Arts Management Newsletter

Quarterly Magazine for the global Perspective in Arts and Business





Leonie Krutzinna, editor

Human Resources

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Editorial

Dear reader,

as you probably noticed a lot of things have changed at Arts Management Network during the last months. Our editor-in-chief, Dirk Heinze, left the company to seek out new professional challenges. At roughly the same time our team has also grown by two trainee journalists. From now on Leonie Krutzinna and Kristin Oswald will support the online desk and deliver our quarterly newsletter. In addition to that we have progressed a few steps on our way towards a new portal. Being ourselves involved with investigating new organisational structures and workflow we are highly interested in arts management topics related to **budget**, **schedule and staff**. Concerning our current newsletter we have decided to focus on employment-related topics and take a closer look at the **dissonances between different stakeholders**.

James Abruzzo therefore writes about arts organisations with healthy culture and gives advice how leaders can create a properly-functioning corporate culture. However, not only highlighting the entrepreneur's perspective we want to give voice to those having not (yet) reached the executive suite today. In his proposal of an "Applicants Bill of Rights" our author Steven Libman therefore refers to the dignity of the job search. And Sonja Ostendorf-Rupp evolves ethical standards for unpaid internships which have become a hot topic of debate. The impact on societies caused by shifts in social and economic development and new forms of communication was also discussed during 'The 6th World Summit on Arts and Culture' in Chile in January 2014. Our correspondent Ulla Mattl attended the world's biggest gathering of arts and culture experts and provides us with an exclusive report today.

Stay also tuned for exciting cultural projects, conference reports and interesting features in our portal www.artsmanagement.net. We are looking forward to exchange ideas, so please always feel invited to send us your feedback or contributions and do not hesitate to contact us if you have any questions.

Sincerely yours,

Dirk Schütz (CEO) and **Leonie Krutzinna** (editor) and the entire team of Arts Management Network, Weimar, Germany in February 2014

JAMES ABRUZZO

James Abruzzo is Managing Director, Nonprofit Practice, DHR International and Co-Director, Institute for Ethical Leadership, Rutgers Business School

Creating the company culture

About arts organisations with healthy culture

A healthy culture aligned with ethical values is what distinguishes the great arts institutions. But what does the sustainability of an arts organization depend on? In which way are different stakeholders affected and what does the leader's role look like?

An article by James Abruzzo

When Dominic Barton assumed the position of managing director at McKinsey, the global management consultant firm, he identified his biggest challenge as "fixing the culture". A prior managing director had been convicted of insider trading and another director was indicted on similar charges. Mr. Barton's job was not just tightening the rules, but also changing the culture so that McKinsey's ethical standards of behavior were understood, followed, self-monitored and reinforced among its almost 20,000 partners and employees globally.

Corporate culture (Unternehmenskultur) is a blend of the values, beliefs, taboos, symbols, rituals and myths all companies develop. Research demonstrates that ethical companies, with a culture and mission aligned with its values are, in the long run, the most successful. The same holds true for arts organizations (Kulturorganisationen): a healthy culture aligned with ethical values is what distinguishes the great arts institutions.

The sustainability of an arts organization, and its greatness, depend on an interconnected group of diverse stakeholders: the government, the public, ticket buyers, donors, sponsors, critics, union stage hands, management and support staff and the artists who choose to perform with the organization. And each of these stakeholders is affected, in some way, by the company's culture. The leader's role is to create a culture where each link in the chain remains strong.

What are some of the other characteristics of an organization with strong culture and ethical values: openness and transparency – where employees who come forward with great ideas are encouraged and those reporting problems are not discouraged; respect and appreciation for the art – the leader's role is to insure that employees are reminded why they are working there; and for arts institutions, particularly, an atmosphere where measured risk taking and creativity is encouraged - where artists are free to experiment and at times, even fail.

... Creating the company culture

Company culture goes to the heart of the difference between the manager and the leader. The arts manager's job is one of control; employee attendance, work rules, pay grades, benefits, union negotiations and artist contracts. The leader's role is to inspire employees, articulate the organization's values, and create the culture that supports the art.

