality of service, using the new methods. It is particularly important to formulate indicators that will point to the aspect of the organisation in which radical (previously unplanned) changes and methodological innovations have taken place.

In practically all of the criteria of this parameter it is indispensable to establish indicators for the assessment of creativity. Thus, for instance, for the criterion *new types of services offered by a given cultural institution*, the corresponding indicators will highlight those organisational units, teams and individuals who contribute to the vital changes in programming contents and artistic activity as a whole.

In principle, it is most difficult to propose criteria and indicators of a general type for this parameter, but they are easier to define within the strategic plan, because they refer to activities that are non-standard, which represent innovation, which are easily noticed, and whose attainment can be recognised by both the staff and the users. The management usually pays considerable attention to them, because in many cases they are the product of the initiative of the management itself.

Systemic and long-term orientation towards innovation usually creates conditions for the construction of *new operational formats*. If such formats[39], through transfer of knowledge, succeed in being regarded as new achievements, they are then to be approved in artistic practice, and may become new standards in a particular field.

Success in knowledge transfer

This parameter is of particular importance for national cultural institutions that, according to the laws and their own charters, define their role as the dissemination of professional knowledge and skills in their fields of operation. On the other hand, this role is spontaneously developed in the civil sector generally, because the cultural institutions in that sector are small and flexible, more ready to adopt innovations both in content and in method. Subsequently, they transfer that knowledge both to institutions of their own kind and often also to those in the public sector. This *knowledge transfer* has developed into a whole new field of operation, which has kept the small institutions alive and recognised within their communities.

In turbulent circumstances, national cultural institutions are often too large and complex to change and adapt, and to learn from changes. Not infrequently, they lag behind the regional or local institutions that are strictly speaking under their supervision. This is especially true of museums and libraries. Small, specialised museums benefit from the lessons learned as they fought for their survival in the period of transition. Now they are progressing technically and in terms of content, offering quality of presentation and methods of work with users in more sophisticated and effective ways than are the central national institutions. Such small institutions, however, are not adequately staffed to be able to transfer their knowledge and experience to other institutions. Thus, their positive experience remains confined to these organisations themselves, without influencing the development of professional standards and norms. This may be reversed if professional associations and societies, recognising that they are the best education resource for their own needs, supply smaller institutions with the necessary logistics and organise peer group training sessions and seminars for the exchange of experience.

There are not many institutions operating in turbulent circumstances that pay serious attention to the systematisation and codification of the kind of knowledge that has proved important in the achievement of programming success. Even more rarely do they try to systematise that knowledge in special education modules, which would actually be extremely useful, since such knowledge is specific pre-

cisely because it is acquired from first hand experience in transition and in turbulent circumstances. As such it may be relevant also for other institutions facing similar problems.

Educational modules and programmes are offered mainly by education centres developed in stable cultural and political systems. A characteristic example is a training course for publishers, where the parameters of business operation in the British book industry are offered as a general model of success for publishers from countries which are small, economically unstable and suffering from inflation. Moreover, such publishers cannot reckon with the international market which British publishers take for granted (English having become the *lingua franca* in the present day world).

Such issues are taken into account by the best non-governmental organisations: they prepare educational programmes for the specific niches in which they operate. They often appear in the role of mediators, transferring the knowledge acquired in the Western developed world to countries in transition and with high levels of political instability. Testing the possibility of applying the knowledge acquired elsewhere, they select and adapt the relevant knowledge and skills for their own needs and then, through special programmes, try to transfer it to similar organisations. Therefore, the criteria within this parameter can be as follows: *selection and adaptation of acquired knowledge in different education formats; quality of professional content of education; transfer and mediation of acquired knowledge; maintenance and further development of knowledge and skills in a particular domain,* etc.

Each of these criteria must be further defined by means of indicators. The criterion entitled *selection and adaptation of acquired knowledge in different education formats* can be applied to national cultural institutions but also to others when they show willingness to take an active part in the transfer of knowledge, conscious of their developmental advantage over the standards of the community in which they operate. The indicators may be listed as follows: number of precisely defined education programmes, number of possible consultancy services, norm setting for measurement of quality of work in a given area (for nation-wide institutions), specific training to meet the requirements of the community, increasing interest of the cultural public in proposed programmes, assessment of the usefulness of education programmes, and applicability of the knowledge acquired by the participants.

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39   The museum as a meeting point - is a new museum format, comprising facilities such as children's playgroups, audience oriented workshops, restaurants, bars, gift shops, etc.

The second criterion, *quality of the professional content of education*, can best be measured using the following indicators: expert evaluation of the contents and methods of education, acquired licensing rights (accreditation) for the course (if there is such a possibility), recognition by the professional public (reflected by the recognition of the certificates issued by cultural institutions), and implementation of the knowledge acquired by the seminar participants in their own institutions.

Degree of self-sustainability

Although it may appear that for most cultural institutions in the public sector the question of self-sustainability does not arise (simply because they receive regular guaranteed minimal budget allocations), for more ambitious organisations that try to preserve the quality of work even in turbulent circumstances, this becomes a key question, not just of survival but, more to the point, of development. Only self-sustainability guarantees autonomy and the necessary degree of self-respect, self-confidence, and conviction that they can achieve anything they want, provided it is recognised as a priority item in their strategic plan.

The criteria for the assessment of the level of achieved self-sustainability are different in the public, private and civil sectors. It is obvious that *financial success* will be a key element in the private sector, while a similar criterion in the public sector would be defined as *financial diversification of resources*; in the non-profit sector we will find *the proportion of self-generated income*.

