



# Allegro, ma non troppo

## Poor managerial practices in BiH's performing arts institutions are responsible for institutional instability<sup>1</sup>

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### THE LEGACY TIGHTLY HELD: THE OLD AND THE NEW SYSTEM

In most emerging democracies, but notably so in post-conflict societies, culture tends to be viewed as a "thing of the past", thus relating only to preserving traditional and often ethnic values. Nowhere is this tendency more obvious than in Bosnia and Herzegovina, where the cultural mindset has hardly changed, but has more so, become an issue of nostalgia. The latter creates an environment where there is an omnipresent tendency not to make "hard decisions", and it is precisely this ambiance in which most performing-arts institutions in BiH dwell.

Unfortunately, the same concept is applied to most cases of current arts managers in BiH, those who manage BiH's most prominent and only professional performing-arts institutions. In such a constellation of events it is difficult to observe any focus on new priorities and any dynamics for change. This does not mean that there are no ideas, but quite the contrary. However, any new initiatives have, more or less, the same problem - getting off the ground. In all cases, this is solely justified by one reason - insufficient financial resources - or resources that are sufficient to pay for salaries and basic expenses. Thus, managers do not even try, but maintain what can be preserved: static, uninspiring institutions, unwilling to change because of the lack of money.

In the former Socialist Federal Republic of Yugoslavia, culture was centrally planned, with the

main focus on traditions (folklore) and various forms of high-arts. One of the main means to achieve the pre-planned cultural activities was to create "cultural centers" across the country (that is why there are still numerous, hardly active cultural centers across BiH).<sup>2</sup> Additionally, cultural workers were the employees of the state, with life-long contracts and official positions guaranteed by the type of diploma that they possessed. As noted previously, the legacies of this inherited system are still many, and are notably obvious in the modes of managing cultural institutions. And indeed, instead of being viewed as post-conflict catalysts for change, these institutions have primarily been concerned with their reconstruction and preserving the inherited infrastructure<sup>3</sup>.

### ISSUES FACING POLICY-MAKERS

- To which degree does the lack of skills and training among managers in the cultural sector contribute to institutional unsustainability in PAI BiH?
- What solutions and instruments can be used by PAI BiH to ensure for an effective, long-term and skill-oriented management?
- What role can local and national governments play in ensuring quality and sustainability in cultural sector management?
- What are the best practices identified from other regional or local institutions in terms of improving managing practices?

### Summary

An underlying trend in 80% of professional performing-arts institutions (PAI) in BiH is this: most of them function according to the old models of organizational behavior, with little or no organizational knowledge and skill present among their managers. The current situation in professional performing-arts sector in BiH is characterized by a situation in which these institutions are understood as unchangeable constants, and by an absolute dependence on government funding, annual programming and managerial positions guaranteed by the type of diploma and formal status within the organization. Any type of learning or training as a formal prerequisite of career development is absent. Hence, there is a need for a more integrated approach to this problem. A modern, less government dependable and more functional management system in these institutions is needed in order to avoid the "fade-out" scenarios which have struck other cultural institutions in BiH. One increasingly popular and easily implementable solution to this problem is to implement new employment regulation standards for the managerial posts in the public cultural sector. This policy would contribute to better understanding of what it means to be a manager of an arts institution. Another growing solution is the introduction of the information-based policy instruments, which include, but are not limited to, dissemination of information through public announcements of training opportunities, creating a database of training opportunities, on-line training materials, producing textbooks, guidebooks, etc.

<sup>1</sup> This Policy Brief is based on a policy study entitled "Capacity Building in the Public Cultural Sector: Improving Cultural Management in Professional Performing-Arts Institutions in Bosnia and Herzegovina", sponsored by the Policy Development Fellowship Program in 2012/2013 of the Open Society Fund Bosnia and Herzegovina. The full-length study is available for free at [www.soros.org.ba](http://www.soros.org.ba)

<sup>2</sup> Ibid, p. 16

<sup>3</sup> Landry, C. (2002). *Togetherness in difference: Culture at crossroads in Bosnia-Herzegovina*. Council of Europe Steering Committee for Culture, Cultural Policy in Bosnia-Herzegovina: Experts Report, p. 16

Today, BiH's cultural institutions still function according to the old models of organizational behavior<sup>4</sup> characterized by:

1. Short-term planning (institutions are understood as unchangeable constants);
2. Dependence on public authorities and government funding;
3. Annual programming and financial control;
4. Expertise guaranteed by a type of diploma and the formal status within the organization;
5. Learning as a formal prerequisite for career development is almost absent.