So what can the arts leader do to create a healthy organizational culture: insure that the values align with the mission; insure that employees are selected, evaluated, praised, promoted and recognized based on those values; maintain an atmosphere of very low tolerance for breaches of those values; mythologize employees whose extraordinary actions are the best examples of the culture; and, most importantly, lead by example, insuring that his/her personal actions are consistent with company values.

Arts organizations with healthy cultures are also the most desirable places to work. But how can you know if the organization shares your values and has a healthy culture? Since culture is created at the top, learn about the leader. Perhaps a job interview is not the place for a junior employee to determine that, but there are anecdotal accounts, conversations with former employees and your personal experience of the organization as a visitor or audience member. Things as simple as the friendliness of the ticket taker or the attitude of the telephone receptionist are good indicators of what it is like to work at the organization. The best leaders insure that the culture of the organization is consistent and apparent on all levels.

As the President of one performing arts center stated, "we hire people who share our values: respect for each other, for the artists and the audience, and for the mission and goals of our company. The best artists have a choice of whether to perform at our theater, therefore if the dressing room is dirty, or our security treats them poorly or they are uncomfortable in any way, we are liable to not only lose them for future performances but to lose all the other artists of the same agency. Our reputation is formed through our culture. And I can't be there for every interaction. What insures that all these pieces are working together is the culture I create; how I select people, the way in which I reinforce those messages, the way I treat people and the way I reward them."

STEVEN LIBMAN

Steven Libman is the President of The Libman Group with 30 years of experience leading major arts organizations. The Libman Group helps arts organizations build audiences, maintain relevance and stability, and improve quality of governance.

The Dignity of the Job Search

Aspects of the application process

To be treated with respect and dignity throughout an entire application process surely is not too much to ask for. However, this sadly isn't standard practice. The poor treatment of job applicants is not a rare event. Steven Libman therefore proposes an "Applicants Bill of Rights".

An article by Steven Libman

"Dear Applicant, we regret to inform you.....". Dear <u>Applicant</u>? Dear **Applicant** indeed!

After reading the rejection letter a few times I became more and more incredulous. I had applied for a very important position at a prestigious university. I had also supplied two reference letters, as requested, from prominent individuals in my field – each of whom was also from important and esteemed universities. And yet...the rejection letter began with "Dear Applicant". I supposed I should be pleased that it did not begin with "To Whom It May Concern", but one would think that after a 30+ year career running some of the largest and nationally significant arts organizations, I would deserve more than a, "Dear Applicant".

Am I wrong to assume that I should be treated with dignity and respect throughout the entire application process? How hard would it have been to input the data of all applicants and respond back with a "Dear Steven" or a "Dear Mr. Libman"? Respect should be shown to applicants for every position open in an organization, from those applying for their first job out of college to others embarking on a new career.

Of course, as one colleague told me, "consider yourself lucky. Would you really want to work for an organization that responds to people in that manner"?

I suppose I would not focus so much on this issue if this was an isolated event. But sadly it is not. As the worst economic downturn since the great depression enters its 4th year, I feel it's crucial that employers take a step back and consider the huge toll it takes each day as people apply for jobs. With the advances we have in technology there really is no legitimate excuse any employer can have for not properly communicating with people who apply for jobs.

In the last 11 months, I have witnessed a few wonderful stories – where employers and executive search firms communicate often and with compassion to those of us not fortunate enough to advance to the next level in the search process. I had one board chair write to me and say, "I'm old fashioned, so I

... The dignity of the job search

intend to keep all applicants fully posted on the search process". How refreshing!

And yet, that is the exception and not the norm. Here is just a small example of what I (and I am sure millions of other job seekers) have encountered:

"Sorry, we never received your cover letter and resume, our servers were down that day, and can you please re-send it". I did and I checked back a few weeks later. "Oh yes, we did receive the information and I passed it on to the search committee. I'm surprised that no one has been back in touch with you. Let me see what I can do" And then a few weeks later I checked back. "What? The chair of the search committee never contacted you with any information? I am so sorry, let me look into this". And then I eventually read on line that the position was filled. By the way, I never received any official communication. Nothing. Nada.