The other criteria for the assessment of the level of self-sustainability are the following: *independent status; inter-sectorial linkages; reputation among the public; achieved level of personnel capabilities; media attractiveness; audience loyalty,* etc. Possible indicators for the criterion *independent status* will be the degree of independence in the appointment of a director and board of management, degree of independence in deciding on the programmes and development of new programme contents and organisational units, degree of independence in deciding on the choice of partners, selection of the field of activity, etc. The following indicators are possible for the criterion *reputation among public*: readiness to offer help; lobbying for the sector in time of crisis; recognition and representation in the professional bodies and public authorities, and associations in that particular domain; awards for the institution and its staff; and desirability, that is, artists' interest in the realisation of their projects in that particular institution.

Self-sustainability has now become the key element of credibility of the organisation in the eyes of potential donors and sponsors. In turbulent circumstances, when the status of an institution or organisation is at stake, as was the case with arts associations in the period of transition, we must recognise that only those actually survived which managed to re-define and reorganise their work to become as self-sustainable as possible. Some of them not only survived but went even further and become powerful trade unions or highly professional organisations of a new kind. It was therefore possible to find, in the same country and circumstances, two arts associations with two very different destinies. In Romania, the Association of Dramatic Artists became a powerful and respectable organisation, while a number of other organisations lost their former reputation and significance.

Attitude towards current cultural policy

Since the 1970s cultural institutions in most of Western Europe, Canada and Australia have raised the question of democratic procedures and clarity in decision-making regarding cultural policies, insisting that they, too, should be invited to participate in the process and in broader public debates about contents and priorities. Topics such as participation, inclusion, decentralisation, interculturalism, advocacy and lobbying, and autonomy of the culture sector, have entered the public domain and become key issues in the work of cultural institutions. Cultural institutions are not only the main potential agents in defining their own position within the whole sector, but also fundamental agents in defining different cultural policies. This can take the form of contributing to their own development by influencing policy, or of lobbying for structures that are not yet available. Many international organizations, especially donor organizations, insist on the recognition of the importance of this type of activity, because this is not only a contribution to the development of the organization itself but to the environment in which it operates.

Sometimes public authorities delegates policy responsibility to cultural institutions and organizations. This case one can find in Senegal where the Government has transferred the task of preservation and development of nationally most widespread language (Wolof) to the National Theatre 'Daniel Sorano' in Dakar. So it became the only institution where the works of art in this language are publicly disseminated. Education, publishing, media and public debates are lead in French language only, which is the language of archiving of Senegalese culture. This policy lack is indicative because Africa is a continent which is losing most quickly its own cultural memory and heritage, particularly intangible one.

On the other side in most European countries, the paradigm of national institutions has been replaced by the paradigm of centres of excellence. National cultural organisations, entrusted with the elaboration of the narrowly defined standards and norms for the cultural sector in which they operate, are often overtaken by innovative and specialised cultural institutions and organisations.

The most frequent criteria for the assessment of this parameter are the following: *harmonisation of the internal forms and overall model of functioning with the type of cultural policy set out by the institution; harmonisation of the institution's own programme contents with the priorities of cultural policy set out by the institution; success in the recognition of new needs and demands and identification of new topics of cultural policy; and degree of public involvement in dealing with the topics and methods of current cultural policy.*

Assuming that the organisation advocates a highly participative and decentralised cultural policy, it will need to define the following indicators for the criterion *harmonisation of the internal forms and the overall model of functioning with the type of cultural policy set out by the institution*: number of representatives of artists and the professional public in the institution's artistic and management bodies; regular and full reporting to the public about the institution's activities; number of activities and programmes realised outside the institutional central premises; number of individuals and projects invited from outside the institutional central premises for purposes of demonstration and partnership; and number of partnership contacts and projects with organisations from other regions.

This parameter will certainly prove most important among those organisations which choose the following basic strategies: *obtaining (exclusive) accreditation rights*; *strategy of public activity*; *positioning in the public* and *development of recognisability - public visibility*; *strategy of lobbying and rallying support*; *strategy of public involvement* and *changing public spaces*. Even the organisations which do not have these strategies as their focus of attention should not ignore such problems, because in this way they will strengthen the impact of the strategies they do use and thus contribute to overall effectiveness and public relevance.

Advocacy of cultural pluralism
Although cultural pluralism can be one particular priority of cultural policy, it has to be considered separately precisely because it is now one of the key parameters for the assessment of the quality of activity of an organisation, particularly in turbulent circumstances by the stakeholders or public authorities.

Arts organisations generally remain firmly linked to specific artistic fields and thus also to a relatively narrow target group. In aiming to broaden that group there is concern that the organisation will lose its identity and profile. However, this danger does not arise if the programming content and the appropriate method are chosen in accordance with the general principles of the institution's activity, showing the necessary sensitivity for underprivileged social groups, and in turbulent circumstances for all strata of society.

This is potentially a very broad area of activity, covering intercultural mediation and communicative forms of activity, involving diverse, socially distant groups, geographically distant groups, groups of specific sexual orientation, socially marginalised groups, and groups with special needs, based on ethnic, religious, gender, ideological and political difference.[40]

Each organisation will need to define the criteria of mediation and communication activities within each of the chosen fields. Thus, for instance, the organisations which deal with this issue exclusively through working with the public will have one type of criterion, while the organisations that aim at a specialisation within a given field (for instance, inter-ethnic mediation and communication), will adopt criteria that focus on the evaluation of the quality of the proposed programmes.

