

# Capacity Building in the Public Cultural Sector:

# Improving Cultural Management in Professional Performing-Arts Institutions in Bosnia and Herzegovina (PAI BiH)

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#### **Summary**

Extensive investments in advancing knowledge in the areas of strategic program development and life-long learning opportunities for arts and culture managers became the focal point of leading cultural institutions in the 1980s. Whether this is true for the professional performing arts institutions in Bosnia and Herzegovina (PAI BiH) is the main focus of this study. This research aims at assessing the role of cultural management in PAI BiH in a transitional period in which the existing cultural sector operates without a cultural strategy. This research study is concerned with identifying the appropriate solutions that can be applied to the context in which PAI BiH operate, including education and training activities, mechanisms which insure good management practices – from financial to activity planning - and identification of future collaborators with the aim of increasing cultural pluralism. Since the realization of these mechanisms depends on the application of good management, the underlying thesis of this work argues that long-term sustainability of PAI BiH rests on sound and professional cultural management. Finally, the research goals and objectives should help draw the attention of PAI managers, educators and government officials working on the issues of culture to the seriousness of problems which arise due to poor management techniques that endanger sustainability of PAI BiH.

#### 1. Introduction

The end of the Cold War brought the countries of Central and Eastern Europe (CEE) to a level in which modern notions of public cultural sector management were wholeheartedly accepted. However, what is essential to note is the fact that management in the cultural sector or arts management, although based on the same principles as entrepreneurial management, rests on slightly different ideas. Leading world scholars in the sphere of cultural management argue that although cultural management has multiple dimensions whose primary focus is to help build institutional capacity, there is no universal formula which applies to all institutions<sup>1</sup>. Hence, there is no single definition of cultural management, but it can be said that it has "multiple purposes of achieving aesthetic, artistic and other aims as well as accomplishing the day to day work and managing relationships. Because of the equal priority of a number of aims, it is distinctly different from general management and management in other areas"<sup>2</sup> Thus, it is the activity in which a number of people engage in a number of settings, including arts organizations and cultural agencies, local authority offices, festivals, projects and events. The main aim of cultural management is to find a balance between the artistic creation and adapting to the commercial needs of the society. The most important characteristics of cultural management are: organizational knowledge and skills (includes the existence of organizational culture, leadership and positive image and identity), but also knowledge of arts and culture and artistic sensibility. Long-term institutional capacity building rests on organizational knowledge and skill, a primary factor of cultural management<sup>3</sup>.

Recent studies of cultural management in transition countries have outlined several basic models for managing arts institutions. The most widely used one is "cultural functionalism" which is based on the above described factors of cultural management. More precisely, this study will focus on invention and dynamic participation, as two key characteristics of the above model. What is essential to mention (notably in the context of BiH and considering its specific political ambiance) is that cultural functionalism can be applied to either state or local level institutions and is marked by parallel inter-sectoral cooperation. Most importantly, this model sees cultural institutions, government and civil society as its key participants.

Since this study focuses on BiH, a country that is undergoing serious changes in all spheres of socio-political life, including culture, priority is given to the first factor of cultural management - *organizational knowledge and skills*. The justification for this lies in several reasons all of which rest in a fact that BiH's cultural institutions still function according to the old model of organizational behavior<sup>6</sup> (not "cultural functionalism") characterized by:

- . 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.

Considering the fact that BiH is a country which lacks a state-level forum to discuss its institutional cultural system<sup>7</sup>, and that it still does not have an applied cultural strategy, and bearing in mind the above illustrated pattern of managing cultural institutions, it is evident that cultural institutions in BiH are in dire need of a new system or better, a model of cultural management.

As mentioned previously, BiH does not have an applied national cultural strategy. What this means in practice is that the existing cultural strategy exists only on paper, or simply, that it is

<sup>&</sup>lt;sup>1</sup> Dragojević, S. and Dragičević-Šešić M. (2008). <u>Menadžment umjetnosti u turbulentnim vremenima</u>. Naklada Jesenski i Turk, Zagreb., p. 17

<sup>&</sup>lt;sup>2</sup> Summerton, J. (2011). <u>Management of Arts and Cultural Activities: Some Background Notes.</u> Sussex University.

<sup>&</sup>lt;sup>3</sup> Dragojević, S. and Dragičević-Šešić M. (2008). <u>Menadžment umjetnosti u turbulentnim vremenima</u>. Naklada Jesenski i Turk. Zagreb., p. 17

<sup>&</sup>lt;sup>4</sup> Ibid, p. 38

<sup>&</sup>lt;sup>5</sup> Which suits the current political setup in BiH, since the latter greatly influences the cultural sector.

<sup>&</sup>lt;sup>6</sup> Ibid, p. 70

<sup>&</sup>lt;sup>7</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. 8.

not applicable to any cultural institution or any cultural sector. Moreover, the format and language of the strategy are too technical and somewhat abstract, which greatly undermines its practical use. It might well be argued that the existing strategy is far more incomplete, considering that it only recognizes an array of problems which are well-known, but fails to address the mechanisms through which these issues could be adequately addressed. Related to the issue of arts and culture management, this document emphasizes the need for "... educating the current staff in public cultural institutions in BiH and hiring new professional personnel and arts managers." Apart from its vagueness, this section of the document does not continue with further elaboration on the issue of education of the existing management cadres in cultural institutions, nor does it suggest any relevant mechanism for addressing the obvious problem.

On the other hand, according to the data acquired for the purposes of this study, internationally backed programs that relate to the issue of managing professional cultural institutions in BiH (including PAI) are limited and stretch primarily to cultural exchange (artists, guest performances, cross-border cooperation) and infrastructural aid initiatives. Thus, it seems that the issue of management of cultural institutions in BiH is ignored both by the internal and external actors and/or donors.

<sup>8</sup> BiH Council of Ministers, Ministry of Civil Affairs. (2008). Cultural Policy Strategy for BiH

But, to which degree does the lack of skills and training among managers in the cultural sector contribute to institutional unsustainability in PAI BiH? What managerial philosophies of development can be best applied by PAI BiH, depending on their specific contexts? What solutions and instruments can be used by PAI BiH to ensure for an effective, long-term and skill-oriented management? What role can (do) local and national governments play in ensuring quality and sustainability in cultural sector management? What role can educational institutions play in assuring quality management in public cultural institutions? Lastly, is anyone concerned with these issues other than the institutions that are directly influenced by them?

This study will attempt to shed light on the internal issues of managing professional performing arts institutions, which often represent an ignored side of the cultural policy reality in BiH. Moreover, this paper aims at attracting the attention of policymakers in the field of culture (more specifically, the performing-arts sector) to a specific problem in all PAI in BiH – lack of managerial skills — which, consequently, results in constant financial problems, as well as low visibility, lack of innovation, dynamic audiences and diverse programs based on cultural heritage and cultural pluralism. Thus, this paper targets policy advisers in entity and cantonal ministries of culture with the aim of preparing the responsible individuals for providing a better administrative and legal framework for the implementation of programs that target management of arts institutions, as well as key donors (EU, UNESCO). The latter could act as proactive leaders in supporting the educational activities and programs for current arts managers, as well as key "importers" of best practice techniques and models which are suitable for application in BiH. Since the realization of any of these programs depends on the *application* of good management, the underlying thesis of this work argues that *long-term sustainability of PAI BiH rests on sound and professional cultural management*.

Therefore, this paper intends to recommend a set of applicable solutions for an underlying redesign of the existing management practices in PAI BiH. The recommendations suggested in this study will help draw the attention of PAI managers, educators and government officials working on the issues of culture to the seriousness of problems which arise due to poor management techniques that endanger institutional sustainability of PAI in BiH.

#### 1.2. Selection of Cases

In order to effectively test the hypothesis, this study focused on analyzing the current situation in five professional PAI in BiH: the Sarajevo National Theatre (NPS), Bosnian National Theatre Zenica (BNP), the National Theatre of Republic of Srpska (NPRS), the Sarajevo Philharmonic Orchestra (SAPH) and Banja Luka Philharmonic Orchestra. This choice is justified by the fact that NPS is the only PAI BiH that includes drama, opera and ballet. The NPRS is the only national theatre in RS, while SAPH and Banja Luka Philharmonic Orchestra are the only professional orchestras of this level in BiH. Lastly, BNP Zenica is an interesting case to consider, since this is the only PAI BiH whose director has a degree in cultural management. BNP will be analyzed as a separate case that serves as a good practice model, since this institution has been rapidly improving in terms of its overall performance and sustainability. In addition, these institutions are the largest PAI in BiH, realizing the highest number of projects and attracting all audience categories.<sup>9</sup>

#### 1.3. Research Design

Capacity building is a relatively new term in theory and practice of management. Inevitably, capacity building in public institutions entails institutional management, and thus it can be applied to public cultural institutions (in this case, PAI). To measure the level of development of modern cultural institutions signifies a thorough analysis and observation of a number of different indicators which are used to measure good management practices. However, in order to analyze the existing management systems in PAI BiH, we have to take into account the specific situation in BiH when it comes to the following situational variables — *politization of culture* and *the inherited system of management*, where cultural management is not viewed as a profession. This research will concentrate on three basic factors (models) of successful cultural management<sup>10</sup>:

9 BiH Agency of Statistics, 2012.

- The existence of organizational culture (PAI as tokens of traditional heritage, and promoters of cultural pluralism)
- 2. Leadership (professional cultural managers lead the institution, the institution is based on esthetic, conceptual and organizational features)
- 3. Inside and outside image and identity (factors whose change can significantly alter the role and position of a performing-arts institution).

In line with the above mentioned factors, the primary hypothesis proposed for this research argues that *long-term sustainability of PAI BiH rests on sound and professional cultural management*. In order to support the general hypothesis, three sub-hypothesis which rest on the three principles outlined above will be used:

**SH1**: The existing organizational culture in PAI BiH is inadequate for their long-term sustainability based on cultural pluralism and tradition.