Universities are often the worst offenders. They use outdated software that required you to re-type your resume into little boxes after you have successfully uploaded it into their system. And then you often receive, "Thank you for applying, if you do not hear anything else from us you should assume that you have not been selected to advance in the search process". REALLY? Is that the best you can do? Are your computer systems so ancient that you cannot communicate back with applicants? Do you care so little about the dignity of the people applying for jobs that you cannot issue any form of communication back?

Of course, there is also the HR department that seems to employ people, but they cannot answer phones or return messages about the status of a search. And this is the HR department! In many large organizations, the HR department initially screens all resumes – it makes one wonder if the hiring department even sees many applications?

How a company handles the job application process speaks volumes about what it will be like to work at that company. Why companies do not understand that crucial leadership point just confounds me.

Now, I work in the non-profit performing arts, and I can see how my tale can appear as just an angry "rant". But there is a larger point, which gets to the management and leadership of organizations. Is this problem – the poor treatment of job applicants – a metaphor for the larger issue of poor management? If an organization is going to behave this way with some of the most critical decisions an organization can make – the hiring of key leadership – than what does this say about the approach an organization may make to things that are perceived as less important? Do we really understand and value management? Perhaps it's no wonder the arts are in trouble. Do we assume that patrons and the public who we ask to support us are treated with the same high handed manner that we treat our potential leaders and those who we want to make a part of our organization?

... The dignity of the job search

Here is what I propose...an "Applicants" Bill of Rights:

- 1. Every person who applies for a job is told that his or her resume has been received and is informed of what the search process will be.
- 2. Candidates not selected to advance to the interview stage they are informed of that fact via a letter or email.
- 3. Candidates not advancing beyond a phone or personal interview, they are informed by a phone call from the search firm or the prospective employer and they are told why they are not advancing.

The process of seeking new work when one is unemployed is challenging. Is it really asking too much for a prospective employer to be a bit more sensitive and not respond with "Dear Applicant"?

Finally let's explore the issue surrounding compensation and experience.

Often, a posted job description states that the employer wants an advanced degree plus 10 years of experience or advanced training on special equipment plus 10 years or more of direct experience. Then of course, it goes on to state, "salary competitive" or "Salary commensurate with experience".

Sadly, the reality is that the actual compensation offered is not anywhere close to what is appropriate for someone with 10 years or more of experience. Rather, what is offered is more appropriate for someone right out of college or just starting a career.

I wonder why employers do that? Are they trying to take advantage of people during a recession? Research demonstrates over and over that underpaying never results in increased efficiency and productivity and that firms that continue to pay appropriately for talented employees reap the benefits of increased productivity and profit.

Are they trying to attract key employees with the language "salary commensurate with experience", and then will offer the job to the one candidate willing to accept the position at the salary offered?

Why not act honestly? Prospective employees would understand and self-select if the employer publicizes a salary range AND is honest about the number of years of experience they are seeking. An employer will always look unprofessional when advertising that they are seeking someone with 10+ years of experience but in reality have no intent ion of offering compensation for someone with that much experience.

I have also noticed that, prior to the recession; discussions or negotiations over salary took place during the final interview. Now, most prospective employers want to engage in that discussion during the first interview – after they have already posted that they are seeking someone with "10+ years of experience, with a salary that is commensurate with such experience".

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I have begun to challenge, diplomatically of course, search firms and employers when they begin an interview with a discussion about compensation or end up offering a salary that is far more appropriate for someone with no experience as opposed to 10 years of experience. "Why are you advertising that you are seeking a highly skilled and experienced employee, when in fact you are not?" The response is often – "we are testing the waters". To which I often respond – "why waste the time of people seeking employment?"

What happens today is that the discussion for compensation occurs in the first interview. Why? Because having not advertised truthfully about compensation in a recruitment ad, prospective employers want to eliminate candidates based solely on compensation during the first interview. Prior to the recession, negotiations over salary took place during the final interview, when the employer and applicant had reached an understanding that they were well matched.

