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Title: Managing the performance of arts organisations: Pursuing heterogeneous objectives in an era of austerity

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Abstract: This study provides insight into how two national arts organisations located in London manage their performance in the pursuit of heterogeneous objectives, within the confines of external influences. These organisations significantly rely on the government for funding and are therefore required to implement policy initiatives, albeit at arm's length from the government. Performance management systems (PMSs) were primarily designed to enable trustees discharge their statutory duties of collecting, preserving, and displaying objects and works of arts, which were reflected in a management agreement containing the government's strategic priorities. The findings show that the changing politico-economic climate has subtly started to change values, accountability relationships and realities in the field of arts and culture. Whilst arts organisations emphasised socio-cultural objectives in strategic planning and operational processes, external pressures arising from austerity has subtly started to displace socio-cultural values. Business language, vocabularies, and tools commonly used in the private sector are insidiously taking roots in arts organisations. Austerity provided a signal to executives that the survival of their core activities was at stake and, they have to engage in income generating activities to support their core activities.

Authors' reply to reviewer 1's comments

This is a well written and structured paper on the theme of PMS in arts organisations. It draws on good empirical data and raises some interesting issues regarding the forces shaping PMS in arts organisation within the context of austerity.

However, I believe the paper would benefit from the following revisions:

The author/s say that a critical theory lens is used in the paper - but where is the discussion of this theory, other than a couple of sentences in the methodology section? The theory does not seem to be used in the analysis of the findings. The purpose of a theoretical lens is to structure the discussion of the empirical data - so for example, one would expect to see a linkage between theory and findings.

The paper's literature review is quite light. It could be strengthened by looking at the work of Luca Zan - a leading scholar in the field of accounting for arts organisations. Equally, it would be useful to look at the papers within a recent (2016) CPA Special Issue (made up of 2 parts) devoted to the theme of The State, The Arts & Popular Culture.

Section 5 - Discussion and Conclusion is rather short and would benefit from a deeper discussion of issues - and one which highlights the paper's contribution in a stronger manner.

In summary, the paper contains some interesting material but requires more depth in terms of literature, theory and discussion.

We thank you for your constructive comments, which have been helpful in further improving the quality of the paper.

We have drawn on Ferreira and Otley (2009) performance management 'framework' to frame our findings, and have enriched it with the critical studies you suggested which discuss external influences.

The revised paper is now explicit that we have used a critical paradigm for clarity.

We have strengthened the literature review by drawing on Luca Zan, the CPA special issue other relevant literature e.g. Townley, Oakes and Cooper suggested by reviewer 2.

We have completely rewritten the discussion and conclusion by drawing on the literature to strengthen the paper's contributions.

The new word-limit has enabled us to provide more depth in terms of literature, theory and discussion.

Authors' reply to reviewer 2's comments

Thank you for the opportunity to review this manuscript. It aims at developing a holistic performance management system (PMS) for art organizations; a system that pays attention to complex internal and external factors and helps explaining the multitude of objectives and pursued by top management. The topic is interesting and I enjoyed reading the manuscript. Having said this, I would like to mention several areas in which the manuscript needs improvement in order to be publishable. I will outline the most central points from my perspective below in more detail. As I am unable to assess the overall fit with the Special Issue, I will refrain from commenting on this.

1) Conceptual framework and research question The theoretical and conceptual framework of the manuscript's approach remained unclear to me. The author(s) criticize(s) contingency theory as "functional approach that does not effectively capture complexities" (p. 4); the abstract and the start of the section on research methodology (p. 7) promise a critical lens and a focus on power relations. However, the model and Figure 1 clearly resemble contingency theoretical thinking, but are introduced without anchoring in any theoretical tradition, while a critical lens is completely absent. The author(s) need to outline more clearly in what way their approach differs from a traditional contingency approach. Especially the critical lens needs to take shape and be included already in the theoretical and conceptual framework.

2) Research Question

The research question currently asks "how" questions: "how complex internal and external factors influence the performance management ..." and "how senior executives ... work within the confines ..." (p. 3). This made me expect a focus on processes and/or mechanisms that

We are happy to find that you found our paper interesting and enjoying to read, and appreciate your suggestions aimed at enabling us improve the quality of our manuscript.

1) The revised abstract, introduction and conceptual framework have been substantially re-written to clarify that we have adopted a critical paradigm and drawn on the critical literature discussing external influences (e.g. Zan, Blackstock, Cerutti, & Mayer, 2000; Jeacle and Miller, 2016; Oakes and Oakes, 2016; Ellwood & Greenwood, 2016; Oakes, Townley and Cooper 1998; Townley, Cooper and Oakes, 2003) to enable us contribute to Otley's descriptive framework (Otley, 1999; Ferreira and Otley, 2009).

Interestingly, Otley (2016, p. 45) also commented that "all research on these topics has to take a 'contingency' approach as it becomes recognized that universal solutions to problems in organizational control generally do not exist". We agree that figure 1 can also be used by advocates of contingency theory who are primarily concerned to find an optimal fit by developing and testing hypotheses (Donaldson, 2001). However, we use figure 1 to show key external influences that have been highlighted in the literature (e.g. ter Bogt and Tillema, 2016), and have teased these out in our findings and discussion.

2) In line with your suggestion, we have reframed our

can answer these questions. However, the findings rather show that these factor influence and that executives pursue heterogeneous objectives. The author(s) should either adapt their research questions or dig deeper into the "how" in the data and findings. The latter would make a much more interesting paper.

3) Data and Method

I understand that there are strict word limits for the manuscript. Nonetheless, and perhaps instead of table 1 and the confidentiality information, it would be helpful to learn more about what kind of interviews were conducted (e.g., narrative, semi-structures, structured), the actual questions asked in the interviews, and the how the interviews were analyzed to arrive at the findings.

4) Findings

The findings currently present interesting insights into the data. However, the subsections of the findings section are rather long and there it not much surprising or unexpected. I would encourage the author(s) to streamline and shorten the argumentation and instead dig deeper into the data and focus on counterintuitive aspects. In addition I would be very interested in the power dimension a critical lens would add.

5) Discussion

The discussion is currently more a summary than a discussion. The few lines on power relationships are speculative - things that may happen if something changes - and not related to the actual findings. I would like to see more discussion that arises from the conceptual framework and the findings.

6) I was wondering why the quite renowned studies of Townley, Oakes, and Cooper in arts organizations (e.g. ASQ 1998 or

research question to focus on: how national arts organisations manage their performance in the pursuit of heterogenous objectives, within the confines of external influences? We have focused our findings and discussion on these influences, and supported our discussion by drawing on relevant literature.

3) We appreciate your suggestion to delete the table 1 to enable us incorporate your comments. We have explained: who were interviewed, what kind of interviews were conducted, what questions were asked, and how the data were analysed to arrive at our findings.

4) We have endeavoured to focus on the interesting stories emerging in our findings and streamline the writing to tell a coherent story. We have provided greater insights into the influences i.e. power-relationships, and conflicts in line with the critical paradigm.