**SH2**: Managers of PAI BiH do not have the effective means of ensuring long-term sustainability of their respective institutions (e.g. by creating new trends, developing an audience pyramid as to increase sales and revenue, participating in macro-regional and international collaborative projects, etc.). This is due to managers' lack of knowledge and competences when it comes to managing arts institutions.

<sup>10</sup> Dragojević, S. and Dragičević-Šešić M. (2008). <u>Menadžment umjetnosti u turbulentnim vremenima</u>. Naklada Jesenski i Turk, Zagreb., p. 186. **SH3**: The existing image of PAI BiH is negative due to weak promotional efforts and investment in image branding on part of the management, notably outside of institutions' home centers.

The indicators of the three factors of successful cultural management used for the purposes of this study (see Appendix 5) represent the most widely used set of parameters outlined by the leading regional scholars in this field. These indicators were also used by nine leading PAI in the region in measuring their organizational culture and the level of success of their management<sup>11</sup>. All the parameters are interconnected and show the relationship between the above outlined factors of successful management.

<sup>11</sup> Ibid, p. 172-173.

Qualitative data analysis has been used a primary research tool, including interviews with top management representatives of the above listed institutions. This was done in order to get a first-hand account about the state-of-art in these institutions. The initial interviews with the representatives of top management and several focus groups with employees, revealed some significant opinion gaps. Prior to these interviews, a focus group with several employees of three PAI in FBiH was conducted for the purposes of gathering inside information about the most significant issues of each institution and the problems that arise due to management decisions. After noting several major deviations in opinion, a survey among the employees of the participating institutions was conducted in order to gain additional perspectives and decide on the ranking and usefulness of the previously established indicators. As expected, new indicators emerged as a result of this process. The sample was relatively large, with 80 responses across the participating institutions.

In addition, a literature review was conducted in order to provide a deep insight into different aspects of cultural management in transition countries.

### 2. Managing Professional Performing-Arts Institutions in Bosnia and Herzegovina: Are We Asking Too Much?

New knowledge and arts management techniques are considered the main catalysts for development and realization of artistically advanced programs, but also individual artistic and producer careers. However, both of these factors are crucial for institutional sustainability. Unlike in BiH, most European Union countries (and, to an extent, also countries from the region,) dwell on the fact that cultural institutions, including the performing arts ones, are just partially influenced by outside forces; instead, it is their internal management which is responsible for adequately responding to the outside challenges and changes. In this context, cultural institutions represent desirable participants in the process of socio-political shifts that occur within a given state<sup>13</sup>. In the specific context of BiH, this concept is perhaps, best applicable to the performing-arts institutions, since this sector has already initiated some pioneer activities which mirror the above logic.

#### 2.1. What are the Performing-Arts?

Performing arts are all art forms in which artists use their body and voice to demonstrate artistic expression. Thus, performing arts include orchestral music, dance, opera and theatre, referred to also as "high arts" 14. It is essential to note that this study will refer only to "high arts", but not with the aim of undermining "popular" 15 and "folk" arts, which are contrasting in

<sup>13</sup> Ihid n 25

<sup>&</sup>lt;sup>14</sup> It is important to differentiate between these "high arts" and "popular arts", which are performing arts in character, but might include other non-live art forms of mass media, such as CDs and other recordings, radio, television and the Internet. Source: McCarthy, Brooks, Lowell, Zakaras. (2001). The Performing Arts in a New Era. RAND., p. 5-6.

<sup>&</sup>lt;sup>15</sup> Popular arts include such art forms as rock and roll music and musicals, and attract large audiences. The folk arts range from traditional folk songs and dances, and are considered the traditional arts and culture of different ethnic communities. Both popular and folk performing arts are produced by amateur artists, which are not professional in nature and are almost never government funded. Source: Ibid, p. 6

the way they are produced and distributed. But how can such a vast network of interrelated activities be described? In order to grasp this complex, multidimensional system, one has to realize that the performing arts consist of multiple disciplines, each of which has a distinct mode of production and performance. Yet another essential dimension of the performing arts sector are the performers (artists), arts organizations (institutions) and audiences. The complexity of this field is best illustrated in Figure 1.

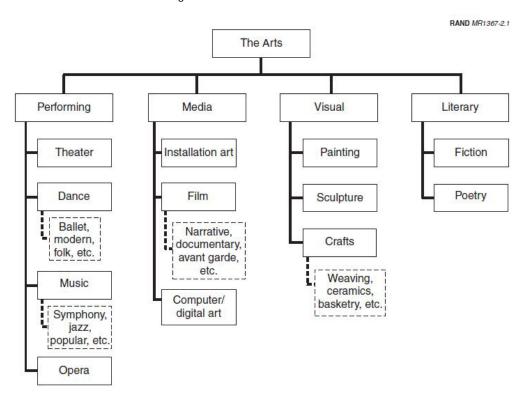


Figure 1.
Classification of the art
forms<sup>16</sup>

As exemplified in Figure 1, art forms can be classified into four main categories: the performing arts, the media arts, the visual arts and the literary arts. Each of these art forms can be further divided, but this scheme is not finite as it does not attempt to list all possible subdisciplines, but rather portray the existing art forms for the purposes of better understanding the subjects and forms examined in this study. In turn, this study will examine the professional *performing arts* institutions, which include theater arts (drama) dance (ballet), opera and orchestras (classical music), in the specific context of BiH.

#### 2.2. Who are the Actors? From Political to Professional Arts Institutions

#### 2.2.1. Who is Responsible for Professional PAI in BiH?

With a long tradition in the performing-arts, notably drama, BiH is a country in which even small urban centers have a small theater or a cultural center where different performing arts forms are represented. However, this rich cultural scene is dominated by amateur groups, which are unpaid for their work (on voluntary basis), and consequently are not government funded. Currently, there are nine professional theaters (including children theaters) and two professional orchestras in BiH<sup>17</sup>. Out of nine theatres, only one<sup>18</sup> has an opera and a ballet. However, the essential question when it comes to "responsibility" and "funding" of professional PAI in BiH is the following: "What competences and powers do government institutions on all levels

McCarthy, Brooks, Lowell, Zakaras. (2001). <u>The Performing Arts in a New Era.</u> RAND., p. 7

<sup>&</sup>lt;sup>17</sup> Agency for Statistics BiH, Culture and Art,

<sup>18</sup> Sarajevo National Theater.

exercise? What kind of resources do they have do adequately implement and monitor the professional performing-arts scene in BiH? In order to answer the following questions, a brief overview of the current situation in terms of the relationship between public authorities on all levels and cultural institutions (including PAI) is provided.

Cultural Councils (4 in RS and 3 on the cantonal levels in FBiH)<sup>19</sup> exist on the executive level, but act as an advisory body to the ministry which is responsible for culture (different in each canton in FBiH and each local level in RS) and local/city assemblies. Each Cultural Council has five to ten members, where 2/3 of the members come from the assembly and 1/3 are cultural experts. The main competences of these local level institutions are: determining the contents and guidelines for cultural programs creation, developing cultural programs, overview and evaluation of their implementation, creating initiatives for change, giving opinion on potential legislative changes, etc. What is important to mention is these cultural centers do not exist either on entity or on state level.

When it comes to entity and cantonal ministries responsible for culture, as well as municipalities (if they are the principal founders of a cultural institution), their main competences include managing and organizing cultural activities through the existing cultural institutions. However, the main role of these institutions is funding of individual programs and projects in the cultural domain. Considering BiH's constitutional set-up and its territorial division into two entities (FBiH and RS, and further into 10 cantons within FBiH, as well as Brčko District), the competences of two entity ministries responsible for culture cannot be compared. On the other hand, RS is currently working on the decentralization of the cultural sector, where the responsibilities will be generated to lower, or better municipal levels.

Lastly, when it comes to the state level, it is the Ministry of Civil Affairs that regulates cultural issues (its Department for Sciences and Culture). The department has a coordinating role in terms of its relations to both entities and Brčko District, while its main mandate is concerned with the preparation of a state strategy for culture. However, this mandate does not have the adequate administrative support (only 6 employees)<sup>20</sup>, nor does it have sufficient financial resources and mechanisms for its implementation.

It is obvious that BiH's complicated political structure does not circumnavigate even the professional performing arts sector. The latter is heavily dependent on government funding, and thus caught up in between outside factors which are difficult to influence (political instability, recession), and an internal need to adequately respond to these changes, sustain their institutional balance and prestige and actively participate in the process of change. Having considered the relations that exist between all government levels in the cultural domain, but in order to understand who is responsible for PAI in BiH in terms of financing, we also have to observe all government levels in BiH, starting from local and/or entity governments.

Although the Federation of Bosnia and Herzegovina (FBiH) has a Ministry of Culture and Sports, the real power lies with the 10 cantons (cantonal ministries of culture and sports), which provide funding for these institutions on cantonal level. The work of PAI is regulated by cantonal *Laws on Theatre Arts*<sup>21</sup>. Cantons, municipalities or cities establish PAI, and provide funding on annual basis. Each PAI has a board of directors (governing body), a supervisory board (control), a director (executive), and an arts committee (advisory body to the director). The director is nominated for a period of four years by the board of directors, pending the agreement from the

<sup>&</sup>lt;sup>19</sup> Cultural Councils in RS exist in Foča, Višegrad, Trebinje and Banja Luka. Cultural Councils in FBiH exist in Zenica (Zenica-Doboj Canton), Unsko-Sanski Canton and Tuzla Canton (but it is not in function). Source: MDG Achievement Fund. (2010). Nacrt: Gap analiza administrativnih podataka iz oblasti kulturne politike u Bosni i Hercegovini, p. 15.

<sup>&</sup>lt;sup>20</sup> Ibid, p. 15

<sup>&</sup>lt;sup>21</sup> Although called "Law on Theatre Arts", Article 15 of the Law states that it includes philharmonic and symphony orchestras, concert agencies and other professional ensembles and music groups. Special amendments of the law regulate the work of private theaters, which are not included in this study. (Source: Službene novine Kantona Sarajevo no. 14/00).