Employers who act this way hurt the reputations and brands of their companies. Employers who attempt to "nickel and dime" new employees end up not recruiting the finest employees they really need and, in the end, do not attain the level of growth or market penetration they profess to seek.

My experience has demonstrated time and again that offering a competitive wage and benefit package attracts highly skilled and motivated employees who perform at a top level. They remain loyal and in the end achieve measurable results that expand the mission of the organization.

In summation, the global recession and the lack-luster recovery should not be used as an excuse to treat job applicants without the dignity and respect they richly deserve. The finest companies already understand that. It's time that all employers began treating job applicants with respect and then demonstrated why working for their company will be a wonderful experience.

SONJA OSTEN-DORF-RUPP

Sonja Ostendorf-Rupp studied Musicology, Art History and Arts Management in Berlin, Hamburg and Chicago. After six years in leadership positions in US arts organizations she returned to Germany and pursues her PhD in arts management at the Hochschule für Musik und Theater Hamburg. She teaches Fundraising and Arts Marketing. She regularly shares thoughts on current trends and topics in arts administration on her blog.

Ethical standards for unpaid internships

Some minimum requirements to be adapted by arts organizations

After graduating from university highly educated people frequently start working as interns and then find themselves in an endless loop of internships. This situation is even worse considering that only few of them get paid. In addition to that internships only seldomly come with job description and performance feedback is rarely given. Sonja Ostendorf-Rupp recommends some minimum requirements to be adapted by arts organizations on both sides of the ocean.

An article by Sonja Ostendorf-Rupp

During last year's election campaign in Germany the introduction of Minimum Wages became a major topic. Part of the discussion was if interns who hold a university degree should fall under the minimum wage provisions. The situation of interns has become worse over the years, to the point where a few years back the term Internship Generation was coined in regards to young academics in search of full-time jobs, which have instead entered an endless loop of internships. Several industries such as media, arts and entertainment have come to rely heavily on unpaid interns not only in Germany but, as I experienced in my professional career, in the US as well.

I realize now how lucky I was when I started interning in the early 2000s. During my internship at the Art Institute of Chicago I received free board and lodging at the historical Three Arts Club. For another internship at the Semper Opera in Dresden I received a scholarship from my university. The costs associated with these internships were covered through fundraising efforts by the respective organizations. And the only unpaid internship I ever did turned into a paid job.

The situation is completely different nowadays for the interns that I worked with as a supervisor in different arts organizations: None of the interns were paid, there rarely was an internship job description available and on even rarer occasion performance feedback was provided. Free admission to concerts had to suffice as a reward for all contributed work hours of the interns.

A recent survey by the National Association of Colleges and Employers found that in the US unpaid internships across majors don't seem to give students a strong competitive advantage. 37% of students who had completed an unpaid internship received a job offer compared to 35.2% who did not internanywhere and still got a job offer. Further data analysis suggests that, in

... Ethical standards for unpaid internships

some majors, unpaid internships may even have a negative correlation to job offers.

Many arts organizations depend heavily on interns, but they can only offer jobs to very few lucky candidates. So what can be done to improve the experience and reputation of internships in the arts?

Recognizing the importance of job descriptions, participation in team and staff meetings, weekly feedback and a personal review at the end of the internship, these elements became part of my internship guidelines. For those interns who stayed over a longer time period, I organized meetings with staff members from other departments to raise awareness about how all departments come together and should work together as one team. These meetings seemed to be particularly valuable for future cultural managers who are educated to work both artistically and business-oriented.

Michelle Millar Fisher, former manager of the Guggenheim Internship program, developed a program for the many unpaid interns at the museum. In lieu of paying the interns she looked at providing other rewards such as introductions to arts networks through a weekly seminar program and assigning supervisors who act as mentors. Based on her experience in the museum world and now as lecturer at the City University of New York she proposes three core promises, published on Nina K. Simon´s Blog Museum 2.0, , to be adapted by all museums:

The Museum Ethics Charter

- 1. a stipend
- $\ensuremath{\mathbf{z}}$. a clear written statement of expectations given at the beginning of the internship
- 3. a final face-to-face evaluation with the internship mentor at the end of the internship

I recommend these minimum requirements to be adapted by arts organizations on both sides of the ocean. Relatively low cost and time spent quickly pay off as an investment, resulting in rewarding experiences to motivated interns and future employees.