5) We have provided more discussion, and drawn some analytical inferences from the findings and related these to the academic debate in the conclusion section, in our endeavour to draw the line between speculation and inference based on findings and the literature.

6) We have incorporated the critical studies of Oakes, Townley and Cooper (1998) and Townley, Oakes and Cooper (2003), and other relevant studies.

We hope you find our revised manuscript more enjoying

Organization Studies 2003) are not even mentioned especially if a more critical lens is applied.

I hope these comments help in the development of the manuscript and wish the authors good luck.

to read. We are happy to incorporate any additional comments you may have, and appreciate your constructive criticisms which have been helpful in developing our manuscript (thank you).

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**Managing the performance of arts organisations:
Pursuing heterogeneous objectives in an era of austerity**

1 **Abstract**
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5 This study provides insight into how two national arts organisations located in London
6 manage their performance in the pursuit of heterogenous objectives, within the confines of
7 external influences. These organisations significantly rely on the government for funding
8 and are therefore required to implement policy initiatives, albeit at arm's length from the
9 government. Performance management systems (PMSs) were primarily designed to enable
10 trustees discharge their statutory duties of collecting, preserving, and displaying objects and
11 works of arts, which were reflected in a management agreement containing the
12 government's strategic priorities. The findings show that the changing politico-economic
13 climate has subtly started to change values, accountability relationships and realities in the
14 field of arts and culture. Whilst arts organisations emphasised socio-cultural objectives in
15 strategic planning and operational processes, external pressures arising from austerity has
16 subtly started to displace socio-cultural values. Business language, vocabularies, and tools
17 commonly used in the private sector are insidiously taking roots in arts organisations.
18 Austerity provided a signal to executives that the survival of their core activities was at
19 stake and, they have to engage in income generating activities to support their core
20 activities.
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28 **Keywords:** Performance management; control; museums; art galleries; austerity.
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1. Introduction

Arts organisations play an important role in the implementation of the politico-economic and socio-cultural priorities of governments in civilised societies (Foucault, 2009). As such, in many countries they are primarily funded from public funding which in turn creates accountability expectations from governments who have to demonstrate value for money (ter Bogt & Tillema, 2016; Zan, Baraldi, Ferri, Lusiani, & Mariani, 2012). In line with the new public management (NPM) ideology of distancing government's political decisions from service delivery (Hood, 1995), national arts organisations in the UK are organised as non-departmental public bodies (NDPB) to enable them carry out activities at arm's length from the government, although they are accountable for implementing policy initiatives.

Private sector management practices have been introduced in the arts sector, under the banner of NPM because of the perceived superiority of market-based economic principles (Hellstrom & Lapsley, 2016; Hood, 1995). However, prior studies have found that the imposition of economic rationality and the act of measuring or managing of the arts by numbers can have real, and often perverse, consequences, such as short-termism - the disposal of major heritage assets and collections leading to a loss in cultural value (Ellwood & Greenwood, 2016), and focussing on getting done what gets measured (Crepaz, Huber, & Scheytt, 2016). Whilst performance management systems (PMSs) aim to provide rationalisation in the form of justification of actions and make explicit means-ends relationships, there may be frustration when implementing PMSs in practice (Townley, Cooper, & Oakes, 2003), because of differences in language, translation, interpretation and fit with existing culture, leading to divergence and sedimentation (Ferri & Zan, 2014; Hyndman, et al., 2014). Moreover, the adoption of context specific strategies by different types of organisations may lead to different configurations, implementations, and usages of PMSs (Quattrone & Hopper, 2005).

This study examines how national arts organisations manage their performance in the pursuit of heterogenous objectives, within the confines of external influences. It highlights the power of structures, pressures and constraints in influencing organisational practices and values. It draws on Ferreira & Otley's (2009) extended framework for performance management and adds external influences discussed in the critical accounting literature (Jeacle & Miller, 2016; Oakes, Townley, & Cooper, 1998; ter Bogt & Tillema, 2016) to frame our analysis of external pressures and constraints influencing performance management practices. It makes a theoretical contribution to the functional (Chenhall, 2003) and descriptive (Ferreira & Otley, 2009; Otley, 1999) methodological approaches adopted in prior performance management studies, by adopting a critical methodology which is helpful in providing insights into interests that underlie relationships (Broadbent, 2002).

At the empirical level, this study illustrates how a PMS in a hybrid public sector and charity setting operates, highlights the power of governance technologies (e.g. management agreement with the government, strategic and business plans, and performance reporting) in transcending organisational and departmental boundaries to shape values, and discusses some of the implications of austerity in arts sector. This study is mainly based on data collected from published sources and interviews conducted with senior executives of a national museum and a national arts gallery located in London. These two arts organisations "are important centres for scholarship and research, as well as being hugely popular visitor attractions", and are ranked in the top 10 leading visitor attractions in the UK (ALVA, 2016; HM Government, 2016, p. 2).

This paper is organised as follows. The next section draws on the performance management literature to provide a framework for grounding the empirical analysis of performance management practices in arts organisations. The third section explains this study's research methods. The fourth section presents the empirical findings in relation to

1 the PMS discussed in the second section. The final section provides some discussion and
2 concludes the paper.
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4 **2. The performance management of arts organisations**