<sup>22</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. 20 founder. The FBiH Ministry has little power when it comes to budgeting. Within RS, there is a central Ministry of Education and Culture, with little power for the 62 local authorities<sup>22</sup>. This Ministry funds PAI that are located in RS. The work of PAI is regulated by the entity Law on Theatre Arts, but the text of the document is the same as in FBiH<sup>23</sup>. There is also a state level institution, the Ministry of Civil Affairs, which jointly covers sciences and culture. PAI BiH are not funded by this body, but can participate in its international projects<sup>24</sup>.

Although, this relationship might initially seem confusing, the problem is not in the complexity, but in a series of administrative problems that this structure creates for PAI in BiH:

- Practically, the state level government has no competences over PAI BiH. The fact that
  PAI can participate in its international projects, and that culture is just one of the many
  sectors that the Ministry of Civil Affairs deals with, illustrates the incapability of the state
  when it comes to implementing a cultural strategy which was by the respective ministry.
  This strategy is not applied, although it does exist on paper;
- The only competences over PAI BiH lie in the hands of FBiH's ten cantons and entity government in the RS. Each canton has its own *Law on Theatre Arts* (although five cantons have never issued it in their official bulletin, which practically means that the law cannot be put in practice);
- Neither cantonal level governments in FBiH and nor the RS government have local cultural development strategies;
- Competences related to hiring PAI management lie in the hands of responsible cantonal and entity authorities. There are no strict employment criteria and formal education in arts management is not required. It is not unusual that top management positions in PAI are filled by artists who are politically affiliated to one of the ruling parties.

### 2.2.2 Professional Performing-Arts Sector in BiH: Assessing the History, Comparing the Reality

In most emerging democracies, but notably so in post-conflict societies, culture tends to be viewed as the "thing of the past", thus relating only to perseverance of 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 by 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 only 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. The main focus was on tradition (folklore) and various forms of high-arts. One of the main means to achieve the pre-planned cultural activities was by creating "cultural centers" across the

<sup>&</sup>lt;sup>23</sup> Službeni glasnik Republike Srpske no. 25/02.

<sup>&</sup>lt;sup>24</sup> Ministry of Civil Affairs BiH. www.mcp. gov.ba

country (that is why there are still numerous, hardly active cultural centers across BiH). Additionally, cultural workers were employed by the state and guaranteed life-long contracts, while their official positions depended on 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. Thus, little attention is given to their work on re-assessing the role and purpose of their own cultural activity. As Landry points out:

"A crucial question to assess honestly is how many of Bosnia Herzegovina's current culturalproblems are to do with war and how many of them with broader world-wide cultural shifts that BiH would have had to deal with in any case. Within this the role, function and purposes of major cultural institutions must be rethought from scratch to make them fit for 21st century purposes. Otherwise they will lurch from crisis to crisis given that they eat up the bulk of the country's cultural budget."<sup>27</sup>

This state-wide illness cannot be so easily overcome, and the underlying query is indeed the following: how fit are BiH's PAI for 21<sup>st</sup> century market-oriented arts? In order to illustrate the current state-of-affairs in BiH's cultural reality, with a specific focus on performing-arts institutions, this study will offer a brief comparative analysis<sup>28</sup> which will hopefully answer the above question.

The analysis considered three main principles of arts management based on cultural functionalism, including institutional sustainability, public image and institutional promotion, and finally the level of organizational culture based on cultural heritage and tradition. Within each of the observed criteria, several indicators were considered in order to adequately analyze the progress assessment:

#### 1. Institutional stability included:

- Types of employment criteria and standards in hiring new employees;
- Frequency of employee auditions to assure continuous competitiveness and quality;
- · Yearly collaborations with PAI from BiH, the region and other countries;
- Performances for wider audiences;
- Number of projects realized according to the method of "rightsizing"<sup>29</sup>;
- Number of acting/singing/dance workshops organized for arts students;
- Manager's opinion on "what is a solution for arts management based on skills?

#### 2. Public image and institutional promotion included:

The existence of a position of public relations officer; Number of public engagement projects (humanitarian actions, social inclusion, etc.); Types of promotional activities

#### 3. Organizational culture based on cultural heritage and tradition included:

- Projects based on works of authors who preserve cultural heritage and tradition
- Works of authors from national minorities
- Works of authors from another entity
- Guest performances from/to PAI from another entity

<sup>25</sup> Ibid, p. 16

<sup>78</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

<sup>27</sup> Ibid, p. 31-32.

<sup>28</sup> The analysis will only compare the five case studies, and not all nine professional PAI in BiH. It is believed that these five institutions are a representative sample for the reasons outlined in section 1.2.

<sup>&</sup>lt;sup>29</sup> Program focus is on performances and programs that can be realized effectively and efficiently with the available human resources. The attention is also on program excellence and competitiveness.

#### **Case Study 1. Sarajevo National Theatre (NPS)**

CRITERIA	PROGRESS ASSESSMENT	EVIDENCE30	
MANAGEMENT STRATEGIES USED TO ENSURE INSTITUTIONAL STABILITY	Employment criteria include: formal degrees required for a specific position and entry auditions (artists only). Management staff is not formally and legally required to have some type of degree in management. Artistic staff are chosen on the basis of their degree (except the opera chorus, where formal musical degree is not required, but is preferred), and entry audition.  Auditions are required for employment of artists. No auditions after employment.  Collaborations with other PAI from BiH are on a good level. Collaboration with PAI from the region is inadequate. When it comes to guest performances to NPS, they are extremely unsatisfactory.  Considering the nature of the institution (drama, opera, ballet) performances for wider audiences are adequate. However, if compared to similar institutions from the region, it can be said that the number of these performances is significantly low.  Only drama projects are realized according to the method of rightsizing, but not all. Guest performers are needed in all ballet and opera projects.	100% of interviews within the focus group confirmed the practices concerning employment standards and auditions.  In the last year, there were 16 (+2 joint concerts-cooperation between opera and SAPH) guest performances of NPS across BiH. In the last two years, there were only 5 guest performances in the region (2 in Croatia, 1 in Serbia, 1 in Montenegro and 1 in Albania). There was only one guest performance in NPS (BNP Zenica), and two from the region (national theatres from Osijek, Croatia and Ljubljana, Slovenia). Drama had the most guest performances (15), opera had two, and ballet had none.  Performances for wider audiences are adequate, and usually include drama projects, followed by opera. Classics, children and youth programs, as well as a small number of avant-garde projects (mostly ballet and opera, but also some drama) exist. The number of regular performances on the repertoire remains low in comparison to the national theaters from the region (NPS has only 15 different performances per year, while Zagreb and	
	No workshops/internships for students are organized by NPS.  The management believes that a solution for arts management based on skills lies in: more government support for buying technical equipment, marketing, help in getting visas or other type of logistical support from the government (regarding guest performances), more collaboration and more frequent guest performances (of NPS), education, opening up new work places.	Belgrade national theatres have at least 25-30).  The management confirmed that there are no workshops organized for young artists by NPS.  Management ranked the criteria for the evaluation as follows:  1. Image and identity 2. Cultural heritage 3. Professional management	
IMAGE QUALITY AND LEVEL OF INSTITUTIONAL PROMOTION	The institution does not have a PR officer, but a marketing/propaganda department, which covers this function.  Public engagement projects are extremely rare. The institution rents its auditorium for humanitarian action projects/programs for the price of 10.000 KM per event.  Promotional activities are satisfactory and improving. They include: new promotional video, new and more user-friendly website launched in 2012, credit card format discount cards (first institution in FBiH to introduce this practice), social networks pages (Facebook, Twitter), YouTube presentations, monthly programs advertised in trams and trolley buses (new), monthly programs are sent to schools depending on the type of program on the repertoire for the current month. Could be considered a good practice example, although improvements are needed in website design, as it is not very informative. There is no English version of the website.	The absence of a PR officer limits institution's wider presence, notably during times of premiers and other important projects (during high visibility periods).  Only one humanitarian action in the past year.  Despite visible progress, the number of yearly visits remains low, notably for ballet and opera performances. Out of 93 inhouse performances in 2011/2012 season, there were 25,000 visitors, and considering that the theatre is closed in July and August, that is only 270 visitors per show (an average of slightly more than 50% of the seating capacity).	
ORGANIZATIONAL CULTURE BASED ON CULTURAL HERITAGE AND TRADITION	Projects based on works of authors who preserve cultural heritage and tradition form a regular part of NPS's repertoire.  There are no projects based on works from the authors from another entity. The same is true for works representing the tradition of national minorities.  Guest performances from/to PAI from another entity are very rare.	In the last year, five new projects according to the works of authors from ex-Yugoslavia were completed and carried out.  Neither the yearly report show traces of this, nor any former evidence are present in the after war period.  In the past year, only one guest performance by NPS drama was held in Banja Luka (Petar Kocic Festival). In March of 2013, first opera guest performance in 28 years took place in NPRS Banja Luka. Another opera performance in NPRS BL is planned for June 2013.	

<sup>30</sup> Statistical data retrieved from: National Theatre Sarajevo. (2013). Annual Business Report, Public Institution National Theatre Sarajevo, Season 2011/2012. Sarajevo. Additional information was obtained from the interview with Mr. Dario Vucic, director of NPS.