In the first case the criteria will be as follows: *institutional capability for the reception of different categories of audience; development of special activities oriented towards communication and work with different audience groups; development of public relations and marketing activities focused on the reception of special categories of audience; and increased public sensitivity to problems and needs of different social groups*. Accordingly, the indicators will define the appropriate technical and technological prerequisites for access to the programmes (access ramps for disabled people, spatial re-organisation to provide places for wheelchairs, translation or subtitling of programmes for the deaf, and special explanations and audio cassettes for the blind); the number of specialised mediators for work with special social groups; and the number of special programmes for persons with special needs, and other social groups.

International organisations such as UNESCO and the Council of Europe attach particular importance to this parameter in situations of rich cultural diversity. What is more, the failure to respect this parameter may lead to the exclusion of a given country from the international community, because this failure usually means that there is no respect in that country for human rights, freedom of expression by individuals and minority groups, etc. Though an arts organisation operating in

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40 Because of the overriding importance of this problem in turbulent circumstances, we have devoted a whole book to this problem focusing on one particular region: The Balkans, see Dragićević Šešić and Dragojević.

turbulent circumstances may at first sight see this parameter as a dissipation of energy and resources, it is actually perceived by the international community as a crucial criterion in the assessment of a country's future long-term cultural and social development (with inevitable repercussions on the general image of the country and on the policies of other countries towards that country and the region).

Achieved level of accessibility and participation

The achieved level of accessibility could have been considered as a criterion within the preceding parameter, but we prefer to isolate it as a separate parameter in all institutions whose basic aim is to make cultural goods available to the public. In addition, this parameter will prove important in all those organisations that strive to be inclusive and to operate in a decentralised manner, and thus try to show the highest degree of openness on every level. Even in the private sector this can be an important parameter, because it supports the organisation's efforts to expand the cultural market to the full.

For this reason the criteria and indicators for this parameter ought to be harmonised with the sector of activity (public, private, civil) and carried out on the basis of special objectives of the organisation in question (for instance, improved quality of life in the community or inclusion of marginalised social groups into its programme).

In the Nordic countries this is a fundamental issue, both with regard to cultural policy and individual institutional practices. Special standards have been developed in these countries that must be respected at all levels of decision-making in culture, as well as in all cultural institutions. Even the size of administrative units is determined with regard to their capacity to meet particular needs and to respect certain rights, the most obvious among them being the right of access to culture, and the right to cultural expression.[41]

The level of accessibility is a key parameter for the evaluation of democracy in cultural policy. Cultural institutions have developed a range of criteria for the assessment of achievement in this field: *spatial dissemination of information about their own programmes; systematic visits to audiences living at a distance from the institutional central premises; diversification of admission prices; and accessibility of space and content to people with special needs.*

It is evident from these last criteria that different aspects of activity are intertwined and can therefore be evaluated within different parameters. Quite clearly, for

instance, an organisation that respects cultural diversity will surely make an effort to become accessible to different groups in the population.

In this regard, such organisations would also highlight the criteria of participation - those that *create the conditions for the participation of the population in amateur arts; those that make it possible for people to take part in programme design* (audience suggestions for book ordering in the libraries; suggestions for public forum debates, etc.); *and those that have to do with audience sampling and audience development*.

Thus, for example, the following indicators could be developed for the criterion of *price diversification*: the availability of programmes/services at specially reduced prices, the availability of subscription, diversified admission prices for different age groups, special rates for individuals, families, groups of friends and larger groups, discounts for relevant professional categories of visitors, promotional prices, including free admission on particular days and for particular groups, etc.

Effectiveness outside the focal point of activity (effects of decentralisation)

Decentralisation as a task of cultural policy is one of the issues to which international organisations attach a great deal of importance and consider it a prerequisite for the democratic development of society. Decentralisation has many sides. The political one has to do with the geographical organisation of a country and the distribution of power and authority within it. The legal side deals with the securing of equality for all three sectors, with a high level of autonomy for cultural institutions and their activities and for the establishment of different types and profiles of new organisation. The fiscal side has to do with retaining parts of the public revenue collected at a certain administrative level for the needs of organisations at that level. However, for culture in the strict sense of the word, decentralisation stands for the distribution of cultural infrastructure and cultural activities, in the interest of the people over the whole geographical area benefiting from richer cultural life and better living conditions (topo-sociology of culture).[42]

Different forms and measures of decentralisation in culture need to be developed within each political and legal system. In addition to cultural policy measures, cultural institutions may develop their own forms of decentralised operation guided by their own interest and the sense of social responsibility and mission. This is particularly important in those communities in which measures taken by the state in this domain are conspicuous by their absence and in which there are large regional discrepancies in social, economic and cultural development.

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41   For more information on the Scandinavian, decentralised approach to cultural policy, see: Duelund 2003.

42   Moles 1967.

Migration waves are greatest in turbulent circumstances, caused by economic crises, wars, as well as by the overall deprivation of remote regions. And yet, in turbulent circumstances decentralisation itself is seldom treated as a priority for cultural policy. Not enough use is made of school buildings, open spaces, public venues, which would be of great significance, especially for smaller communities in which the cultural infrastructure is not well developed and where large groups of people are excluded from participation in any form of cultural life and practice. This increases the unattractiveness of some parts of the country and indirectly encourages migrations towards larger cities.

Similar situations are also found in large cities with a traditionally powerful cultural infrastructure. Not even such cities succeed in maintaining a high quality of life for the overall population. The resources available to meet such needs are inadequate, while the cultural infrastructure is centralised and elitist. The final outcome is the polarisation of the centre vs. the periphery, ghettoisation, and low participation of the majority of the population in cultural programmes.

Such issues are extremely important in large Third World cities. The best-educated section of the population migrates to foreign countries, the remaining impoverished urban population mixes with the rural population, suburbs are built without any infrastructure, and the existing cultural infrastructure degenerates and eventually collapses.