5 The pervasive use of private sector management practices in arts organisations has prompted
6 researchers to suggest that these practices have colonised the lifeworlds of arts and culture
7 (Oakes & Oakes, 2016). For example, the deployment of investment appraisal techniques
8 (Mikes & Morhart, 2017), business planning models (Oakes , et al., 1998) and economic
9 value measurement systems (Ellwood & Greenwood, 2016) makes certain things visible and
10 others less visible although the latter may be as important, if not more important. This
11 section provides an overview of private sector performance management techniques which
12 may be used to manage arts organisations and draws on the critical literature to highlight the
13 issues that are specifically relevant to managing arts organisations to provide a framework
14 for analysing our findings.
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17 The balanced scorecard (Kaplan & Norton, 2001), which links financial (i.e.
18 shareholder) to non-financial performance perspectives (i.e. customer, internal business
19 processes, and learning and innovation) in terms of cause and effect, has been universally
20 applied in private, public and not for profit sectors to clarify, communicate and manage
21 strategies. In a report commissioned by the Arts Council England, Royce (2011) argued that
22 an arts organisation should have a sound business model, similar to the balanced scorecard
23 to be successful beyond the short term. More specifically, “it must be attractive to a range of
24 co-investors (funders, donors, customers/visitors, staff, artists and other arts organisations);
25 it must be agile: able to innovate and both to initiate and respond to change, in strategic and
26 thoughtful fashion; it must be able to achieve its goals and to execute its strategy in cost-
27 efficient and effective ways; and it must also be well-led, well-managed and have a strong
28 and appropriate organisational culture, which aligns and supports its mission and values”
29 (pp. 14-15). However, the relevance of this proposed PMS may be questioned because it
30 primarily focuses on economic rationality and internal processes and is unable to effectively
31 explain complexities and vested interests that underlie strategic planning and
32 implementation processes (Norreklit, 2000). Even if performance can be defined from the
33 perspectives of relevant stakeholders, the causality between performance measures and
34 results may be difficult to ascertain in some sectors because of opacities, uncertainties and
35 flaws (Dambrin & Robson, 2011).
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40 Contingency theory suggests that there is no universal PMS that can fit all
41 organisations. According to Donaldson (2001, p. 1), the “essence of the contingency theory
42 paradigm is that organizational effectiveness results from fitting characteristics of the
43 organization, such as its structure, to contingencies that reflect the situation of the
44 organization”. To improve performance, organisations are motivated to continually change
45 (their structure and strategies) in response to changes in their contingencies to obtain an
46 optimal fit. The major independent variables in the external environment and within the
47 organisational boundary that were found to have a relationship with the dependent variables
48 of performance include culture, competition, technology, uncertainties, organisational size,
49 structure, strategy and compensation (Chenhall, 2003; Otley, 2016). In a comprehensive
50 review of the contingency theory literature, Otley (2016, p. 45) interestingly commented
51 that “all research on these topics has to take a ‘contingency’ approach as it becomes
52 recognized that universal solutions to problems in organizational control generally do not
53 exist”. However, Otley (2016, p.45 & 48) found that most contingency studies have
54 neglected qualitative non-financial variables, and as such he cautions that the adoption of a
55 functional and “mechanistic approach that will develop into a predictive mechanism for the
56 design of optimal control systems is misguided” and recommends future studies to deploy
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1 “a much wider range of research approaches”. That is, the modelling, systematic measuring
2 and testing of correlations and causality among performance variables by the inclusion of
3 control variables, similar to controlled observations and experimentations carried out in the
4 natural sciences, may not be appropriate in settings where they are complex influences,
5 uncertainties and uncontrollable variables that are difficult to quantify.

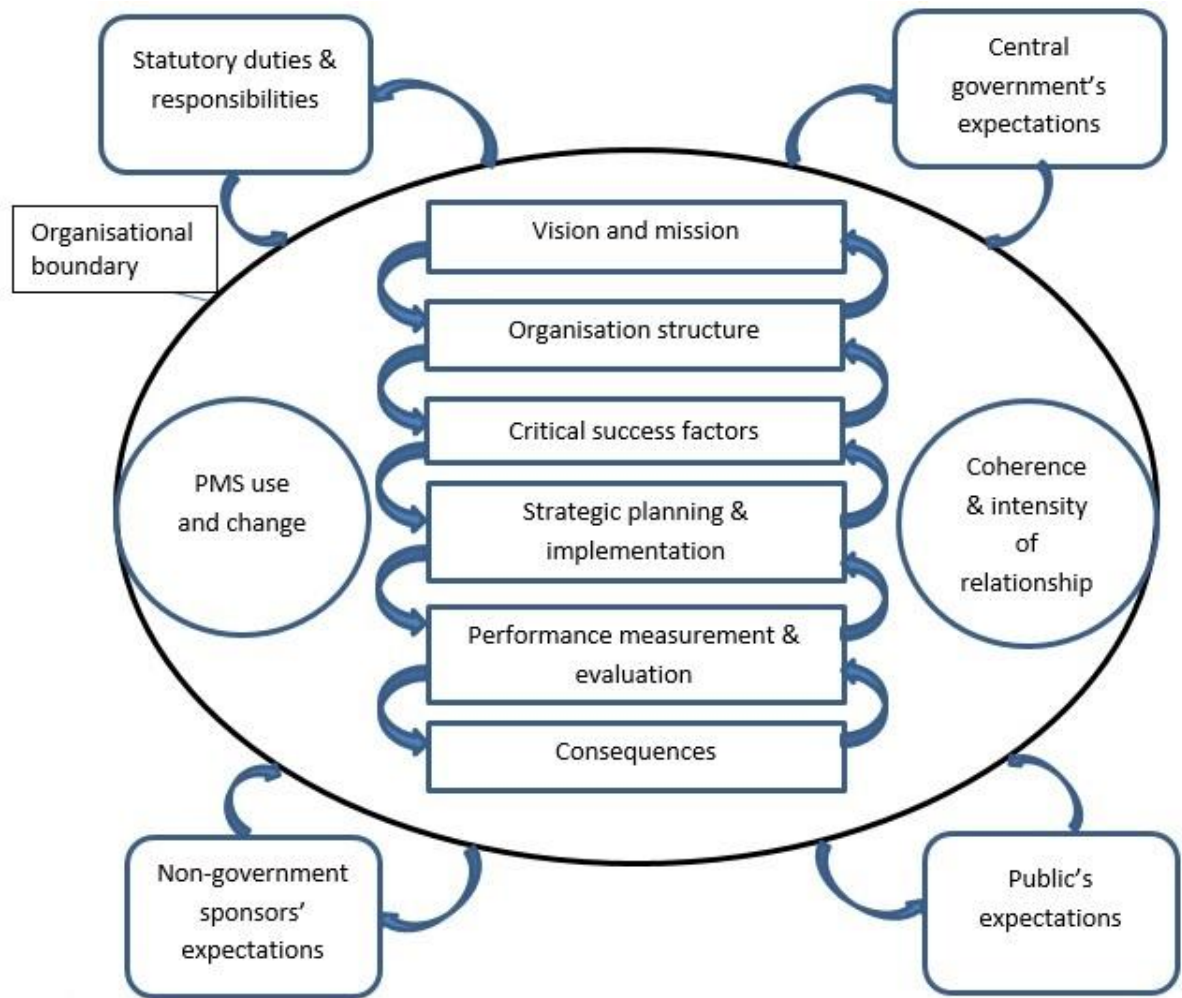
6 Ferreira and Otley (2009, p. 263) developed an extended PMS by elaborating on and
7 adding to the performance perspectives in Otley’s (1999) to provide “a research tool for
8 describing the structure and operation of performance management systems (PMSs) in a
9 more holistic manner”. However, Ferreira and Otley (2009, p. 267) acknowledge that they
10 have not included external contextual factors, which they view “as contingent variables that
11 might explain why certain patterns of control are more or less effective, rather than
12 characteristics of the control system that need to be incorporated into a description.” Neely,
13 Adams, and Kennerley (2002) provide complementary insights into the role of external
14 influence. They suggest that organisations are more likely to prosper and survive in the long
15 term if they adopt a stakeholder centred approach when designing PMSs. They propose a
16 comprehensive and integrated performance management prism that requires managers to
17 think about stakeholders’ expectations (who are the stakeholders and what do they want and
18 need?), and stakeholders’ contributions’ (what does the organisation want and need from its
19 stakeholders?).