#### Case Study 2. Sarajevo Philharmonic Orchestra (SAPH)

CRITERIA	PROGRESS ASSESSMENT	EVIDENCE31	
	Employment criteria include: formal degrees required for a specific position, entry auditions (artists only) and annual auditions for all artistic staff. Management staff is not formally and legally required to have some type of degree in management. Artistic staff is chosen on the basis of their degree, an entry audition and previous orchestral experience.	Employment and audition practices were confirmed by management when asked directly. Also confirmed during short interviews with some members of the orchestra.	
	Auditions are required for employment of artists. Quality is assured through annual auditions.		
MANAGEMENT STRATEGIES USED TO ENSURE INSTITUTIONAL STABILITY	Collaborations with other PAI from BiH are inadequate. Adequate collaboration exists only with NPS Sarajevo (ballet and opera), since SAPH is required to play 2 monthly performances for both. It is essential to note that SAPH does not have its own premises, but uses the NPS building, so this kind of cooperation is natural. However, SAPH collaborates with the following cultural institutions: Sarajevo Museums, various institutions and persons from the film industry, Sarajevska Zima Festival, MESS festival, Sarajevo Art, etc. since it is hard to find an auditorium in BiH which can support 60-70 musicians on stage, guest performances are rare. When it comes to guest performances by artists from the region or abroad, they are extremely satisfactory and can be considered a good practice for other PAI.	In the last year, there were 4 (+2 joint concerts-cooperation between opera and SAPH) guest performances of SAPH across BiH. There were 3 guest performances in the region/EU (1 in Tirana, 1 in Croatia and 1 in Italy).	
	Considering the nature of the institution, performances for wider audiences are adequate. Last year, SAPH held 25 concerts. SAPH also plays all ballet and opera productions of NPS, has a traditional new year's eve concert, traditionally opens a Sarajevo based festival "Baščaršijske noći", they also have a religious concert on annual basis, usually during Ramadan season. If compared to similar institutions from the region, it can be said that the number of these performances is low, but considering that they do not have their own building, the situation is considered stable. The orchestra has its smaller sections which perform independently, but are represented as a section of SAPH. This is considered good practice, as it increases publicity, but also allows for single guest performances in smaller cities where there is no adequate space for the entire orchestra. This practice could be adopted by opera chorus and ballet of NPS.	Performances for wider audiences are adequate, and usually include classical composers, followed by children programs. The number of these performances remains low in comparison to the philharmonics from the region (SAPH has only 2-3 performances per month, while Zagreb has 6-7). It should be considered that SAPH does not have its own building, which is a significant handicap to the institution.	
	None of the projects are organized according to the method of "rightsizing", because certain categories of musicians (winds and brass) are scarce in BiH. For this reason, SAPH currently has 5 guest musicians from United States, all young graduates who are interns in SAPH, but excellent musicians in search of practical orchestral experience. In this segment, SAPH collaborates with the Academy of Arts and Sciences of BiH on this project. This is a very efficient program, and it is considered a good practice as it is beneficial both to young artists and the orchestra itself.	Management confirmed this when asked directly. The reasons for this are: lack of higher education programs for certain instrument categories, no cadre in specific instrument categories, no financial resources to employ new cadre (BH nationals), thus having to rely on cheaper and collaboration based exchange programs with other countries.	
	Students of the Music Academy of Sarajevo are allowed to apply for SAPH projects and perform with them on a regular basis. Internship opportunities also exist and have been a common practice. Generations of former interns are now members of the orchestra.	Interviews with young artists confirmed internship practices, and identified it as a long-term and very successful practice, which allows outstanding young artists to become a part of a professional philharmonic orchestra.	
	The management believes that a solution for arts management based on skills lies in: more aggressive forms of fundraising, extensive collaboration with other cultural institutions, marketing, professional management which works in collaboration with artistic directors — more team work, and teamwork oriented organization, investment in new cadre, youth and children oriented programs which, in the long-run will create a wider audience for classical music.	Management ranked the criteria for the evaluation as follows:     Professional management     Stable organizational culture and preserving cultural heritage     Image and identity	

<sup>&</sup>lt;sup>31</sup> 2012 Report sent by SAPH management for the purposes of this study, in a form of a questionnaire made by the author of the study. Additional information obtained from the interview with Ms. Samra Gulamović, director of SAPH.

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The institution does not have a PR officer, but a marketing/propaganda department, which covers this function.  Public engagement projects are on a satisfactory level (notably when it comes to cooperation with other cultural institutions, and not necessarily PAI). Humanitarian concerts for children with special needs are held on a regular basis. School visits are frequent and target the young generation with the purpose of promoting classical music among the younger generations.  Promotional activities are inadequate. They include: a website, social networks pages (Facebook), collaborations with the University of Sarajevo (UNSA) and three companies which are offered discounted tickets, bill-boards and street posters (most often). Promotional materials are not published and do not exist. The website is very informative and user-friendly. English version is available.		The absence of a PR officer limits institution's wider presence, notably during times of premiers and other important projects (during high visibility periods).  Management confirmed this when asked directly. Official data shows only one humanitarian concert last year.  Data on yearly visits is still in preparation. Management claims that visits have increased, especially among younger generations. Each month 50 free tickets are given to UNSA, so that interested students can attend free concerts.	
ORGANIZATIONAL CULTURE BASED ON CULTURAL HERITAGE AND TRADITION	Projects based on works of authors who preserve cultural heritage and tradition are rare.  There are no projects based on works from the authors from another entity. The same is true for works representing the tradition of national minorities.  Guest performances from/to PAI from another entity are very rare.	Only two such projects were realized last year, but both in collaboration with NPS Opera.  Neither the report sent by SAPH nor any former evidence show traces of this in the after war period.  No guest performances were held in another entity. Management confirmed that an official proposal for a SAPH concert in Banja Luka was sent, but no confirmation was returned.	

#### **Case Study 3. Bosnian National Theatre Zenica (BNP)**

CRITERIA	PROGRESS ASSESSMENT	EVIDENCE32	
MANAGEMENT STRATEGIES USED TO ENSURE INSTITUTIONAL STABILITY	Employment criteria include: formal degrees required for a specific position and entry auditions (artists only). Management staff is not formally and legally required to have some type of degree in management. BNP is the only professional PAI in BiH with a manager who has a formal degree in management in addition to an arts degree. Thus, this is considered as the best practice model.  No data on the frequency of auditions.  Collaborations with other PAI from BiH are on an excellent level. PAI with similar organizational structure were detected across BiH and collaboration with them is also on an excellent level. BNP collaboration with PAI from the region is also excellent. When it comes to guest performances to BNP, they are extremely unsatisfactory. Looking at the evidence, BNP is certainly a leader in this regard and is a best practice model.  Considering the nature of the institution (only drama, popular music concerts, etc.) performances for wider audiences are on an excellent level.  Almost all projects are realized according to the method of rightsizing.  Cooperation protocol with the University of Zenica, Faculty of Philosophy was signed in terms of offering workshops for interested students, notably as part of DOLS scene. Drama students present their work on regular basis.  The management believes that a solution for arts management based on skills lies in: better management of existing funds, inside initiatives for additional revenue, collaboration with other national, regional and international PAI, but also other cultural institutions, marketing and promotion, focus on youth and children, building constant good institutional mage, abandoning old management practices and becoming market oriented, continuous work on program quality, forming a centre of excellence and becoming a leading institution in a specific domain, regionally relevant projects and performances, staffing –changing employment	Practices concerning employment standards confirmed by the director of BNP Zenica.  In the last two years, guest performances increased by 200%. There were 5 guest performances in the region (3 in Slovenia and 2 in Serbia). There was also a guest performance in Trieste, Italy. There is an on-going coordination activity for a 2013 performance in Austria. When it comes to collaborations with PAI from the region, there is an ongoing project with Heartefact Fond and Bitef Theater from Belgrade. Excellent cooperation is also established with an independent arts institution from Sarajevo, the East West Centre. Guest performances regularly take places across BiH, as BNP is the main and licensed BH coordinator and organizer of an international theatre project "Noć teatra" (Theatre Night). BNP is also IETM member (International Network for Professional Performing-Arts).  In 2012, there were 11 premiers, which is more than NPS. This is a significant comparison considering the size of NPS Sarajevo and the diversity of programs offered. Special focus is on children programs. BNP has a special section for youth, children and puppet theatre scene called DOLS. Currently, there are 13 shows offered as part of DOLS in addition to the regular repertoire.  Confirmed by management.  The first workshop was held in December of 2012, and included 20 participating students. Student performances are held on annual basis.  Management ranked the criteria for the evaluation as follows:  1. Professional management  2. Image and identity  3. Cultural heritage  4. Staffing (as an additional criteria)	
IMAGE QUALITY AND LEVEL OF INSTITUTIONAL PROMOTION	standards for all publically funded PAI  The institution unofficially has a PR officer, but pending a re-systematization process within the institution, this position is planned. New positions will be opened for web designers and e-marketing, in order to increase institutional promotion.  Public engagement projects are frequent, and mostly include social inclusion programs for children with special needs and poorer audience (free shows). Performances for humanitarian purposes are done occa-	The absence of a PR officer in this case does not limit institution's wider presence, notably if looking at the above presented evidence.  5 such programs were realized in 2011/2012.	
	sionally.  Promotional activities are excellent. They include: a user-friendly web-page, membership cards, social networks pages (Facebook, Twitter), YouTube presentations, different types of advertisement in the media. However, no English-language version of the website is available.	Extremely user-friendly and informative website with external links. Yearly visits amount to almost 100% audience for each performance.	
	BNP has its own publishing section, and as part of that regularly publishes a cultural dialogue magazine and culture-related essays. This is a best practice, as it obviously raises the level of institutional promotion on a local, but notably regional level.	Magazine called "Zeničke sveske" is considered as one of the most interesting and productive cultural magazines in the region, as noted by regional experts.	

 $<sup>\</sup>overline{^{32}}$  Interview with Mr. Hazim Begagić, director of BNP Zenica.

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### ORGANIZATIONAL CULTURE BASED ON CULTURAL HERITAGE AND TRADITION

Projects based on works of authors who preserve cultural heritage and tradition form a regular part of BNPs repertoire.

No data on projects based on works from the authors from another entity. The same is true for works representing the tradition of national minorities.

Guest performances from/to PAI from another entity are excellent.