ULLA-ALEXAN-DRA MATTL

Ulla-Alexendra Mattl is Director of The Castalian Pool, a not-for-profit organisation based in Brussels and London and also works as a Freelance Arts Manager and Research Analyst. Previously she was Co-ordinator for the European Union National **Institutes for Culture** (EUNIC) in Brussels and Project Manager of the European project Poliglotti4.eu. She also worked for the Austrian Cultural Forum in Brussels and as a Translator for the European Commission.

Creative Times: new models for cultural development

A review of the 6th World Summit on Arts and Culture which took place in Santiago de Chile on 13-16 January 2014

'Creative Times: new models for cultural development' was the theme this time when around 400 delegates from 67 countries gathered in the Chilean capital. Expectations were high for what was the first World Summit in a Latin American country and an exceptional opportunity for delegates and speakers from across the globe to not only exchange business cards but also ideas. The conference focused on how shifts in social and economic development and new forms of communication are impacting on development and the role of arts support agencies.

A conference report by Ulla-Alexandra Mattl

The conference as well as opening and closing ceremonies took place in the famous Centro Cultural Estación Mapocho, located in the heart of the city of Santiago. The Estación Mapocho building, a former train station, now serves as a cultural centre with a focus on the creation, development and diffusion of culture. The station is used primarily for art exhibits, musical performances, and conventions, receiving almost one million visitors per year and Arturo Navarro who runs the cultural centre voiced his interest in hosting the Summit many years back.

The initiator of the World Summit, the International Federation of Arts Councils and Culture Agencies (IFACCA) always co-hosts the event with a National Arts Council or Agency, this time with the Chilean National Council for Culture and the Arts (CNCA), the Chilean Government's entity in charge of implementing public policies for cultural development. The programme was developed by Program Director, Magdalena Moreno from CNCA, in consultation with IFACCA's Executive Director, Sarah Gardner and the Summit Local Committee. The summit theme is always very closely associated with the local context of the host country selected for the event. Between the summits research is being carried out and a discussion paper was developed entirely with the Summit programme in mind to ensure that what is presented within would provide a level of insight into the presentations given in Santiago de Chile. The discussion paper by Cristóbal Bianchi Geisse from the CNCA makes for a very interesting read, also for those who did not have the opportunity to attend the conference.

Conferences

... Creative times

Coinciding with the World Summit, IFACCA also published a profile of cultural policies in Chile on its WorldCP website, the international database on cultural policies, and launched the website in Spanish.

Issues identified by delegates at the 6th World Summit included: the role of culture in the post-2015 development agenda, the arts and environmental sustainability, how government can encourage a more active engagement with the private sector, improving advocacy arguments and practices, and making effective use of new technologies to support the making and distribution of art.

The summit was addressing how globalisation, shifts in social and economic development and new forms of communication are generating an array of challenges and opportunities within the cultural field, with an impact transcending the artistic realm.



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One conference sub-theme focused on the role of culture with regard to different crisis situations, be they economic, environmental, social or political. This is based on the fact that we are witnessing paradigm shifts resulting from various scenarios such as responses to crises, rethinking of development priorities locally and in the context of the reassessment of the Millennium Development Goals (MDGs), and the emergence of new forms of creation, participation in and appreciation of culture in the world. Whose definition of culture should be used when what works in one place or situation doesn't mean it works in

"With austerity measures now in place in several countries, and other governments responding to natural disasters or seismic shifts in the political scene, arts leaders are, more than ever, needing to share expertise and best practice in order to improve their efficiency and effectiveness," said Mr Alan Davey, Chair of IFACCA and Chief Executive, Arts Council England.