20 Core dimensions of performance (i.e. mission and vision, structure, critical success
21 factors, strategic planning and implementation, performance measurement and evaluation,
22 and consequences) are of primary concern to members working within the organisation’s
23 boundary (Otley, 1999) – See figure 1. The vision statement is expected to succinctly and
24 inspirationally clarify where an organisation wants to be in the future, whilst the mission
25 statement is expected to explain why and for what purposes an organisation exists and how
26 it intends to progress towards achieving its vision. Critical success factors are the activities
27 that an organisation is expected to carry out and are the pre-requisites for progressing
28 towards the achievement of organisational vision (De Vasconcellos, Sousa, & Hambrick,
29 1989). Information flows from internal and external sources form the basis for performance
30 evaluation. The information flows may lead to change in strategic objectives and directions,
31 depending on whether they are being used as single loop learning (i.e. treating objectives
32 and strategies as fixed or given) or double loop learning (i.e. changing objectives and
33 strategies in response to internal and external stimulus). Ferreira and Otley (2009) included
34 the dimensions of PMS use and change, and coherence and intensity of relationships to
35 provide a second level of analysis, because they pervade across the core performance
36 dimensions at the centre of the diagram. The interactive use of PMS to discuss strategic and
37 operational issues and the diagnostic use of PMS to trouble-shoot problems may lead to
38 fine-tuning, refinements and changes of the core performance dimensions (Simons, 1995).

39 Figure 1 adds external influences that are relevant for understanding performance
40 management of arts organisations (Ellwood & Greenwood, 2016; Jeacle & Miller, 2016;
41 Oakes & Oakes, 2016; Oakes , et al., 1998; ter Bogt & Tillema, 2016; Townley, et al.,
42 2003). The purpose of this skeletal framework (Laughlin, 1995) is to illustrate the interests
43 that are embedded in PMSs of arts organisations when pursuing politico-economic and
44 socio-cultural objectives. As Oakes , et al. (1998, p. 277) found, the conception of PMS as
45 “mere acts of technical transcription concealed the force this process involved” in directing
46 “attention away from the shifting of cultural capital toward economic capital and the
47 diminution of existing identities”. The autonomy of an organisation to pursue strategic
48 actions, and its ability to define boundaries within a particular field depend on the economic,
49 social, and cultural capitals that it possesses (Bourdieu & Wacquant, 1992).

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Figure 1: A performance management framework for arts organisations



Feedback & feedforward learning loops: information flows and interactions.

Source: Adapted from Chenhall (2003); Ferreira and Otley (2009); Kaplan and Norton (2001); Neely, et al. (2002)

1 Prior critical accounting studies have provided insights into the influences that drive socio-
2 cultural and politico-economic objectives of arts organisations (Ellwood & Greenwood,
3 2016; Zan, Blackstock, Cerutti, & Mayer, 2000) and highlighted the “challenges in
4 managing the arts, in particular the delicate balancing of the possible tensions between
5 creativity and economic constraint” (Jeacle & Miller, 2016, p. 1). In the context of arts
6 organisations in Alberta, Oakes , et al. (1998, p. 258) consider the discourses of “power as
7 central to understanding how control works in modern society and organizations”. These
8 authors argue that organisational planning and control systems provide sanctions to
9 legitimise influential discourses (of managers and their external constituents), and serve as a
10 mechanism for producing pedagogical knowledge and understanding of an organisation and
11 its activities.
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13 The adoption of private sector calculative practices in the arts sector may have real
14 consequences, beyond the phenomena being measured or valued (Hines, 1988) because the
15 act of adoption has the potential to significantly influence core values and identities (Oakes ,
16 et al., 1998). Whilst accounting technologies provide the conceptual tools for decision
17 making (such as recognising the economic reality of a transaction, an activity or an asset),
18 they only paint a partial picture that matters for a particular purpose and from a particular
19 perspective e.g. decision usefulness for investors, in contrast to accountability for future
20 generations. For example, Oakes and Oakes (2016) found that the lifeworld of arts
21 organisations which were mainly funded by Arts Council England was partly corrupted by
22 accounting and commercial values. Managers were apparently aware of the inadequacy of
23 numbers in capturing the full value of arts but nevertheless “played out the charade of
24 advocacy and legitimacy, claiming to demonstrate impact when they knew the essence of
25 the arts is always out of reach” (p. 50). They call for future studies to “develop further
26 understanding of the management of austerity and funding constraints in arts organisations”
27 (p. 50).
28

29 Ellwood and Greenwood (2016) examined the challenges and consequences of the
30 attempt by government and accounting standard setters to pressure arts organisations to
31 recognise the economic value of their heritage assets. Arts organisations resisted pressures
32 to place economic values on their collections because the determination of economic value
33 is fraught with ambiguities, the measurement and preservation of economic value may result
34 in the disposal of historically and culturally significant collections, and recognition of assets
35 paints a picture of affluence which may affect funding from potential donors.
36

37 In contrast, Mikes and Morhart (2017, p. 67) argued that accounting can play a
38 catalysing role by “transforming a niche cultural project into a commercially viable popular
39 culture product, while enhancing – rather than violating – the project’s artistic authenticity.”
40 In the context of the Netherlands, ter Bogt and Tillema (2016) found that accounting
41 fostered trust between theatres and the municipalities and mediated the tensions between
42 conflicting creativity and control objectives. They “show that, despite the formal picture set
43 out in performance agreements and accounting documents, the control relationship between
44 theatres and municipalities might appear to be very ‘loose’ and informal in practice.” (p. 6).
45 They argue that trust and relational controls play an important role in complementing formal
46 accounting controls in relationships, especially when organisations are faced with multiple
47 objectives and when performance is difficult to define and measure.
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49 The next section explains how data has been collected and analysed for the purpose of
50 this study.
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3. Research methods

1 This study draws on interviews conducted with participants involved in the PMS of a
2 national museum and a national arts gallery located in London, and on information that are
3 in the public domain.
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5 Prior to conducting interviews, we analysed documents from secondary sources to
6 engage in informed and meaningful discussion with the interviewees. More specifically, we
7 analysed Acts of Parliament and management agreements, because PMSs are expected to
8 enable trustees and museum directors discharge their statutory duties and deliver on the
9 government's priorities specified in these documents (Oakes , et al., 1998). We also
10 analysed the strategic plans, annual reports, key performance indicators, and minutes of
11 meetings to understand how trustees and executives respond to external influences. When
12 analysing these documents, we paid particular attention to issues pertaining to: socio-
13 cultural and politico-economic themes and priorities, governance structures, and
14 accountability relationships. We also visited the museum and arts gallery prior to
15 conducting the interviews to understand the socio-cultural activities they undertake,
16 collections they have on display, and commercial and non-commercial facilities they
17 provide to visitors.
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19 A total of twenty-one face-to-face interviews were conducted with trustees and
20 executive directors who had substantial experience and knowledge of performance
21 management issues and challenges facing the arts sector. These individuals were passionate
22 about the world of arts and cultural policies, and played an important role in balancing
23 socio-cultural imperatives and politico-economic constraints (Oakes & Oakes, 2016; ter
24 Bogt & Tillema, 2016). Sixteen interviews were conducted with trustees and executive
25 directors from the two arts organisations – the contact details of these interviewees were
26 available in the minutes of meetings of the arts organisations which are publicly available on
27 their webpages. Five interviews were conducted with directors from the Department for
28 Digital, Culture, Media & Sport (DCMS) and non-government sponsors – the contact details
29 of these interviewees were provided by the trustees and executive directors of the arts
30 organisations who regularly interacted with them.
31