Currently, there are 15 performances for both children and adults that target this criteria. In 2012, 7 such projects were realized

Guest performances from other professional and non professional PAI from/to another entity occur almost on a monthly basis, notably during "Noć teatra" projects.

#### Case Study 4. National Theatre of Republic of Srpska (NPRS), Banja Luka

CRITERIA	PROGRESS ASSESSMENT	EVIDENCE33	
	Employment criteria include: formal degrees required for a specific position and auditions (artists only) before each new project. Management staff is not formally and legally required to have some type of degree in management.  Auditions are frequent for all artistic staff (actors) and are conducted before each new project is staged. This can be considered best practice for all other similar PAI.	Practices concerning employment standards confirmed by the director of NPRS Banja Luka.	
MANAGEMENT STRATEGIES USED TO ENSURE INSTITUTIONAL STABILITY	Collaborations with other PAI from BiH are on an excellent level. However, the activities demonstrate a focus on collaborations with PAI from RS. NPRS also has good collaboration with PAI from the region, notably from Serbia. When it comes to guest performances to NPRS, they are on a satisfactory level. NPRS closely collaborates with the following institutions: Banja Luka College, Cultural Centre Banski Dvor — Banja Luka, Children's Theatre of Republic of Srpska, Museum of the Republic of Srpska, Contemporary Arts Museum of the Republic of Srpska, E-Culture Portal of the Republic of Srpska, National and University Library of RS, Cultural Institute for the Protection of Cultural, Historical and Natural Heritage of RS.	In the last two years, guest performances increased. NPRS has regional offices in 5 towns across Republic of Srpska. The ultimate goal is to establish a regional theatre network in Republic of Srpska. Guest performances in the region are not very frequent (only 2 performances in Serbia). There is an on-going coordination activity for a 2013 performance in Austria. When it comes to collaborations with PAI from the region, there are ongoing projects with "Noć teatra", in which NPRS participates for three consecutive years. Guest performances regularly take places across BiH, and have included 11 guest performances across the country. There were 11 guest performances in NPRS in 2012. In 2012, there were 6 premiers, which is the same as NPS. This is a significant comparison considering the size of NPS Sarajevo and the diversity of programs offered. Special focus is on avant-garde projects, which take part on the Petar Kocic scene of NPRS.	
	Considering the nature of the institution (only drama) performances for wider audiences are on an excellent level. There is a variety of genres offered, from comedy to regional and foreign classics and avant-garde.  The majority of projects are realized according to the method of rightsizing.	Confirmed by management.	
Cooperation with Banja Luka College and University of Banja Luka exist terms of offering workshops for interested students.		In December of 2012, students from the University of Banja Luka took part in writing new, socially critical and satirical texts in a form of fairy tales for a project entitled Grimm-Revue 2012. Artistic, as well as cultural management workshops are offered to students. Most workshops are held as part of Teatar Fest.	
	The management believes that a solution for arts management based on skills lies in: collaboration with other national, regional and international PAI, but also other cultural institutions, institutional branding and institution's role in national cultural diplomacy, focus on youth audiences, building constant good institutional image and market oriented work strategy in terms of program variety.	Management ranked the criteria for the evaluation as follows:  1. Image and identity 2. Cultural heritage 3. Professional management 4. Institution branding (as an additional criteria)	
	The institution does not have a PR officer.	The absence of a PR officer in this case does not limit institution's wider presence, notably if looking at the above presented evidence. However, instituting a PR position would increase institutional visibility beyond RS and BiH.	
IMAGE QUALITY AND LEVEL OF INSTITUTIONAL PROMOTION	Public engagement projects are not very frequent.  Promotional activities are generally satisfactory, but require more publically visible advertising in order to increase visits. Website is outdated, visibly not attractive, confusing and available only in Cyrillic. No English website. These practices contradict the management's focus on "institutional branding". Other practices include: membership cards and pre-paid tickets for premiere performances. The management does not believe in audience attraction through advertisements in public places.	No data was gathered on performances of humanitarian natural Interestingly enough, yearly visits amount to almost 100% aurence for each performance. However, the seating capacity relatively small (around 200 sitting places). The audiences a mainly teenagers and youth, followed by retired persons.	

<sup>&</sup>lt;sup>33</sup> Interview with Mr. Nenad Novaković, director of NPRS Banja Luka.

<sup>34</sup> Kozarska Dubica, Laktaši, East Sarajevo, Trebinje and Doboj.

#### Policy Development Fellowship Program 2012-2013

### ORGANIZATIONAL CULTURE BASED ON CULTURAL HERITAGE AND TRADITION

Projects based on works of authors who preserve cultural heritage and tradition are not on NPRS's repertoire on a regular basis. Most works are either from foreign authors (classics, mainly Russian) or authors from Serbia

Currently, there are only 3 performances that target these criteria.

No data on projects based on works from the authors from another entity. The same is true for works representing the tradition of national minorities.

Guest performances from/to PAI from another entity are generally on a low level.

Guest performances from other professional and non professional PAI from/to another entity occur on a yearly basis. In the last year, they have included performances to/from NPS, and theaters in Mostar and Jajce.

#### Case Study 5. Banja Luka Philharmonic Orchestra, Banja Luka

CRITERIA	PROGRESS ASSESSMENT	EVIDENCE35	
	Employment criteria include: formal degrees required for a specific position and auditions (artists only) before each new project. Management staff is not formally and legally required to have some type of degree in management.  Auditions are frequent for all artistic staff (musicians) and are conducted before each new concert. These are not auditions in a general sense, but a way of "checking-up" and assuring continuous quality work. This can be considered a good practice, and could be especially useful for SAPH, and NPS Opera choir.	Practices concerning employment standards confirmed by the director of the Banja Luka Philharmonic Orchestra.	
MANAGEMENT STRATEGIES USED TO ENSURE INSTITUTIONAL STABILITY	Collaborations with other PAI from BiH are on a good level. However, the activities demonstrate a focus on collaborations with PAI from RS. The Banja Luka Philharmonics also has excellent collaboration with PAI from Serbia. When it comes to guest performances, they are satisfactory. Guest performances mainly include horn and fagot players from the Serbian National Theatre from Novi Sad and from Sarajevo. Orchestra directors from Novi Sad have also made guest appearances and residence stays. Other significant cultural exchanges have been established with PAI from Brčko, Banja Luka, Sarajevo and Novi Sad.	Novi Sad or SNS), which allows them to fill the empty musician spots. This collaboration is also a great opportunity for young musicians (which constitute the majority of the cadre of the Banja Luka Philharmonics) to perform with older and more	
	Considering the nature of the institution, performances for wider audiences are adequate. Last year, the Philharmonics held over 20 concerts. If compared to similar institutions from the region, it can be said that the number of performances is low, but considering the fact that they are the youngest professional orchestra in the Balkans and that they are not officially funded by the government, the current situation is relatively favorable. The orchestra has its smaller sections (chamber orchestra and string quartet), which perform independently, but are represented as a section of the Philharmonics. The usually perform in smaller towns, where the infrastructure for bigger orchestras is inadequate. This is considered good practice, as it increases publicity across BiH and the region.	Performances for wider audiences are adequate, and usually include classical composers. The number of these performances remains low in comparison to the philharmonics from the region, but is adequate when compared to SAPH.	
	None of projects are realized according to the method of rightsizing, due to a significant lack of wind instrument players.	Confirmed by management.	
	Cooperation with the music academies from Banja Luka and East Sara- jevo (RS) exist in terms of offering workshops for interested students and special promotions of young and talented artists.	Artistic workshops are offered to students from music academies from RS.	
	The management believes that a solution for arts management based on skills lies in: collaboration with other national, regional and international PAI, institutional branding, long and short-term strategies of development, research of audience preferences, and employee and management's enthusiasm.	Management ranked the criteria for the evaluation as follows:  1. Cultural heritage 2. Image and identity 3. Professional management	

<sup>&</sup>lt;sup>35</sup> Interview with Mr. Ivan Otasevic, director of the Banja Luka Philharmonic Orchestra.

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IMAGE QUALITY AND LEVEL OF INSTITUTIONAL PROMOTION	Public engagement projects are not very frequent.  Promotional activities are good, but require more publically visible advertising in order to increase visits. The webpsite is currently inactive and is being recreated. However, no alternative website exists. A vibrant Facebook page exists and currently covers most promotional activities in the electronic media. The management prefers adverting through visual presence (billboards, printed media, etc).	The absence of a PR officer in this case does not limit institution's wider presence, notably if looking at the above presented evidence. However, instituting a PR position would increase institutional visibility beyond RS, BiH and Serbia (notably Novi Sad).  No data was gathered on performances of humanitarian nature.  Interestingly enough, yearly visits amount to almost 100% audience for each performance. However, the seating capacity is relatively small (around 200 sitting places). The audiences are mainly older people, although a slight increase in younger (student) audiences has been noted. However, the institution does not have any official data on this.
ORGANIZATIONAL CULTURE BASED ON CULTURAL HERITAGE AND TRADITION	Projects based on works of authors who preserve cultural heritage and tradition are rare, but considering the nature of the institution and the fact that they do not work closely with any opera or ballet houses at home, this factor is irrelevant.  There are no projects based on works from the authors from another entity. The same is true for works representing the tradition of national minorities.  Guest performances from/to PAI from another entity are frequent.	Not mentioned by management.  Regular guest performances are held in another entity, including Sarajevo and Mostar, but also Brčko.