The criteria for the assessment of the activities of an institution in this field are usually linked with its *tours and guest appearances; operation outside the institution's central premises in order to bring programmes to marginalised districts of the city; operation through national and regional networks; the creation of partnership projects in cooperation with outside organisations; provision of consultancy services, and strengthening of organisational capabilities in the country's interior.*

For the criterion *operation outside the institution's central premises in order to bring programmes to marginalised districts of the city*, the indicators might be the following: the use of a community's different locations and spatial resources; the number of organised activities and projects outside the central premises; and inclusion in the organisation's projects of individuals and groups from the suburbs or distant regions.

Macro-regional and international cooperation
In the past, only those organisations that had the greatest reputation in the country and were included in bilateral agreements between states could take part in processes of international exchange and cooperation. This strengthened their position and enabled them to develop a new organisational culture as well as the necessary knowledge for further, often independent, international cooperation. Even if their activities were only of average quality at the moment of opening to the rest of the world, their intensive contacts and implementation of the experience gained through such contacts enabled them to develop much more rapidly than other institutions in the same community.

Such cooperation is used as a reference in their work and strengthens their negotiating position *vis-à-vis* the authorities of cultural policy, representatives of international donor organisations, and the commercial sector, that is, potential sponsors. Thus such organisations flourish, relying on the diversification of funding and participation in exclusive international projects.

There are a whole range of forms that an organisation's international activity can take - from participation in networks and associations, through appearances at festivals, conferences and partnership projects, to their readiness to invite artists and groups from other communities to take part in the implementation of their own activities.

In turbulent circumstances organisations are often forced to reduce their international activities: on the one hand, international festivals are cancelled and foreign guests are reluctant to come even when the organisers manage to fund their visits; on the other hand, tours abroad during such times are regarded as a luxury, because the organisations believe that their priority task is to operate in their own community until the turbulence has passed.

Exceptionally severe circumstances, such as wars and harsh autocratic regimes, prevent visits by foreign artists and institutions, which ultimately leads to a complete isolation of artistic and cultural organisations. Such isolation can be overcome with special innovative strategies to remove the obstacles. In some cases, not even new technologies are of direct help, because the Internet or satellite television can be controlled or banned. In any case, there are no prearranged methods for anticipating such a situation, but a special methodology should be developed for the establishment and maintenance of international contacts.

The criteria for the assessment of the results of international cooperation, with respect to both the programme quality and the organisational development, can be the following: *participation in European and regional networks; establishment of projects on the international level; participation in the programmes and projects by different international organisations; the use of macro-regionally available resources (personnel, information, technical) in the interest of a better international positioning of the organisation and the region; and inclusion of individuals and groups from other countries and communities in their own projects and activities.*

The following indicators can be given for the criterion *use of macro-regionally available resources (personnel, information, technical) in the interest of a better international positioning of the organisation and the region*: the number of artists and experts from the region taking part in the organisation's projects; the level of information about the key resources, programmes and projects in the region; participation in the regional events and projects; number of complex partnerships in the region; number of joint appearances with regional partners in a wider European and world context, number of awards and prizes for these projects, etc.

The parameters discussed in this chapter represent the key element of *Adaptable Quality Management* (AQM*)*, and for that reason most of the criteria and indicators deal with the assessment of the success of the organization in adapting to the changes and turbulences in the environment. As part of the complex process of evaluation, it is necessary to establish the true reasons for success (revealed by the criteria and indicators), as well as the methods best suited to deal with change and to overcome unexpected obstacles. The same process reveals the causes of failure, the inadequately adaptable organizational segments of the institution, the stifled core of creativity, and unsuitable methods to deal with newly emerging circumstances.

Adaptable Quality Management (AQM) assumes that different practices arising spontaneously as a response to the difficulties and threats coming from the environment, positively evaluated in this process (especially those identified by the indicators which take into consideration their real importance for the stability and quality of the organization's functioning), must be treated as the focal points and the mainstay of development in the next cycle of strategic planning.

Clearly, the organizations which wish to achieve and maintain excellence can, despite turbulent circumstances, establish standard parameters and most important criteria for the assessment of the quality of work.

Towards a centre of excellence

Graph 6: **Towards a centre of excellence**
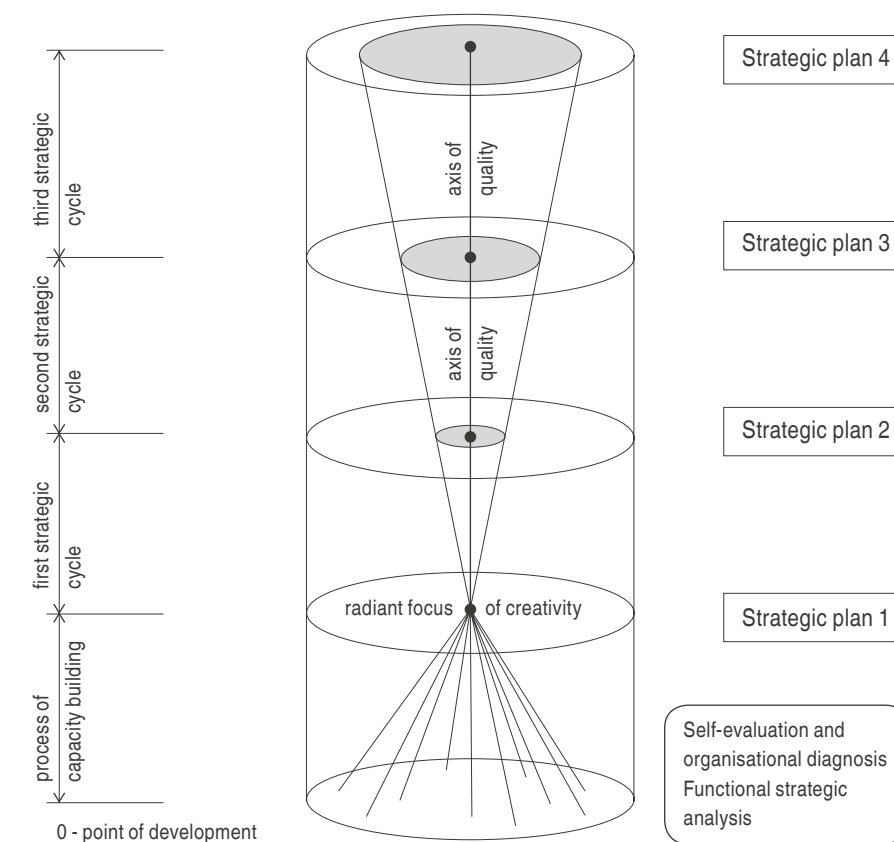
The moment at which an organisation decides to engage in strategic planning for the first time can be called the *zero point of organisational development*. Once an organisation opts for the improvement of its capacity and capability, it actually begins to work on the assurance of quality and the developmental perspective. If it makes the qualitative leap in this process, linked with the recognition of the essence of its work as a distinctive quality in its environment, the conditions are ripe for its development as a *centre of excellence*.