Conferences

... Creative times

Panel discussions on the first day focused on the role of arts and culture in the search for solutions in the global and local context and culture as a mill-ennium goal for sustainable development. One conclusion was that culture should not have to justify itself in front of other sectors but multidisciplinary work with other sectors is indispensible and should be encouraged wherever possible.

The important number of speakers and delegates from Latin America made it possible for delegates from other continents to get in-depth perspectives on current issues and challenges in the host county Chile and across the South American continent. During the presentations the diversity of realities and challenges in the different countries across Latin America became apparent, with neighbouring countries facing completely different challenges with regard to the recognition of the role of culture in policies and in society. Ana Magdalena Granadino, Cultural Secretary (El Salvador), told the audience that it is for the first time that the role of culture and cultural and ethnic diversity is being recognised through a new article in the constitution.



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The second sub-theme considered the role of the arts and culture in the activation of diverse spaces for creative convergence and exchange, as well as important vehicles for knowledge transfer, innovation, and the development of entrepreneurship. Manuel Obregon, Minister of Culture and Youth (Costa Rica) addressed the question on how we can use creativity to change society while stressing that "very often we confuse creativity with technology and

Conferences

... Creative times

don't see the human, the basics." Elisabeth Veneveld, Executive Director, The Big Idea (New Zealand) asked the question if it is about making the arts and culture more visible. If this is the case, then how can this task be more integrated with people's lives?

Parallel panel sessions were scheduled on both days, allowing delegates to pick from topics as diverse as social innovation, sustainable cities, cultural networks, creative economy and the value of culture, cultural heritage at risk, arts and education – to name but a few.

The event brought together an important number of experts, practitioners, policy-makers and decision makers and this time gave the opportunity to listen to an impressive number of 70 speakers from 40 countries across the world. The extensive programme included keynote addresses, panel sessions, round-table discussions, case study presentations, 'idea bites' sessions and networking opportunities. A rich cultural programme was put together for the summit delegates with performances closely linked to the traditional and contemporary culture of the host country as well as the summit theme. The outcomes of the summit will be published in a conference report and presentations are already available online.

The conference concluded with the announcement and preview of the 7th World Summit on Arts and Culture, which will take place in Valetta, Malta in October 2016 during the run-up to the Maltese EU Presidency in 2017 and Valetta as a Capital of Culture in 2018. The Malta Council for Culture and the Arts (MCCA) will be co-producing the conference with the Parliamentary Secretariat for Culture. The World Summit will be held at the Mediterranean Conference Centre in Valletta, a 16th century building originally used as the Sacra Infermeria or hospital by the Knights of the Order of St John. Previous World Summits have taken place in Melbourne (2011), Johannesburg (2009), Newcastle (2006), Singapore (2003) and Ottawa (2000).

FURTHER INFORMATION

Speaker presentations and the above mentioned discussion paper can be found on the conference website: www.artsummit.org

Several new IFACCA publications were announced at the World Summit, they can be found on the IFACCA website: http://media.ifacca.org/files/IFACCARe-searchJan2014.pdf

Centro Cultural Estación Mapocho: http://www.estacionmapocho.cl/

WorldCP: www.worldcp.org

PRESS

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First Survey on the European Cultural Sponsorship Market

Cultural providers from all over Europe are invited to participate!

In 2014 Causales, cultural sponsoring and cultural marketing agency is analysing trends in the cultural sponsorship market throughout Europe with a qualitative online survey.

By Eva Nieuweboer

All cultural providers of the 28 EU member states are invited to participate in the survey by following this link http://umfrage.causales.de until 30th April 2014.

The survey evaluates for example the significance of sponsorship revenues in the financing mix of cultural organizations and the nature of private businesses engaging in cultural sponsoring. Aspects like the sponsors geographical region, the industry as well as the company seize are studied.

In addition, the operating structure of the sponsoring contractor, the communication between both parties, the design of the services by sponsors and equally valuable services of cultural providers, the management in terms of planning, implementation and control of sponsorship agreements as well as the satisfaction with the partnerships and future prospects between the sponsors and culture providers are being asked.

This press release is also available online under the following link <u>www.kulturmarken.de</u>.

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