#### 2.3. Allegro, ma non troppo: What is keeping PAI BiH Behind?

The fact that PAI BiH are almost exclusively funded by cantonal governments in FBiH and entity government in RS, creates serious gaps between the managerial practices applied in PAI from different cantons and/or entities. However, besides examining the level of management effectiveness in the observed institutions, the research conducted for the purposes of this study also revealed four general trends across all the participating PAI. While almost 50% of the problems identified are connected to the effects of strict financial dependence on government funding in both entities, the bottom line result is that all issues have their roots in poor management techniques and practices. This issue is severely disregarded not just by PAI, but also by their founders and funding bodies. The following problems were identified and further observed:

#### Lack of general managerial skills

In the context of BiH, government institutions which are responsible for PAI deal jointly with sports, education and culture. This mixed structure severely obstructs full cultural development. Moreover, as a result of this political set-up, cooperation among entities in the sphere of performing-arts is low. Cooperation is mostly induced from the outside, through programs promoted by the Council of Europe (CoE), European Union (EU) and UN (UNESCO)<sup>36</sup>. In addition, PAI BiH show little willingness to participate in these programs, since project applications require certain skills which need to be applied during the application process. During the interview process, the director of one of the participating institutions told the author that the main reason for not participating in EU funded projects is "complicated bureaucracy and too much paperwork". This kind of opinion is not surprising, since PAI managers in BiH lack basic skills and knowledge in project planning and development. This is due to the fact that that most PAI managers have a professional background in the performing arts<sup>37</sup>. There is a great dose of reluctance when it comes to bureaucratically difficult projects that generate revenue. 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. This factor was ranked 2<sup>nd</sup>, only after "lack of financial resources" (70%). On the other hand, 87.5% of all examinees believe that good management practices are "very important", while 12.50 % ranked it as important. No employees considered this option as being "not important". (see Appendix 1 for a more detailed analysis). What is interesting to observe, is that managers did not see these two factors as essential, but stated that the main problem is lack of financial resources and inadequate government support for culture. This opinion is further explained in the next trend that was observed.

#### Financial mismanagement

One of the biggest problems of PAI is the chronic lack of financial resources. And while it is true that government funding of PAI is inadequate and low, the main issue lies in poor management decisions in terms of financial allocations<sup>38</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 two or three premieres each year, so the main focus is on fulfilling these legal obligations. Looking at the above illustrations (comparative analysis tables), one can notice that most institutions do the bare minimum. Through this research it was revealed that funds are often directed towards large and expensive projects which are hard to sustain even in the short-run. Only a few projects live to be performed more than a dozen times, are performed across BiH and rarely (if ever) abroad. To illustrate better,

<sup>&</sup>lt;sup>36</sup> Dragojević, S. and Dragičević-Šešić M. (2008). <u>Menadžment umjetnosti u turbulentnim vremenima</u>. Naklada Jesenski i Turk, Zagreb., p. 43

<sup>&</sup>lt;sup>37</sup> Out of six national theaters in BiH, only one manager has a degree in cultural management, in addition to his artistic degree. All other top management positions are held either by play directors (2), a conductor (1), an engineer/actor (1) and a historian (1).

<sup>&</sup>lt;sup>38</sup> Although PAI are funded by the responsible ministries, the allocation of resources lies within the institution itself.

39 Sarajevo National Theatre, www.nps.ba

<sup>40</sup> Personal communication, November 30, 2012 (members of the Sarajevo Opera, Sarajevo National Theatre). mention special costumes made for soloists. Moreover, costumes are rarely recycled, or better, reused in other performances (which means that they are used during one or two seasons the most)<sup>40</sup>. This is an important illustration, since if we look at most European PAI (notably those with significant opera and ballet productions) costs such as costumes, props, etc. are secondary, while primary expenses include special invitations to guest stars which attract large audiences and thus help in creating a positive image and identity, and provide for long-term institutional sustainability.

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

we can consider most opera and ballet projects realized by Sarajevo National Theatre, where only four premiers occur each year (two operas and two ballets)<sup>39</sup>. Despite such a low number of premiers, these new projects are extremely costly due to the fact that, for example, up to

five different sets of costumes for the choir or the accompanying dancers are made, not to

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 77.50% of PAI employees believe that it is "very important" for their institution to be a part of such project. However, most employees also believe that the "choice of the repertoire" depends on the available funds (55%), while the second reason was believed to be "manager's personal wishes" (45% – see Appendix 2). The second reason confirms the statement that although financial resources are low, financial mismanagement (including work on unsustainable and expensive projects because of manager's wishes) lies behind low number of new yearly projects and low collaborations with other PAI.

#### Lack of inventive marketing strategies

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 141.605.41 On the other hand, the number of performances grew from 619 in 2007 to 747 in 2011 which is a decrease by almost 20%<sup>42</sup>. This is worrisome, but even more troubling is the fact that this problem is related to poor marketing strategies (new productions are usually advertised at downtown tram and bus stops, exclude billboards or posters outside of narrow city centers, and are rarely placed in schools or universities, electronic media commercials advertising performing arts programs are almost inexistent or are usually shown late at night). The underlying effect of weak marketing is visible in low levels of visits (especially ballet, opera and classical music concerts), even during opening premieres<sup>43</sup>. Nevertheless, the research conducted for the purposes of this study revealed significant efforts on part of PAI managers to improve in this regard. Despite this, yearly visits remain low, as none of the institutions develop their programs in accordance to their audiences needs (none of the participating PAI have a developed audience pyramid, and none have conducted a wide-scope research on audience preferences). This takes one back to the practice of fulfilling only the program minimum, which leaves PAI with performances that are repetitive (thus resulting in lower visits with each repetition). Another problem that was noted is that no websites are translated into English, which is a problem for non-Bosnian speakers (foreigners who reside in BiH and tourists), which could constitute a big part of the audience.

#### • Lack of cooperation and cultural diversity

As mentioned previously, there is a serious lack of intra-institutional cooperation between PAI, notably on inter-entity level. This is an issue that cannot be entirely attributed to political tensions that exist in BiH (notably between entities), but are rather due to a lack of effective activity planning on part of the management. In turn, performances are often localized to one

41 Agency for Statistics BiH, Culture and Art, 2012.

42 Ibid, 2012.

<sup>&</sup>lt;sup>43</sup> Personal communication, June 12, 2012 (Sarajevo National Theatre).

city/town, while only major productions are occasionally performed outside of the original institution<sup>44</sup>. This negatively affects cultural program diversity. Another interesting observation can be mentioned in this regard; while all managers believe that the yearly number of performances is sufficient, an overwhelming majority of PAI employees (87.5%) believe that their institution does not have enough guest performances (see Appendix 3). A surprising fact was that managers believed that it is important to have guest performances in another entity, but that it is not worrying that collaborations with those PAI are rare<sup>45</sup>.

<sup>44</sup> Landry, C. (2002). *Togetherness in dif*ference: Culture at crossroads in Bosnia-Herzegovina. Council of Europe Steering Committee for Culture, Cultural Policy in Bosnia-Herzegovina: Experts Report.

#### Lack of life-long learning and training opportunities

There is a complete absence of cooperation between PAI and the educational institutions when it comes to educating and training the administrative staff of PAI (including top management, marketing personnel, human resources personnel, etc.) in areas such as cultural management, business planning, marketing strategies and budgeting. Cooperation exists only between PAI and relevant music/drama academies in the context of guest appearances of young artists and student-professional performances<sup>46</sup>. This kind of cooperation is commendable, but insufficient. However, it is worrisome that the biggest professional PAI in BiH, NPS from Sarajevo, completely disregards this practice and does not allow young artists to even intern in this institution.

<sup>45</sup> Only BNP Zenica has adequate collaborations with PAI from the other entity.

### 3. Policy Options as CATALYSTS FOR CHANGE: ImprovING the Arts Management in Professional Performing-Arts Institutions in BiH

The fact that all professional performing-arts institutions in BiH are government funded and that their current problems stem, although only partially, from their own unwillingness and/or institutional incapacity, but that the majority of issues are due to public cultural policy crisis strongly implies that there is an urgent need for new implementable strategies which would raise the level of management competences in the professional performing-arts institutions in BiH. Still, two single factors can be identified as the main culprits for the above scenario:

- An obvious public cultural policy crisis, where unprofessional cultural administration and
  management are deeply imbedded in the system. Heavy financial dependence and creation of institutional development strategies which mirror the financial situation, exclude
  liberal models of cultural politics where all government and private actors are involved.
  This creates a situation in which the entire sector (in this case the performing-arts field) is
  uncoordinated in terms of strategic direction and cultural programs offered.
- An omnipresent crisis of political institutions which are responsible for the cultural sector
  contributes to a situation in which there is no adequate impetus for strengthening the
  existing management capacities. This creates an unprofessional environment where the
  lack of professionalism hugely influences PAIs' outside image, but more importantly their
  long-term sustainability and market-oriented development.

In order to minimize the influence of the above factors, two undesirable policy options were considered — keeping the *status quo* (institutions managed solely by artists, no employment criteria for PAI managers, no training opportunities provided, life-long learning and additional education not required) and a radical change (establishing a state-level control body/agency) - and are complimented with more moderate and executable scenarios, which foresee the introduction of three balanced measures that can be incorporated into the existing system.