Graph 6 shows the development of such an organisation from the zero point to the fully developed *centre of excellence* in three strategic cycles. The graph shows how points of creativity scattered throughout an organisation lead to the emergence of a steadily growing focus of creativity (or systemically dispersed *radiant focus of creativity* in large arts organisations).

When an organisation decides to embark upon the process of capacity building and organisational development, the first step in this zero point is self-evaluation and organisational diagnosis. Self-evaluation and diagnosis not only identify the strong points and weaknesses, opportunities and threats, but also recognise potential *radiant foci of creativity* in processes of mapping and positioning. At the time of preparation of a strategic plan, a careful selection of the strategy is made in order to bring together the creative potential of the organisation and to select the *radiant focus of creativity* which will work primarily on key strategies and programmes. The first planning period gives the organisation an opportunity to check the chosen solutions, and to show that the selected focus of creativity is strong enough to make a qualitative leap for the organisation as a whole, expanding its base of development. It means raising the demands for quality in all the other parts of the organisation (departments, units, etc.).

In turbulent circumstances, shocks from the environment can slow down the ideal development of the organisation, and one might expect that two to three strategic periods will be needed to achieve the qualitative leap that will facilitate the development of capacity and the establishment of the standard quality of operation and artistic achievement. It is only then that we can present this organisation as a *centre of excellence* in a given cultural domain.

The formation of *centres of excellence* is the ultimate objective not only of arts management in the non-profit sector, but also of cultural institutions as such, especially those in the public sector which already function as central institutions. The institutions of civil society also strive to achieve such quality, particularly when they operate in areas not sufficiently catered for by the authorities and public sector institutions.

In turbulent circumstances the achievement of excellence can be very important for the institutions and the country as a whole. The institutions may join international as well as broader regional cooperation schemes and become equal partners in such cooperation. This fact can sometimes play a political role, by enabling a country or an entire region to be accepted in international fora as a relevant negotiator, rather than as a silent and simply ignored entity. Thus, for instance, the voice of arts and arts institutions in the country and in the rest of the world during the war in Bosnia-Herzegovina contributed to the understanding of the complex nature of the conflict and the scale of destruction. Such people, had they not been distinguished artists and institutions, would have had much more difficulty in getting a hearing and in expressing their views, attitudes and projects. This is how artistic involvement made a significant contribution in persuading the international community to assume the responsibility for that country's destiny.

Conclusion

Although it may appear that this book insists on arts organisations aiming to be highly competitive under turbulent circumstances that are unfavourable to maintaining quality and striving for excellence, what we actually stress is the need for organisational consolidation and development. The strategies of development outlined here are not standard competitive strategies, but rather those relying on partnership, networking, development of lobbying alliances, inter-sectorial linkage, mutual assistance and cooperation (through knowledge transfer and in other ways). These strategies actually stimulate organisations to lean on one another rather than to act as rivals. Creating *centres of excellence* in the non-profit sector, particularly in the field of culture, does not mean destroying competition, marginalising it, or defeating it through aggressive budgeting and cost-cutting.

In fact establishing an integral and diversified field of culture is one of the key requirements for quality in the cultural sector and for a genuine increase in capacity building to secure the organisational development of each individual institution. Culture is just another field within the social and economic system, since the conditions for practising art depend also on the market as a whole, industrial development (not only of the culture industries), services, and on the purchasing power of the population. It requires a high degree of readiness and skill on the part of the cultural sector as it seeks to position itself within the larger whole and to lean on it in the interest of its own development, even more so during turbulent periods. At the same time, the cultural sector must persuade this larger system of its own importance and of its contribution to social, economic and political development.

The present volume views organisational development through the perspective of wider social determinants. For this reason, the authors would like to bring this book to a close with a piece of art produced by Raša Todosijević, a conceptual artist from Belgrade, who, as far back as 1975 in Edinburgh, expressed the multi-dependency of activities in culture as a fact of fundamental importance, but also of the possibility of sustaining all of the visible and less visible agents that make up the field of culture..

This raises many ethical questions having to do with cultural management and cultural policy in the present-day world. These questions have never been systematically examined, nor, consequently, answered. It is precisely these questions that the authors of the present book will focus on in their future research. Works of art open some, by no means all, of the ethical dilemmas within cultural field relevant from the standpoint of the artist and his position in society.