32 The core dimensions of performance, challenges posed by austerity, and responses to
33 pressures were discursively apprehended during the interviews which were semi-structured
34 in nature (Townley, et al., 2003). The following questions were asked guide the interviews:
35 What are the objectives of your organisation? What are the roles of the trustees and
36 executives and how do they interface with relevant interest groups? How is performance
37 managed? By who, through what processes, and what areas are particularly emphasised?
38 How effective are performance management processes and measures in terms of achieving
39 objectives? What constraints, pressures and challenges does your organisation face, and how
40 does it respond to them?
41

42 To enable candid replies, interviewees were informed that their names would not be
43 disclosed when writing the findings, but were cautioned that the name of the organisation
44 may be identifiable as this study also uses information in their annual reports and strategic
45 plans which are in the public domain. They were also informed they could withdraw from
46 the interview process at any time and, make any comment off the record. All interviewees
47 consented in writing to participate in the study, verbally consented to be recorded, and did
48 not express concern that the name of their organisation may be identified. The interviews
49 lasted between 60 and 90 minutes. The recordings were immediately transcribed by one of
50 the researchers after the interviews to enable accurate recall of issues discussed (Miles &
51 Huberman, 1994). The transcripts were also checked for accuracy by another researcher.
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53 All the transcripts were read and analysed in relation to themes that have been
54 highlighted in the performance management literature, discourses in policy and regulatory
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1 documents, corporate plans and annual reports, to identify pertinent and contentious issues
2 and to frame this study's findings. This process requires reflexivity and acknowledgement
3 of the researchers' own interests (e.g. arising from the choice of a particular paradigm or
4 theoretical framework) and position they occupy in the intellectual field (Bourdieu &
5 Wacquant, 1992; Said, 1994) – i.e. in the communication of a particular reality, we may be
6 complicit in constructing that reality (Hines, 1988). The objective of this study is not to
7 generalise, but to provide insights into performance management issues and challenges
8 faced by the two arts organisations studied which may resonate with experiences in other
9 settings (Berry & Otley, 2004).

13 **4. Findings: The performance management of arts organisations**

14 The findings are presented in relation to the inter-related dimensions of performance
15 discussed in the literature. External influences are discussed first, as these drive performance
16 management processes within arts organisations.

19 *External structural influences driving organisational objectives*

20 Both the museum and the arts gallery are well established organisations – they were
21 officially opened in the mid and late nineteenth century respectively. Their governance
22 structure, within which they pursue their socio-cultural and politico-economic objectives, is
23 quite complex. Although they are organised as non-departmental public body (NDPB) to
24 enable their executives carry out activities at arm's length from the government, they
25 contribute towards the performance objectives of DCMS in return for the public funding
26 they receive. They are also exempt charities under Schedule 3 of the Charities Act 2011,
27 meaning that the DCMS is their principal regulator for charity law purposes. This regulatory
28 framework partly drives the mission, objectives and activities, as stated in the annual report
29 of the museum: “During 2016–17 the Board of Trustees of the Science Museum (the SMG
30 Board) agreed a new vision and mission for SMG...which takes due regard of the Charity
31 Commission's general guidance on public benefit and informs all decision-making, future
32 planning and strategic priorities” (National Audit Office, 2017, p. 5).

33 The statutory duties of the trustees are specified in the National Heritage Act 1983
34 and the Museums and Galleries Act 1992, which state that they are responsible to: (a) care
35 for, preserve and add to the works of arts in their collection; (b) secure the works of arts
36 exhibited to the public; (c) make the works of arts and documents available to persons
37 seeking to inspect them in connection with study or research; and (d) generally promote the
38 public's enjoyment and understanding of arts. The trustees are also politically accountable
39 to the ministers (from DCMS and the Cabinet Office) who are responsible for appointing
40 them on the board of national museums and arts galleries, although “the recruitment of
41 Trustees takes place in accordance with the procedures defined by DCMS and the Office of
42 the Commissioner for Public Appointments” (National Audit Office, 2017, p. 41). The
43 government controls the criteria for making senior appointments, such as the desirability of
44 candidates possessing specialised knowledge about arts, culture, history and collections, and
45 commercial knowledge about fundraising, and income generation, and thus indirectly plays
46 a role in embedding values at the strategic level in arts organisations.

47 The arts organisations engaged in fundraising and commercial activities to supplement
48 their funding from government and charitable sources, which may create conflict among
49 objectives. Table 1 shows their funding structure in 2007 and 2017, and highlights the
50 impact of the government's austerity agenda that began in 2010. Although government
51 funding for the museum has increased in nominal terms from £37m to £41, a director of
52 finance from the museum explained that this has declined in real terms and that the rate of
53

increase in their unavoidable costs, which are mostly fixed, was greater than the rate of inflation:

Government funding has fallen by more than 25% in real terms between 2010 and now, and next year it will fall. Our funding was cut for 2015-16. So we would have to find additional funding to make up the difference or cut expenditure to reflect that. We are an organisation that has very high fixed costs - all of these buildings to maintain and collections to look after. Lots of our costs are unavoidable. Costs have gone up far faster than the rate of inflation, and yet our funding is falling.

Table 1: Sources of funding

	Museum				Arts gallery			
	2007		2017		2007		2017	
	£000	%	£000	%	£000	%	£000	%
Government (DCMS)	36,697	75%	40,934	59%	7,031	44%	6,637	35%
Non-government:								
Donations	5,258	11%	6,125	9%	2,788	17%	4,213	22%
Charitable income	747	2%	10,865	16%	2,622	16%	4,250	22%
Trading & investment	3,376	7%	9,783	14%	3,448	22%	3,803	20%
Other	2,741	6%	2,200	3%	138	1%	271	1%
Total non-government	12,122	25%	28,973	41%	8,996	56%	12,537	65%
Total income	48,819	100%	69,907	100%	16,027	100%	19,174	100%

Source: Annual reports (2007 and 2017).

The proportion of non-government funding as a percentage of total funding in 2007 to 2017 has increased for both arts organisations, which can potentially change accountability relationships because reliance on funding is a source of influence (ter Bogt & Tillema, 2016). It is interesting to note that interviewees from the arts gallery pointed out that they wanted greater control of the funds they raised from other sources - the total funding for the arts gallery was about 65%, as compared to the museum which was 41% in 2017. However, a principal curator from the museum highlighted that placing greater reliance on non-government funding may influence the values of arts organisations:

Donors have too many restrictions – we don't want to touch them. If they want to get their names on the main hall, that is fine, but we don't want to be driven by donors. I am very concerned if the government funding goes down, because we would have to heavily rely on the donors. This would then affect the political drivers and political culture of the museum.