<sup>&</sup>lt;sup>46</sup> University of Sarajevo, Music Academy, www.mas.unsa.ba and Music Academy of the University of East Sarajevo, www.muzickaakademija.net

#### 3.1. OPTION 1 - Keeping the Status-Quo (no change in current policies)

The status quo option implies that the current situation in regards to management of professional performing-arts institutions in BiH will not be changed, and even worse, it will not be accompanied by the introduction of necessary measures in terms of adopting the model of cultural functionalism as a must for all government funded PAI. The inter-sectoral cooperation between the respective institutions and the government will continue to be based on "patron-client" relations, where the government provides funding and institutions spend it. This option dictates that cooperation between the civil society, private actors, educational institutions and PAI themselves will be kept to the minimum, thus implying no parallel inter-sectoral cooperation. Perhaps the worst implication of this option would be continuous dependence on public authorities and government funding, a scenario which results in complete apathy on the part of PAI in searching for outside financial resources (i.e. participating in EU funded projects, cultural management training opportunities, etc.). Consequently, this results in annual programming and annual financial control, both of which undermine long-term planning, future engagements and diversified audience. In other words, business is viewed as a short-term constant, while institutions remain unchanged (they fulfill their yearly program/repertoire quotas required by their funders). A factor that certainly cannot be ignored, but that is a direct consequence of the status guo option, is that managerial positions (whose expertise is traditionally unquestionable) are guaranteed by the type of diploma (some kind of university degree). This, in turn, guarantees a formal status within an organization, at least for the period elected. Furthermore, it is not unusual (in fact, it is a common practice) that the elected managers are also members of one of the political parties in power. Thus, there is a widespread opinion among artists that top-management positions in their institutions depend precisely on political party affiliation. In this constellation of events, learning as a formal prerequisite for artists who manage performing-arts institutions is completely absent. Presented through a SWOT (strengths, weaknesses, opportunities, threats) analysis, one can easily understand why this option is not a preferred one:

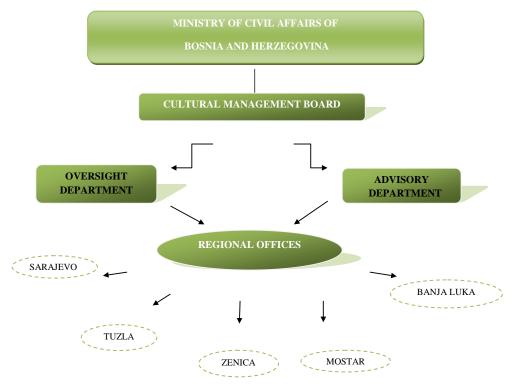
Strengths	Weaknesses
<ul> <li>No additional cost;</li> <li>Functional, top-down structure;</li> <li>Guaranteed source of financing;</li> <li>Pre-planned projects.</li> </ul>	<ul> <li>No inter-sectoral cooperation between PAI and non-state actors;</li> <li>No investment in knowledge among current PAI management cadre;</li> <li>Non-competitive management positions;</li> <li>Management positions open to all who has worked in a certain institution;</li> <li>Management positions allocated to artists with no management degree;</li> <li>No mechanisms for controlling and ensuring good management practices.</li> </ul>
Opportunities	Threats
Good interpersonal relations between PAI managers and government actors can assure for better lobbying practices and consequently more money for the institution in question.	<ul> <li>Constant low business performance levels since managers do not have adequate knowledge of different business techniques;</li> <li>Short-term planning results in a complete absence of an institutional orientation and development strategy;</li> <li>"Sunsetting" due to limited funding and dependence on funding from public authorities;</li> <li>Government/funders preferring political party membership from current/future managers.</li> </ul>



### 3.2. OPTION 2 - Establishing a State-Level Oversight and Advisory Body (The Cultural Management Board of the Ministry of Civil Affairs – radical solution)

This is a typical top-down, hierarchical state-level structure, which would function under the umbrella of the existing state-level institution which is responsible for the cultural sector — the Ministry of Civil Affairs. This option envisions the establishment of a Cultural Management Board which would have a dual role: oversight and advising. Hence, the Board would be responsible for controlling the effectiveness of management in state-funded PAI (how the money is spent, help with directing or redirecting the received funds, fulfilling program quota, etc.). Furthermore, the Board's advisory section would be in charge of assuring and providing trainings for managers under the direct supervision of the Ministry of Civil Affairs.

In the context of BiH, and respecting it current decentralized model of government where entity (RS) and cantonal institutions (FBiH) directly fund and control PAI, the Board would have its "regional" offices (e.g. as part of cantonal governments in FBiH and entity government in RS, but only cities where there are active government funded PAI). What this model implies is a centralized decision-making approach, where the Ministry would control the work of the Board and its branch offices. Despite the fact that the Board would be regulated and financed by the Ministry, it would be a quasi-independent body composed of experts in the field of culture from the Ministry of Civil Affairs. Thus, the field work would be entirely carried by the central board and its regional branches, while the Ministry would serve as a state-level oversight organ. Alternatively, the creation of the Board under the auspices of a state-level ministry would provide this institution with a more formal role in overseeing and advising state-funded PAI in BiH, since it would provide supervision and training on state level, thus allowing for more diversity and creating new paths of cooperation for all the PAI involved (see Scheme 2).



SCHEME 2: The Cultural Management

**Board of the Ministry of Civil Affairs** 

The underlying weakness of this model lies in the fact that, in order to respect a unique constitutional set-up in BiH, expert positions in the agency would still be regulated according to the principle of the so called "national key", thus undermining the advisory role of the Board. This would not be a problem if BiH had an adequate number of experts in cultural management, but the current situation implies that positions would be granted according to the above principle and that only a few people would realistically satisfy the requirements for the "cultural management expert" position. Thus, it would be hard to establish an advisory body within the Board which would provide adequate training. Yet another challenge linked to this solution includes not only establishing the formal guidelines for supervision from the central body (Ministry of Civil Affairs), but also outlining criteria for measuring the quality of training programs, and the degree to which managers would apply the new techniques to their institutions. In other words, what would be the criteria for measuring the success of the advisory and oversight bodies of the Board, since both efficiency and effectiveness would need to be measured in order to assure for good quality work and consequently all government funded PAI in BiH. Analyzed through a SWOT scheme, this option can be portrayed as follows:

Strengths	Weaknesses
<ul> <li>Hierarchical, functional structure with clear responsibility and competence areas;</li> <li>Decision-making process is top-down, easily applicable;</li> <li>Assured oversight activities over PAI;</li> <li>Assured management training programs;</li> <li>Common management activities platform for all PAI;</li> <li>Regional offices assure for quality control outside of the capital.</li> </ul>	<ul> <li>Uneven number of regional offices in FBiH (more) and RS (less);</li> <li>Growing politization of culture;</li> <li>Difficulty in establishing quality measurement criteria for the work of PAI;</li> <li>Difficulty in establishing criteria for monitoring the application of know-how in different PAI;</li> <li>Extremely high costs - establishment of a new institution.</li> </ul>
Opportunities	Threats
<ul> <li>Strong state-level body which would assure for uniform management practices criteria across BiH;</li> <li>Representing the interests of all PAI;</li> <li>More cooperation between public authorities and PAI;</li> <li>More cooperation between individual PAI;</li> <li>More educated arts management cadre;</li> <li>More control over spending of government funds in individual PAI.</li> </ul>	<ul> <li>Highly political body - would contribute to a high degree of politization of culture (notably its control aspect);</li> <li>Allocation of expert positions according to "national key" practice due to a lack of experts in arts management field;</li> <li>Struggle for power (political, top positions);</li> <li>Possibility for uncoordinated activities, notably between FBiH-RS offices;</li> <li>Unstable political climate slowing down the work of the Board (notably during post-election periods);</li> <li>Political disagreements - managing cultural issues on state level;</li> <li>Lack of financial resources for supporting the work of the Board and its regional offices.</li> </ul>

### 3.3. OPTION 3 – Mixed Model: Introduction of Regulation and Information Instruments (optimal solution)

A comparative analysis of different models of good management practices in arts institutions across South-Eastern Europe (notably BiH's neighboring countries) has revealed some interesting practices. In certain instances, both models (regulation and information instruments) were applied simultaneously, and most importantly the institutions which opted for their adoption showed significant progress in terms of improving their management practices. Moreover, practice has showed that regulation instruments in connection to specific information tools substantially contributed to improving the managerial skills of individuals operating in the public cultural sector<sup>48</sup>. Thus, the third and last option represents a mixed model consisting of two sub-models: regulation-based instruments and information-based instruments.

#### 3.3.1. Employment Standards Regulation Instruments (medium-term solution)

Formulating decisions which define specific employment standards for the managerial posts in the public cultural sector are a necessity in all professional performing-arts institutions in BiH. Such decisions would contribute to better understanding of what it means to be a manager of an arts institution (and in the cultural sector in general).

Regulation-based instruments represent a policy option in which government plays an important role. Its main purpose lies in defining specific employment standards for managerial posts in the public cultural sector and creating specific employment requirements. The advantage of this policy instrument is that it could be carried out by the government (e.g. the procedures would be outlined by ministry experts), but also within the institution (PAI) itself. The level of application of this instrument would be a subject of mutual agreement between the responsible public authority and PAI in question (whether the option would be applied strictly by public authorities or by PAI), but the adoption of the employment standards and criteria would have to be monitored on a regular basis (i.e. after managerial positions within an institution change/regular performance monitoring). Additionally, this particular option would require much closer cooperation between PAI and the responsible government institutions than it is currently the case.

However, what might be problematic in introducing this type of policy instrument is the fact that in a country in which the role of a cultural institution manager is mostly understood as a position which is best governed by artists (in BiH, unlike in the EU, culture is not viewed in economic terms, there is a prevailing opinion that culture hardly generates revenue — hence the expression "starving artist"), it would be difficult to agree on the role of the manager (simply put, what does the manager of an arts institution do?). Thus, the dilemma of artistic managerial leadership versus business management will be hard to resolve. Nevertheless, the weaknesses of this model surpass the potential benefits of its adoption, as it is visible from the SWOT analysis presented below.

<sup>&</sup>lt;sup>48</sup> Case studies presented in a research study conducted by Prof. Sanjin Dragojević and Prof. Milena Dragičević Šešić who are also the authors of the book "Arts Management in Turbulent Times. Adaptable Quality Managements", 2008.