Who profits from art, and who makes an honest gain from it

Artistic contribution by Raša Todosijević

The author wrote this text to profit in some way from the good and bad in art

The factories that manufacture materials are necessary to artists.

The firms that sell materials are necessary to artists.

Their workers, clerks, sales personnel, agents, etc.

Firms or private business owners who provide the equipment or decorate the work of artists.

The carpenters who make frames, wooden structural supports, etc.

The producers of glass, paper, pencils, paints, tools, etc.

Their workers, clerks, sales personnel, retailers, etc.

The real estate agencies that collect rent for studios, lofts, living quarters or holes where artists live.

Their employers, clerks, etc.

All those producing and selling wholesale or retail everyday items to artists.

All those producing and selling wholesale or retail footwear and clothing to artists.

All those creating and selling wholesale or retail cultural requisites to artists.

All those producing and selling wholesale or retail drugs, sanitary supplies, and alcohol, contraceptives, cigarettes and sporting goods to artists.

All those collecting taxes on artists' incomes.

Municipal clerks and other administrative personnel.

The banks with their higher and lower-ranking staff.

Small craftsmen: tinsmiths, doctors, frame-makers, shoemakers, gravediggers, etc.

Professional mosaic craftsmen who execute someone else's mosaics.

Professional casters who cast someone else's sculpture.

Modelers and experts in plaster, wax, marble and bronze.

Goldsmiths.

Signet makers.

Zincographers.

Professional producers of large print runs, lithographs, etchings, aquatints, silkscreen prints, woodcuts, etc.

Medallists.

Stonecutters.

Galleries.

Selling galleries and their staff.

Non-profit galleries.

Gallery owners, gallery administrators, gallery curators and their personal secretaries and friends.

The subsidised gallery council.

The voluntary gallery council that collects money because they are not subsidised.

Purchasing selection commissions, their members and consultants.

Extremely well-trained conference experts whose intentions concerning art are bad or good.

Managers, retailers, dealers and all other small-time or big-time art profiteers.

Organizers of public or semi-public auctions.

Collectors.

Shrewd profit-makers who profit from better or major works outside public collections.

"Anonymous" benefactors.

Well-known and respected benefactors.

The low, higher and highest-ranking personnel of cultural institutions and the organisers of art, cultural and educational programmes. Staff members involved in the organisation of an exhibition.

All administrative employees.

The clerk who orders, issues and accounts for the materials required for an exhibition.

The account office.

The janitor.

The secretaries or other persons related to institutions that provide funds for cultural programmes.

All technical personnel.

Professional and non-professional managers.

The designer of the catalogue, of invitations and posters.

The messenger.

The fire inspector.

The critic, writer or other individual responsible for writing the preface to the catalogue.

The copyeditor who checks the preface or the artist's texts, or texts about the artist in the catalogue.

Translators of the preface or texts about the artist or the artist's texts in the catalogue.

The typist.

The photographer who took pictures for the catalogue.

The catalogue publisher.

The catalogue editor.

The printing firm responsible for printing the catalogue and poster.

The workers who set the type, bind the catalogue and print the invitations.

The proof reader.

The administrative personnel of the printing firm.

Those who fix tax rates and collect taxes on the printing of the catalogues.

Those who sign and issue certificates deeming that the catalogue be tax-free.

Postal fees for mailing invitations and catalogues.

Telephone expenses connected with the arrangements made for the exhibition.

The electric companies that charge for electricity used during the exhibition.

The gallery guard and catalogue, postcard and ticket salespeople.

The cleaning women.

The housepainters.

The person giving the introductory address at the grand opening of the exhibition.

Outside information services.

The advertising department of the daily paper.

The journalist giving a long or short report on the exhibition.

The critic writing a short review of the exhibition in the daily paper.

The editor in charge of the cultural section of the daily paper.

The technical editor of the cultural and all other sections.

The critic or commentator giving a more detailed review of the exhibition.

The publicist who has nothing to do with art but writes about artists, their works and problems in the art world

The author scribbling lyrical descriptions of art for daily, weekly or monthly newspapers, marketing these and thus displaying his ignorance or lack of knowledge of particular branches of art.

And all others who regardless of their professional fields either attack or defend the exhibition and the artist in the daily and weekly press.

The cartoonists.

Those who devise ruses, epigrams and sophistries related to art and artists,

The television station, its personnel, workers and "artists".

The cameraman who films either the opening of the exhibition or a subsequent report.

The worker responsible for the camera lighting.

The lower-ranking associate of the television's cultural programme who covers the story.

His technicians and assistants.

The editor of the television station's cultural section.

The director, stage designer and remaining amateurs.

The commentator or presenter who reads the news on television.

The organiser and television presenter of cultural programmes.

The organiser and host of television interviews with the artist.

Those who write, direct or film either short or long TV films and plays about the lives of living or dead artists.

Those who make films about artists to promote tourism.

Those who film full-length romanticised biographies of artists.

Radio stations, their staff, workers and other associates.

The advertising section.

News reports and features.

The gossip column.

Authors of radio programmes who write about artists and those reading or reciting this material.

Presenters and hosts of the radio programme.

Organisers of various interviews and shows on or about culture and art.

Writers of radio obituaries concerning the artist or some artistic movement.

All associates and other radio staff.

Publishing houses, their staff, workers and consultants.

Creators and editors of bulletins about art.

Weekly art magazines and the staff that writes for them, as well as the staff responsible for the magazine's distribution.

Monthly, quarterly or bimonthly magazines dealing with culture and art.

Monographers, biographers and editors of collected essays dealing with a particular artist and his work.