Whilst austerity has pressured arts organisations to raise income from non-government sources, the financial crisis has taken its toll on non-government funding. This has led to stiff competition among arts organisations from a declining pool of funding. As commented by a deputy CEO from the arts gallery:

Winning donations from benefactors is an uphill struggle, even for the most adept of fundraisers. Charitable donations to arts and culture were down by about 20 per cent last year.

In summary, PMSs are expected to enable arts organisations discharge their statutory duties and meet the accountability expectations of their funders and themselves.

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3 ***Vision, mission, organisation, and critical success factors***

4 Arts organisations operate within the confines of statutory, government and economic
5 influences. The vision and mission reflected their core values which were primarily geared
6 towards the pursuit of socio-cultural objectives. For example, both organisations articulated
7 their vision and mission in their annual reports and corporate plans as follows: ‘building a
8 scientifically literate society’, ‘inspire next generations of scientists, inventors and
9 engineers’, and ‘promote through the medium of portraits the appreciation and
10 understanding of the men and women who have made and are making British history and
11 culture’. Whilst interviewees were generally enthusiastic to talk about the socio-cultural
12 objectives of their organisation, they highlighted that the pursuit of these objectives were
13 influenced by resources and administrative constraints imposed by their funders.

14
15
16 The mission and vision, which featured in official documents such as annual reports
17 and strategic plans, played a pedagogic role in communicating the values of senior
18 management (Oakes , et al., 1998). They were aimed at enabling trustees discharge their
19 statutory responsibilities, and enabling the museum director discharge her/his ‘personal
20 accountability’ to the Secretary of State for Culture, Media and Sports (i.e. the minister in
21 charge of DCMS) for safeguarding public funds. A director of development from the
22 museum explained the accountability structure as follows:
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26 *Trustees and the chair of the board of trustees are appointed by DCMS. Our museum*
27 *director who is the chief executive of the group, is appointed by the prime minister... I*
28 *report to a finance and general purpose sub-committee of the board of trustees, and to*
29 *the board of trustees on a quarterly basis on income. I attended these meetings to*
30 *explain fund-raising performance, and compliance with ethics policy: who are we*
31 *getting money from, why, and for what purpose?*
32

33
34 In return for the funding provided by DCMS, the chair of the board of trustee and museum
35 director were required to sign a management agreement with the Secretary of State for
36 Culture, Media and Sport. The Secretary of State explicitly highlighted her financial
37 priorities for the arts organisation by stating that it should ‘continue to pursue commercial
38 and philanthropic approaches to generating revenue which will complement grant-in aid’
39 but couched her socio-cultural priorities in broad terms by stating that it should ‘ensure that
40 free entry to the permanent collections would be made available’, and ‘protect world-class
41 collections and front-line services’ (DCMS, 2017a).
42

43
44 Whilst the government’s socio-cultural priorities were loosely specified in the
45 management agreement (i.e. one page), administrative matters were quite comprehensively
46 covered (i.e. 30 pages). Financial and administrative matters relating to governance and
47 performance that were covered in greater depth include: financial management, duties to
48 deliver on the strategic priorities of DCMS, broad performance objectives of the arts
49 organisation in relation to statues and the implementation of public policies, risk
50 management and internal control procedures, procurement, accounting information to be
51 disclosed and reported to DCMS, formal review meetings with DCMS, and responsibilities
52 of the parties to the agreement.
53

54
55 As compared to the formal relationship between arts organisations and the
56 government, the relationship with non-government funders depended on the size of the
57 funding and purpose for which funding was provided. The agreement ranged “*from a strong*
58 *legal contract with major corporate donors, to a purely verbal philanthropic agreement*
59 *with trusts and foundations*” (Director, arts gallery). When undertaking projects, museum
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1 and the arts gallery met their non-government funders' socio-cultural priorities whilst
2 simultaneously fulfilling their duties to DCMS. Project-specific success factors were
3 identified for subsequent monitoring and evaluation. As stated by the director of
4 development from the museum:

5
6 *You have to set up project objectives for the project and meet sponsors' priorities, but*
7 *you have to meet the government's priorities as well. Sponsors monitor the project*
8 *quite closely; you will need to meet them very regularly. You would have to*
9 *demonstrate that you have used the fund to meet objectives, and to evaluate*
10 *achievement of objectives afterwards.*

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13 In summary, the core values in the vision and mission of arts organisation, which provide
14 the framework for strategic planning and reporting to relevant authorities, reflect the
15 statutory duties of senior management.

16 17 18 ***Strategic planning and implementation***

19 The long-term strategic and short-term business plans played a pedagogic role in terms of
20 providing departments, teams and individuals with a planning and control tool that would
21 subsequently be used to assess their contributions to organisational objectives (Oakes , et al.,
22 1998). In this respect, the chairman of board of trustees and the museum director stated that
23 the strategic planning “document captures the top-level long-term priorities and is to be used
24 actively as a touchstone for decision-making throughout the next decade or so” (Museum,
25 2017, p. 38).

26
27
28 Arts organisations distinguished between ‘core’ and ‘support’ values to differentiate
29 the values that mattered most to them. Whilst both organisations placed significant emphasis
30 on their socio-cultural objectives (e.g. inspire people, create knowledge, increase audience
31 and sustain growth of collections) which they termed ‘core’ priorities, they also
32 acknowledged the importance of ‘support’ priorities such as the generation of income. In
33 response to funding pressures, the museum stated that by 2030 “it will be an exemplar
34 among museums for commercial activity and entrepreneurship” (Museum, 2017, p. 36).

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36
37 The interviewees generally identified themselves with the socio-cultural values
38 espoused in the management agreement, and in the strategic plans. However, they also
39 acknowledged the importance of income generating activities in supporting core values,
40 such as introducing special paid exhibits, new products or service, and trading in coffee and
41 gift shops. For example, a director of public engagement from the museum broadly
42 highlighted these values as follows:

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45 *Our strategic plan reflects the history of the museum what we choose to focus and how*
46 *we want to position the museum in the next ten years, how we want to be perceived by*
47 *our stakeholders, the funding environment, and the needs of the stakeholders who*
48 *provide us with funding in particular, but all these things are very much related.*
49 *Fundamentally the strategic plan is a bold statement about who we are, why we*
50 *matter, what we intend to do, but it is written with a view to securing funding for the*
51 *organisation because we need to raise money to do what we want to do.*

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55 The different components of the strategic plan were ‘owned’ by directors and their heads of
56 departments, denoting segregation of duties and responsibilities in the pursuit of different,
57 but related, objectives. For example, the curators were concerned with issues related to
58 collections, whilst the directors of engagement were concerned with the profile of audience,
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1 and the commercial task force was interested in income generating activities. As explained
2 by a director of public engagement from the art gallery:

3
4 *The strategic plan for public engagement strategy group, which I chair and am*
5 *responsible for, is written in collaboration with my heads of department and their*
6 *staff. In practice, they will each 'own' different elements of the public engagement*
7 *strategy. We will review each of those activities in order to understand what's going*
8 *on, whether we are performing in a way that we want to, etc. Ultimately, I then have*
9 *to report that to the Executive Board who will then report to the trustees, and there is*
10 *a whole suite of processes that are in place to enable us deliver those strategies. For*
11 *example, we have a 'commercial task force' that deals with commercial income, we*
12 *have a 'content strategy board' that sets the content of the public programme, we have*
13 *a 'public engagement programme board' that governs our projects.*
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16
17 In contrast to the strategic plan which spanned a decade and articulated the board of
18 trustees' and the museum director's strategic priorities, the arts organisations prepared an
19 annual business plan to articulate the operational activities that departmental managers and
20 individuals intend to undertake in the pursuit of long term objectives. Surprisingly, a chief
21 curator used the cause-effect vocabulary in the balanced scorecard (Kaplan & Norton, 2001)
22 as follows: *"Every individual has a performance development plan, where personal*
23 *objectives are informed by the departmental objectives and linked to the museum's business*
24 *plan for the next twelve months"*.
25

26
27 DCMS did not interfere with operational matters which were the responsibility of the
28 executives. However, it was involved in making senior appointments and dealing with
29 administrative and strategic matters through a 'bureaucratic chain'. There was an element of
30 trust between DCMS and the arts organisations (ter Bogt & Tillema, 2016), as apprehended
31 from our interview with a director of development from the museum:
32

33
34 *To a large extent, DCMS just let us get on with our work. They can directly contact*
35 *our trustees if they have a problem regarding the things that we do. But they actually*
36 *know what we are doing, because we articulate what we do clearly, we report to them*
37 *every quarter, so there is a bureaucratic chain. To some extent there is an element of*
38 *trust. Where they flex their muscle, is on the appointment of board of trustees and*
39 *chairman. Regarding day to day operations, they are flexible.*
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42
43 However, it would be naïve to think that DCMS does not indirectly influence operational
44 activities. This is because the long-term strategic plan of the chairman of the board of
45 trustees and the museum director which informs the operational matters in the annual
46 business plans is itself based on the management agreement which focusses on the strategic
47 priorities of the Secretary of State for Culture, Media and Sports. As stated by the chairman
48 and museum director in the strategic plan "the priorities and goals in Inspiring Futures will
49 be reflected in Annual Plans from 2017/18, which will set out specific actions and
50 deliverables...This overarching strategic framework will also inform the subject-specific
51 strategies and plans that are produced from time to time." (Museum, 2017, p. 38).
52

53
54 In summary, the management agreement, strategic framework, and business plans
55 have penetrated the departmental boundaries of arts organisations to shape values of the
56 different teams working to pursue common objectives. These documents contain private
57 sector performance management vocabularies which have entrenched arts organisations.
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Performance measurement, evaluation and consequences

1 Performance was evaluated externally in relation to the management agreement signed by
2 the board of trustees, the museum director and the Secretary of State for Culture, Media and
3 Sports, and internally in relation to the annual plan and the strategic plan.
4

5 The external monitoring process is aimed at enabling DCMS discharge its
6 parliamentary accountability for using taxpayers' money. DCMS provides official statistics
7 of the arts organisations they sponsor and delegate the responsibility of compiling
8 performance indicators to the chairman of the board of trustees and museum director who
9 are required to follow the DCMS's 'Performance Indicator Guidance Document' (DCMS,
10 2017b). However, a director of engagement from a museum argued that they should not be
11 judged on the basis of generic KPIs:
12

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14 *The KPIs are simplistic and don't reflect our strengths as a scientific research*
15 *institute – we have many scientists who produce scientific knowledge as compared to*
16 *other museums who don't. We are different, yet we are judged on the basis of generic*
17 *KPIs, alongside others.*
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21 However, the external KPIs were used symbolically to loosely manage performance. No
22 targets were assigned and there were no financial consequences: *The management*
23 *agreement does not say: 'we will give you x if you achieve y in terms of performance'*
24 *(Deputy CEO, arts gallery).*
25

26 The feedback loop from DCMS to the arts organisations was weak. As pointed out by
27 a director of public engagement from the arts gallery:
28

29 *We sign the management agreement with DCMS at the beginning of every four years,*
30 *telling us what the grant-in aid is going to be and what KPIs we must report on, but*
31 *the document don't ever get referred to again...The information just literally goes into*
32 *a black hole and nobody sees it again.*
33
34

35 Some interviewees commented that lack of feedback was the result of downsizing of the
36 museum team in DCMS which affected its ability to effectively engage with the arts
37 organisations. As pointed out by a trustee: *'DCMS itself was not spared from the funding*
38 *cuts'*. The UK government has reduced the number of key performance indicators (KPIs)
39 from 12 to 3 (i.e. visitor numbers, philanthropic income, and items on loans) to reduce the
40 administrative burden of data collection and analysis (DCMS, 2017b), and in response to the
41 widespread criticisms of the use of performance targets in the arts sector "which can act as
42 millstones around the neck of creativity" (McMaster, 2008, p. 4).
43

44
45 Unsurprisingly, interviewees highlighted that their internal KPIs were more helpful
46 than DCMS's generic KPIs. A director from the museum provided the following examples
47 of qualitative issues they monitor using internal KPIs: *"visitor satisfaction, number and*
48 *quality of our publications, number of publications in top ranked journals, self-generated*
49 *income, and number of scientist visiting and using our collection for research purposes"*.
50 However, he admitted that other factors such as *"what visitors take away from the museum,*
51 *in terms of understanding and inspiration to become scientist"* are difficult to capture. A
52 bottom-up approach was followed when designing these KPIs i.e. they were discursively
53 agreed by the departmental directors and their teams, tailored to capture heterogeneous
54 objectives and critical success areas, and used diagnostically as traffic lights to signal
55 progress towards achieving strategic objectives (Simons, 1995). A director of finance and
56 planning from the arts gallery explained that:
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1 *We use a range of KPIs, as in a traffic light system, to measure our progress, and*
2 *what we hope to achieve, by way of activities. Our progress is not only measured*
3 *against the KPIs, but is also measured against whether we deliver the things that we*
4 *expected to deliver, and if we didn't, why not? My reporting to the trustees is a*
5 *combination of the KPIs and activities, which they find helpful.*
6

7 Evaluation processes not only created knowledge about activities and performance to enable
8 the steering of organisational activities, but also enabled self-reflection and learning. As
9 commented by a director of public engagement:
10