**POOR MANAGEMENT PRACTICES ARE EVIDENT**

In addition to examining the efficiency of organizational culture in professional performing-arts institutions in BiH, the researcher was interested in determining whether the current management approach applied in these institutions could contribute to long-term sustainability. The research indicated that there is an omnipresent tendency not to make "hard decisions". It was surprising to learn that one of the most important PAI in BiH does not participate in EU funded projects simply because of "complicated bureaucracy and too much paperwork" (PAI director). In turn, a survey conducted among the employees of the participating PAI, revealed that 55% of employees believe that the major problem in their institution is the fact that their manager/director is not educated in management. At the same time, it was observed that

managers did not see this issue as essential, but stated that that the main problem is in the lack of financial resources and inadequate government support for culture.

This opinion is further explained by yet another trend that was observed - financial mismanagement. While it is true that government funding of PAI is inadequate and low, the main issue appears to lie in poor management decisions in terms of financial allocations<sup>5</sup>. Despite the fact that all professional PAI in BiH are government funded, there is no any kind of control of what is being done and where the funds are directed. All institutions are required to have 2 or 3 premieres each year, so the main focus is on fulfilling these legal obligations. Thus, most institutions do the bare minimum.

"General behavior of managers, in all cultural institutions in our country, can be described by a popular saying "let the sleeping dogs lie". And really, nothing happens, nothing changes, nobody goes beyond what must be done, everybody just does the minimum number of premiers, so they can say 'we are actually doing something'" (PAI Manager).

Going back to the previously mentioned issue of non-participation in donor funded projects for culture, which managers believe are overly complicated to participate in, it is interesting to observe that 77% of PAI employees believe that it is "very important" for their institution to take part in these projects, because they generate profit.

But, this is not where the story ends. Another problem that is directly related to poor management in PAI is that there are no effective means of communicating with any audience category. To illustrate, in 2007 total attendance in PAI BiH was 149.202, while in 2011 this number dropped to 141.605<sup>6</sup>. This is a decrease by almost 10%, which is worrisome considering the fact that the number of performances grew from 619 in 2007 to 747 in 2011<sup>7</sup>. Nevertheless, the study revealed significant efforts on the part of PAI managers to improve in this regard, but despite this, yearly visits remain low, as none of the institutions develop their programs in

<sup>4</sup> Ibid, p. 70

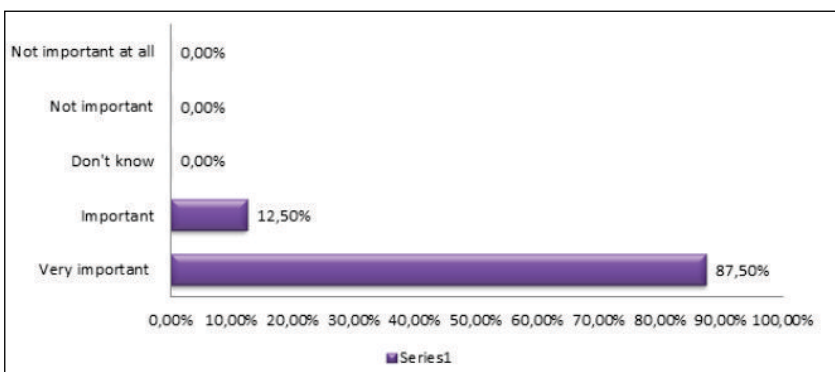
<sup>5</sup> Although PAI are funded by the responsible ministries, the allocation of resources lies within the institution itself.

<sup>6</sup> Agency for Statistics BiH, Culture and Art, 2012.

<sup>7</sup> Ibid, 2012.

"It is important to have a good management team which will aggressively work with potential donors and other institutions. What we absolutely need is for similar institutions to create partnerships and develop joint projects." (PAI Manager)

**Graph 1. Employee opinion on the importance of good management practices**



4 out of 5 interviewed managers believe that good management practices are the least important for institutional sustainability. On the contrary, 87.5% of employees of professional performing-arts institutions believe that good management is very important. Adding the 12.5% of those who believe it is important, a total of 100% of employees view good management practices as the deciding factor in institutional sustainability.



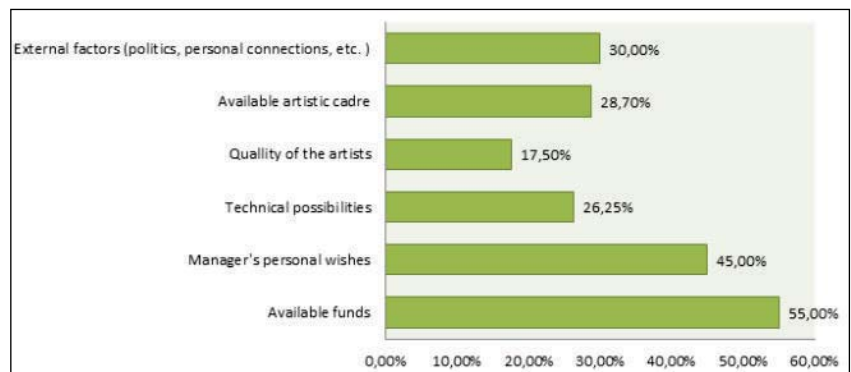
accordance to their audiences need. This goes back to the practice of fulfilling only the program minimum, which leaves PAI with performances which are repetitive. This would not be so were the managers concerned with cooperation with other PAI from BiH, but performances are often localized to one city/town, while only major productions are occasionally performed outside of the original institution. This negatively affects cultural program diversity, although all managers believe that they have enough yearly guest performances. In contrast, an overwhelming majority of PAI employees (87.5%) believe that their institution does not have enough guest performances (in Savić-Bojanić, 2013).