Those recording anecdotes from the artist's life.

Those assisting the artist in writing his autobiography.

Those who retell anecdotes and jokes from the artist's life, in this way earning cigarettes, coffee, beer, brandy, cognac, wine or food, etc.

Art critics in all fields, of all ages and orientations.

The stores that sell books, magazines, reproductions and original prints created by artists and non-artists.

Antique shops, antique dealers, private sellers, agents and retailers.

The collectors.

Second-hand stores and dealers.

Commission stores, churches and sextons.

Those selling their knowledge and familiarity with the artist's earlier works.

Experts familiar with later works.

Experts in prehistoric art, primitive art, modern art, etc.

Experts in a particular century or a particular year or epoch.

The organisers of an artist's one-man show.

Organisers of group exhibitions, cultural events, presentations, etc.

Organisers of exhibitions involving several cities or republics.

Organisers of international exhibitions.

Organisers of huge exhibitions: from ancient times to the present day.

All their directors, secretaries, associates, assistants, consultants, proofreaders, publishers, administrative staff, technical personnel, workers, etc.

The juries, consultants, experts and women serving coffee.

The conservators: restorers, technicians, etc.

Institute directors, museum directors, museum curators, clerks and other staff. Spoiled sons and daughters who - thanks to a father, grandfather or senile

aunt with connections or party membership - are employed by museums so that they can spread their foul odour and the misery of their slippery forebears.

The night guards of museums, galleries, collections and this and that type of compilation or legacy.

Those posing as guards of galleries, museums and collections.

Informers.

Technical staff of the galleries, museums and collections.

Organisers of symposiums, meetings and art festivals.

Organisers of seminars and short or crash courses in art.

Organisers of organised profit-making activities concerning art.

Their ideological, administrative and technical personnel.

Tourist organisations, agencies and their personnel.

Airline companies, bus companies, railroads, etc.

Caterers, cafes, waiters, waitresses, restaurants, hotels, boarding houses, etc.

Professional guides working for galleries, museums, ruins and smaller collections.

Professional guides with knowledge of one or more foreign languages.

Auction houses

Fans.

Teenyboppers.

Young female students.

Models.

Married women.

Wives.

Mistresses.

Girlfriends.

Widows.

Children.

Pederasts

Old friends and acquaintances.

Relatives and other closer or more distant heirs.

Lawyers.

Housewives and mothers who occasionally chatter to the press in support of and against art.

Shrewd directors and trustees of legacies, inheritances and collections.

National saviours of artistic treasures.

The overseers of art funds bequeathed to be distributed as awards, gifts and scholarships to rich students, careerists and other assorted thieves.

Patrons and organisers of funds and scholarships given as one-month or one-year or hundred-year scholarships to sycophants, cowards, and wealthy children and solid epigones.

Patrons and organisers of grants for study abroad that are usually awarded to children of high government officials, children of prominent bankers, and children of disguised and clandestine bourgeoisie under socialism.

Organisers of art associations and the necessary technical and administrative personnel.

And all other lower, higher and top-ranking bureaucrats squeezing money out of artists with a smile, proud of their "holy mission" on behalf of art and culture.

The poster makers, graphic editors and designers who steal from the artist.

Industrial designers of all kinds.

Anti-designers.

Producers and sellers of flyers, posters and portfolios with autographs or (cheaper) without.

Producers and sellers of "records of the artist", full of hope and dreaming of lots of money.

Those who earn or hope to earn money from reprints, the Dada movement, Fluxus and so forth, though they never dreamed of doing this when it was truly necessary for the artists.

Souvenir makers and their salespeople.

Makers of postcards, greeting cards and reproductions of art works.

Those who print calendars with reproductions of works of art and kitsch.

Recognised and unrecognised copiers of works of art.

Those who forge works of art in secret.

Known and acknowledged forgers of works of art.

Fashion designers who publicly insult the artist and make money that way.

Creators of designs that systematically degrade artists, for which they are paid.

Ceramicists or private persons who use well-known works to decorate vases, jugs and dishes, and who sell these as art.

Wall decorators.

Architects

Façade makers.

Tapestry makers.

Photographers and the entire photo industry.

Makers of candy, sweets. stockings, tobacco and all other products that reproduce a work of art on their wrappings, thus earning from it.

All those using a work of art on stamps, labels, flags, picture books, wallpaper and kitchen or bathroom tiles.

Heads of publishing houses who occasionally use their influence to make a profit on the side from small deals involving "works of art".

Those supporting helpless and senile artists in order to get hold of their inheritance, profiting like gangsters.

Exclusive distributors of and those that profit from videotapes, documentary and historical photographs, autographs and artists' napkins.

Those abusing occasional passers-by.

Those who are glad to do "this or that".

Impostors who make a living by imitating artists.

Serious and self-confident epigones who imitate artists without feeling the least bit guilty, thereby faring better and earning more than the artists themselves.

Counterfeiters of art history who make money on such falsifications.

Those favouring a particular style in art based on their own greed and lust for profit.

Those pointing out one artist, or a number of them, or a particular idea, theme or thesis or problem, in order to draw attention to themselves and their ideas, thus earning something from it sooner or later.

Dilettantes, artists, and slandering, ill-trained theoreticians in secret partnership to facilitate the hunt for profit in art.

Ladies from fine families who engage in all kinds of business with artists for the sake of "Art".

Ladies studying art and artists.

Those who support "street art" or "protest art" and thus thrust, sell, advertise and put these ideas on exhibit in the most elite galleries.

Critics, theoreticians and other quacks engaged in everyday politics so that they might attain a position in the art world and ensure themselves a profit.