11 *We don't set internal KPIs for the fun of it - I mean we really use them. I have about*
12 *half a dozen KPIs for my public engagement strategy which I feel are fundamental for*
13 *me to know how we are doing, and whether we are moving in the right direction. For*
14 *example, we segment our market into two or three segments and use a KPI to measure*
15 *our engagement with the target audiences or segments. Currently we are engaging*
16 *31% with a particular segment but by 2018 we want to increase our engagement to*
17 *35%. That KPI is a meaningful measure which is linked to the objectives in our*
18 *strategy document, such as fund raising or engagement with a minority group, or*
19 *inspiring people.*
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24 DCMS loosely monitored the performance of arts organisations at a distance, whilst tightly
25 specifying the ground rules that arts organisations should follow to demonstrate value for
26 money. Internal performance evaluation processes were praised for their emancipatory
27 potential of enabling discrete organisational units evaluate the effectiveness of their
28 activities when pursuing heterogeneous objectives.
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31 **5. Discussion and conclusion**

32 This study has provided insights into the complex influences that shape the PMSs of
33 national arts organisations. PMSs were primarily designed to enable trustees discharge their
34 statutory duties of collecting, preserving, and displaying objects and works of arts, which
35 were reflected in the management agreement containing the government's strategic
36 priorities, such as fostering interest in science, technology engineering and mathematics
37 (STEM), creating cohesion among the population and reaching specific groups such as
38 ethnic minorities, women and young people (DCMS, 2017a). PMSs of arts organisations
39 were also influenced by changes in political and economic climate, and reflected the efforts
40 of trustees and executives at interpreting and responding to these changes in their strategic
41 plans and operational activities.
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45 Dependence on funding is a major source of influence (ter Bogt & Tillema, 2016). In
46 return for public funding, arts organisations are required to contribute to the strategic
47 priorities of the Secretary of State of Culture, Media and Sports. The latter is politically
48 accountable to the Cabinet Office and the Parliament for obtaining value for money in the
49 pursuit of policy objectives. In line with the NPM ideology of distancing politicians from
50 service delivery to make managers accountable for results (Hood, 1995), national arts
51 organisations are organised as NDPBs to provide them with immunity from political
52 interference. However, the government was able to obtain action at arm's length through
53 two main governance technologies which were hierarchical in nature: control over the
54 appointment of trustees and museum directors, and the management agreement. DCMS was
55 primarily concerned with financial reporting, policy priorities and administrative matters.
56 Despite the financial and administrative focus aimed at increasing transparency, DCMS
57 could not effectively assimilate the information produced by arts organisations and
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1 effectively engage with them because DCMS itself was not spared from the funding cuts.
2 This lack of feedback unsurprisingly created the impression that the information was going
3 into a blackhole. Nevertheless, DCMS intervened to over-ride an important strategic
4 decision taken by the museum's executives to close one of its branches due to funding cuts
5 and falling visitor numbers, because the political implication of the closure outweighed the
6 financial implication.

7 The findings illustrate the power of governance technologies in transcending
8 organisational and departmental boundaries to shape values and create identities through
9 learning and reflection. Whilst accounting technologies, such as PMSs and strategic plans,
10 are designed to communicate a reality by rendering things visible, they have the potential to
11 create a reality of the things that are most valued by influential groups. For example,
12 management agreement drove the long-term strategic and short-term business plans and
13 made 'core' and 'support' strategic themes visible. These documents played a pedagogic
14 role in creating knowledge to enable organisational steering and learning (Oakes , et al.,
15 1998). Heads of departments and individuals identified with the themes and objectives
16 inscribed in strategic and business plans, and aligned their operational activities to pursue
17 the strategic themes emphasised by senior management.

18 Generic KPIs have the tendency to standardise and homogenise. Whilst the
19 appropriateness and usefulness of KPIs have been blanketly questioned in the literature
20 (Oakes & Oakes, 2016), this study distinguishes between generic and specific KPIs and
21 highlights the purposes they serve. Generic KPIs, which were reduced from 12 to 3, were
22 symbolically used to demonstrate contributions of arts organisations to DCMS's priorities,
23 whilst providing autonomy to arts organisations to differentiate themselves. Generic KPIs
24 were used because it is difficult to precisely define and measure the outputs and outcomes of
25 different arts organisations by designing specific KPIs, which would have further hindered
26 managerial discretion and increased administrative burdens. Interviewees devised their own
27 specific KPIs to capture information of interest to them, but admitted that not all
28 information can be captured by performance measures.

29 The implications of austerity should be carefully assessed by the government, because
30 of its potential to change accountability structures, displace socio-cultural values, and
31 change identities. Austerity and the government's funding cuts pressured arts organisations
32 to find alternative sources of funding to support their core activities. Competition has
33 intensified among arts organisations who are competing for the same pot of funding which
34 has reduced. Interviewees highlighted that they are placing greater emphasis on fundraising
35 and moving towards a US model of funding their activities through donations and
36 commercial activities, although they are unable to charge for access to their general
37 collections as part of the condition of the grant-in aid from DCMS. However, a significant
38 increase in the proportion of non-government funding to total funding may require a
39 reconfiguration of the current governance structure which prioritises accountability to the
40 government.

41 External pressures arising from austerity resulted in the emphasising of politico-
42 economic values and the subtle displacement of socio-cultural values, which may be
43 counterproductive to the government's own policy initiatives of, for example, widening
44 citizens' participation in the arts sector. The pursuit of market solutions to the problem of
45 austerity may marginalise certain groups and change values, as arts organisations are
46 tempted to attract visitors who are more likely to spend, put-up special exhibits for which
47 visitors have to pay to gain access, use scarce space for commercial activities, and cut costs
48 by reducing the number of engagement projects they undertake (Oakes & Oakes, 2016). The
49 focus on economic objectives (e.g. fundraising activities) may conflict with social-cultural
50 objectives, in the deployment of scarce managerial time and space resources.

1 External politico-economic pressures arising from austerity and the financial crisis
2 helped to inculcate new vocabularies to reconfigure identities. The language, vocabularies,
3 and tools commonly used in the private sector (such as strategic and business plans
4 containing mission, strategies, SMART goals, cause-effect relationships, profit, and income-
5 generating activities) were insidiously taking root in the arts sector (Mikes & Morhart,
6 2017). Reliance was placed on private sector “external experts who advised, guided and
7 challenged” arts organisations in the preparation of strategic and business plans that provide
8 the overarching framework for governing arts and culture (Museum, 2017, p. 5). This
9 strategic document, prepared by financial expert, created visibilities on strategic themes that
10 formed the basis for operational action by executives and their teams. Austerity provided a
11 signal to executives that they have to embrace these vocabularies to support their core
12 activities, the survival of which were at stake.

13
14 The government’s austerity discourse has brought changes that are subtly redefining
15 the field of arts and culture. Arts organisations share some complicity in the process of
16 changing their values by implementing externally imposed imperatives in the guise of
17 austerity that may threaten the production of cultural goods. Managers were complicit in
18 their own control, by accepting the government’s austerity agenda and adopting PMS
19 modelled on the private sector to change their practices, identities and what they value in the
20 field of arts. Whilst funding is required to support the pursuit of socio-cultural objectives,
21 arts organisations do not necessarily have to engage in fundraising and commercial
22 activities, which may become a core activity and an end in themselves, to support arts and
23 culture if these are truly public good.
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