### **A SOLUTION IN SIGHT: EMPLOYMENT REGULATION AND MORE AVAILABLE INFORMATION WILL SOLVE THE PROBLEM**

#### **Employment Standards Regulation Instruments (medium-term solution)**

Formulating decisions which define specific employment standards for the managerial posts in the public cultural sector in BiH would contribute to better understanding of what it means to be a manager of an arts institution. If good management of an arts institution is to be achieved, education in management and not in arts needs to become the primary employment criteria. Although current managers are exploring new marketing strategies, this is done mainly in order to increase the number of visitors. Thus, a policy change that would require current managers to go beyond reading a book on marketing strategies and getting a more formal education or expert training in arts management is required. The resulting benefits would be more than fruitful: more audiences as a result of more effective marketing, more revenue as a result of learning how to write a project, set-up a cooperation initiative and benefit from the donor community.

“We do miss management cadre...educated managers who would create a team, like an agency within a cultural institution, which would only work on institutional promotion...”  
(PAI Manager)



Striking results show that 45% of employees believe that manager's personal wishes determine the choice of the repertoire. It is than to no wonder that money is often directed towards large, expensive and unsustainable programs

#### **Information-based Instruments (short-term solution)**

Unlike the regulation-based instruments, the information-based policy instruments are easier to apply, as they include a wide range of possible options: dissemination of information through public announcements of training opportunities, creating a database of training opportunities, on-line training materials, producing textbooks, guidebooks. The good news is that most managers of professional PAI in BiH are young (four out of five managers who participated in this study are in their 30s), and computer literate, hence all the information is “just a click away”. A major advantage of this policy instrument is its relatively low cost of dissemination (on-line resources are widely available) and its easy accessibility and visibility on responsible ministry websites. The only issue of this policy instrument lies in the fact that, in most cases, it would be difficult to assure that the information available (which is supposed to inform the managers and stimulate them take part in certain actions and adopt adequate manager behaviors) will be used. However, this could be resolved with adequate government subsidies (or using the existing financial allocations, only redirecting them) to disseminate the information available (open calls for applications for trainings, direct distribution of training materials, policy and legal documents, etc.). Lastly, the implementation of this instrument would require some redirecting or increasing the existing budget, as some institutions do not have the adequate IT equipment and infrastructure to implement certain aspects of this instrument.

**Graph 2. The employee beliefs on what the choice of the repertoire in their institution depends on**



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### A PIECE OF ADVICE TO...

Cantonal (FBiH) and entity (RS) authorities

**Develop specific and individual education programs** - management would have an array of possibilities to improve the existing and gain additional (required) knowledge.

**Establish employment criteria** - create an impetus for individual managers.

**Require expert training from all future PAI management candidates** - create quality cadre who are capable of market researching, fundraising, collaborations and finding additional source of funding.

Professional performing-arts institutions

**Formalize knowledge and allow for its transfer between all employees** - follow cultural development trends in other countries to permanently eliminate strict dependence of government funding.

**Develop leadership and communication skills in order to adequately manage the existing human resources potential** - eliminate the hierarchical structures, and call for a more decentralized, team-oriented work practices.

**Require yearly auditions for opera, ballet and orchestra artists** - ensure for quality staff and allow insight into each individual's personal progress, increase competitiveness and long-term quality.

**Establish closer ties with PAI from the other entity** - abandon political prejudice and act as a catalyst for change, build the reputation outside of the home centre and positively influence the quality of institutional image.

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A "Policy Development Fellowship Program" has been launched by the Open Society Fund BiH in early 2004 with the aim to improve BiH policy research and dialogue and to contribute to the development of a sound policy-making culture based on informative and empirically grounded policy options.

The program provides an opportunity for selected fellows to collaborate with the Open Society Fund in conducting policy research and writing a policy study with the support of mentors and trainers during the whole process. Ninety fellowships have been granted in three cycles since the starting of the Program. All policy studies are available at [www.osfbih.org.ba](http://www.osfbih.org.ba)