Disguised ideologists, demagogues and reactionaries in institutions, institutes of higher education, university departments, museums and academies who have a greater interest in power and influence in the art world than in education and culture, which offer no such sort of profit.

And all those who use liberal language to disguise their decadent, dated, reactionary, chauvinist and bourgeois models of art and culture mixed with verbal liberalism, so that they might attain positions outside the world of art and culture, thus being both above and beyond art and culture.

Psychologists and sociologists who derive nebulous conclusions about art and then sell this bluff as a great contribution to a better understanding of art. Philosophers writing about art without ever really understanding it.

And all the cheap politicians who have seized the sinecure in this "mysterious" way - through relatives, friends and connections - preaching to artists and making enough money with this foolish business to last them two lifetimes.

Belgrade, 21 April 1975.

Translated from the Serbian by Lisa Stearns

Variable Risk Landscape

Artistic contribution by Dalibor Martinis

1. On 02 January 2004, Dalibor Martinis placed a sum of money equivalent to 365 shares into the ZBtrend Investment Fund. Since the price of one share in the ZBtrend was 102.22 euros on this day, the amount invested equals 37,310.30 euros. The money was invested for a period of one year, i.e. 365 days, and constitutes the funds of The Man (Money/Art/Nature) Foundation.

2. While the project is in progress, the artist/investor will go up once a month into the hills to hike the amplitudes that are shown by the value of the ZBtrend share for the current month. The corresponding altitudes will be measured with an altimeter. The artist/investor will thus experience the changes in the value of his investment both financially and physically, and through movement in the natural landscape will reproduce the landscape of variable risk (whereby a rise in the graph's curve ph represents financial gain but also physical loss, i.e. additional physical effort, while a fall in the value of the investment entails financial loss, but also physical gain, i.e. rest).

3. A Web site has been opened at www.variablerisklandscape.com to follow the course of the project in the physical and financial landscape with constantly updated information about the current worth of the investment and other financial indicators, such as changes in exchange rates, and so on. An online computer and LCD monitor have been set up in the Museum of Contemporary Art in Zagreb for the entire duration of the project. The artist/investor will also display the project documentation in the context of artistic exhibitions and events. Instead of a catalogue, the VRL will use donated space in the monthly magazine *Banka*, which is also a media sponsor of the project.

4. At the end of every quarter, a quarterly report will be issued and at the end of the year, the difference in the value of the investment 365 days after the investment will be determined, i.e. any consequent profit per share. The photo/video documentation of the entire project will also be displayed. An annual report for the year 2004 will be issued at the end of the fiscal year. The Museum of Contemporary Art in Zagreb will be the location for the closing of the project whereby the total yearly dividend (the sum divided by the number of visitors) will be handed out to all the visitors present at the closing event.

5. If the project incurs a loss (either because of an unexpected fall in the value of the ZBtrend shares or unexpected higher costs), this will be debited to the artist/investor and The Man Foundation.

6. The selling price of the work *Variable Risk Landscape* by Dalibor Martinis corresponds to the equivalent value in euros of 365 shares in the ZBtrend Investment Fund on the day of the sale.

D.M., Jan. 05. 2004

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In view of the very large number of possible bibliographical items, the authors have opted for presenting only a limited selection of publications dealing with management and relevant for the present book, namely those specialising in arts management.
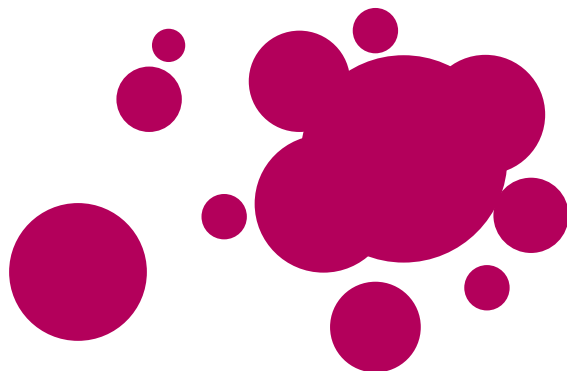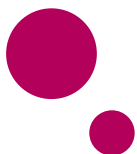
Acknowledgements

This book is the result of several years of individual and collective work carried out by the two authors on numerous research and educational projects in the field of cultural policy and cultural management. Working with cultural professionals in a number of countries in Europe, the Caucasus, Central Asia, the Middle East and Africa, the authors became aware of the inadequacy of existing publications which focus primarily on arts management in the most developed and market oriented countries. In addition, for the most part these publications ignore the cultural contexts and cultural policies, national and local, as well as multilateral, developed by the European Union, the Council of Europe, and UNESCO. Moreover, existing literature on cultural policy and arts management practically ignores the situation of transition countries in turbulent circumstances and economic crisis.

The authors of this book, who come from precisely such countries were, since the 1990's, in a position to study and work on creating different models of cultural practices (i.e. cultural policies, specific mechanisms, programmes and measures). As a result of their study, the authors gradually developed their own concepts, methods and modes of putting into practice the specific educational and training programmes which focus on the organisational development and capacity building in arts and cultural institutions. These educational and training programmes were designed for institutions and individuals in all fields of culture (libraries, museums, theatres, galleries, etc.), in all sectors (public, private, civil), on all levels (international, national, municipal, local institutions), and for different programming orientations (artistic, activist, production, service). Over the years the authors have been observing the effects of the new programmes on the life of individual institutions in order to establish the extent of their impact and effectiveness in situations of crisis. In identifying the problems, the authors continued to fine tune their work through discussions with generations of students, professionals, administrators in culture (decision-makers) and other research colleagues also working in the field of cultural policy.

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Note on the authors

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