Strengths	Weaknesses
<ul> <li>Clear employment criteria and standards for arts managers;</li> <li>Managerial positions would not be guaranteed by the type of diploma, but general managerial knowledge and competences;</li> <li>Cooperation between public authorities and PAI would not be based solely on financial control;</li> <li>Learning as a formal prerequisite for career development will become essential;</li> <li>Required formal arts management education.</li> </ul>	<ul> <li>Agreeing on the level of implementation (i.e. who implements employment criteria – PAI vs. public authorities);</li> <li>Agreeing on the employment criteria and standards;</li> <li>Required changes in legislation are time consuming.</li> </ul>
Opportunities	Threats
<ul> <li>Professional arts managers generate new ideas for institutional development and long-term sustainability (they are experts);</li> <li>Formal knowledge of management techniques allows for better methods of strategic planning, monitoring of activities and evaluation of the existing projects/cadre;</li> <li>Methods and techniques of team work within the administrative departments of PAI would be strengthened;</li> <li>Improvement of marketing methods and better market-oriented strategies (communication with the audience);</li> <li>Development of higher education degree programs and training programs;</li> <li>Close and better cooperation between PAI, public authorities and educational institutions which provide training.</li> </ul>	Difficulty in abandoning the principle of "political party ties" when hiring new arts managers in government funded PAI.

#### 3.3.2. Information-based Instruments (short-term solution)

Contrary to 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, etc. 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. On the other hand, this type of policy instrument is very effective for a younger generation of cultural managers who possess computer skills (all managers who participated in this study are in their early 30s). 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 (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.

Strengths	Weaknesses	
<ul> <li>No change in legislation;</li> <li>Low dissemination costs;</li> <li>Immediately applicable – short term solution;</li> <li>Wide range of learning resources for current and future arts managers;</li> <li>Effective for younger generations of managers;</li> <li>Training information and material is equally available to everyone;</li> <li>Information is easy accessible.</li> </ul>	<ul> <li>Possible (although slight) increase in the public cultural sector expenditures on the part of public authorities;</li> <li>Difficulty in tracing the use of available materials and training opportunities on part of professional PAI.</li> </ul>	
Opportunities	Threats	
<ul> <li>Possibility for participating in trainings is available even to administrative and mid/low management (artistic directors) staff;</li> <li>Fast and short-term positive changes (due to training) in terms of general managerial skills, better spending choices, better marketing skills;</li> <li>Opportunities for peer learning (on-line, direct observation, trainings outside of home institutions).</li> </ul>	None.	

Lastly, in order to adequately asses the feasibility and applicability of all the options, the outcome matrix (Table 1.) presented below systematically evaluates the proposed solutions in accordance to some of the basic criteria that were taken into consideration during the options development phase (financial constrains - costs, institutional capacity to deliver the options, political feasibility, legislative issues, implementation time and effectiveness).

Evaluation Criteria	OPTION 1 Keeping the status- quo	OPTION 2 Establishment of a State-Level Oversight and Advisory Body	OPTION 3a Employment Standards Regulation Instrument	OPTION 3b Information-based Instrument
Financial constrains	No change (ineffective use of finances).	Extremely high costs (significant budgetary increase).	Temporary moderate increase (for legislation change costs). No change in the long-run.	Minor increase.
Institutional capacity to deliver the option	No change.	Additional staff (cultural management experts) required.	Easy to achieve.	Easy to achieve.
Legislative issues	No change.	Substantial legislative changes.	Requires legislative changes, but feasible.	No change.
Political Feasibility	No change.	Hardly feasible.	Moderate.	Extremely feasible.
Implementation time	Indefinite.	Long-term.	Medium term.	Short-time (immediately applicable).
Effectiveness	Ineffective.	Effective, but exhaust- ing to achieve.	Extremely effective.	Effective to very effective.

**TABLE 1. Outcome Matrix** 

### 4. ON THE ROAD TO IMPROVEMENT: CONCLUSIONS AND RECOMMENDATIONS TO KEY ACTORS

When examining the level of managerial competences, and notably so in performing-arts institutions, the main focus is on institutional stability. In other words, is the institution self-sustainable, and if not, what can it do to increase its capacity. Thus, when developing a set of recommendations, one has to take into account two factors: capacity building measures, but most importantly actors who can help in this process. When considering the current situation across PAI in BiH, it is obvious that the level of institutional stability is low, and that the current level of capacity building measures is inadequate. But, in order to understand what the process of capacity building entails, it is essential to take a closer look at its main features.

#### 4.1. Capacity Building as a Key Instrument in Achieving Cultural Functionalism

Capacity building implies internal organizational capacity to adopt adequate measures in order to change itself, or better to adopt its personal mission and vision to the outside circumstances. This process usually includes a shift in development goals and priorities, which, in turn, mirror the requirements for self-sustainability which are dictated by the prevailing political and socioeconomic reality in which an institution dwells. Nevertheless, it is often the case that cultural institutions do not posses this internal capacity which stimulates constant efforts in organizational restructuring and instigate change initiatives. In order to aid them in this process, the management education practice has developed a special method (a set of know-how practices), known as *capacity increase*.<sup>49</sup> As such, capacity increase consists of the following six factors:<sup>50</sup>

- Education (multifunctional "learning by doing" or learning through own practice and mistakes, best-practice models, widely used practices from nations with stable and functional public cultural sector)
- Process of self-analysis and team analysis (investment in human resources development, where managers and other staff develop self-evaluation skills and learn to critically think about their performance and output);
- 3. Self-evaluation and organizational diagnostics (critical assessment of the institution);
- 4. Strategic environment analysis (evaluating changes in the environment political, socioeconomic) as a prerequisite for permanent institutional development and long-term sustainability;
- 5. Creation and use of organizational development instruments (such as strategic planning)
- 6. Institutional (re) positioning (within the current context).

From the above presented factors, it can easily be concluded that these processes require group efforts, and thus, in the cultural sector they include the institutions themselves (managers, administrative staff, artists, technical personnel, etc.), but also public authorities, international donors and educational institutions. Lastly, it is essential to note that the above required changes cannot be solely induced from the inside, but are often (notably in the case of BiH and its PAI) induced from the outside. Following this logic, the subsequent set of recommendations that target specific actors are proposed:

#### 4.1.2. Recommendations to Cantonal (FBiH) and Entity (RS) Authorities

Develop specific and individual education programs, which would include specialization
and training programs, internship opportunities and seminars). This would be easy to
achieve through information-based instruments, as PAI and their management would have

- <sup>49</sup> Dragojević, S. and Dragičević-Šešić M. (2008). <u>Menadžment umjetnosti u turbulentnim vremenima</u>. Naklada Jesenski i Turk, Zagreb., p. 72
- <sup>50</sup> Ibid, p. 72

an array of possibilities to improve the existing and gain additional (required) knowledge. On the other hand, establishing employment criteria (regulation instrument) would create an impetus for individual managers, notably if these criteria are developed in accordance to international common practices (recommended to look at EU practices — UK, Poland, France). It can be expected that the adoption of this recommendation would systematically bring PAI to a level in which they will have to establish "excellence potentials" on the artistic and program orientation level.

- Require expert training (diplomas, certificates) in the field of arts managers from all future candidates. This would create quality cadre who are capable of market researching, fundraising, collaborations and finding additional source of funding.
- Immediately eliminate the practice which requires PAI to return a certain sum of the allocated budget to their funders in cases in which they were able to obtain outside funding or funding from sponsors. This practice severely impedes cultural development, and is one of the main reasons behind cultural institutional failures.

#### 4.1.3. Recommendations to Performing-Arts Institutions

- Start to formalize knowledge and allow transfer of knowledge between all employees.
   This will be especially valuable when it comes to new management cadre (interns), young and talented artists and new administrative staff. In order to introduce these measures, PAI are advised to follow cultural development trends in other countries (especially good practice cases from BiH and the region), which include requiring financial diversification (to permanently eliminate strict dependence of government funding), permanent education requirements from all staff (life-long learning processes).
- Develop leadership and communication skills in order to adequately manage the existing
  human resources potential. This calls for a gradual elimination of hierarchical structures,
  and more decentralized, team-oriented work practices. These measures can include, but
  are not limited to regular meetings with the artists to discuss potential projects, progress
  reports, evaluation, auditions and other quality assurance measures.
- Introduce yearly auditions for all opera, ballet and orchestra artists. This would ensure for quality staff and allow insight into each individual's personal progress. This kind of evaluation would also increase competitiveness and long-term quality.
- Develop closer ties with PAI from the region in order to get acquainted with instruments
  of international cultural cooperation. Here, the focus is on generating revenue, image creation, widening the audience category, building reputation outside of the home centre.
- Develop strategies which are market oriented. This includes conducting a wide-scope research among a more general population, but also regular visitors with the aim of improving programs, artistic capacity and expectations, widening program options and finally creating an audience pyramid.
- Introduce a public relations officer as a mandatory position in each PAI. This will facilitate
  the practice of the previous recommendation, as well as allow for more lobbying, awareness of the legal and fiscal frameworks which allow for the development of cooperation
  activities on all levels, diversification and closer contact with the audience. Additionally,
  this will make the institution more visible and help improve its image, without significant
  costs (possibility of re-educating some of the marketing department staff).
- Organize student workshops and internships for arts students. This practice would be beneficial to both the student body and the PAI in question. PAI would benefit in the long-run, as this practice allows for discovering new talents. This is a low-cost practice, as most students would do this on voluntary basis.

#### Policy Development Fellowship Program 2012-2013

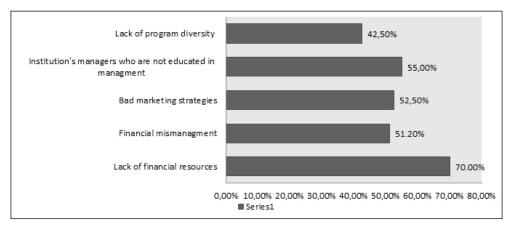
The new approach and solutions recommended in this study represent the outcome of a wide-scope research conducted across the entire territory of BiH, notably its most prominent performing-arts institutions. Considering the current situation in both PAI and public authority institutions, this set of recommendations could be (and should be) developed and applied in medium to short-term (some are immediately applicable), as they would significantly improve the current situation in terms of arts management in BiH.

Lastly, in a broader and long-term perspective, BiH's public authorities in close cooperation with all cultural institutions and artists should work on an overall reform of the public cultural sector, which primarily includes the development of a cultural strategy. The current political set-up, which is constitutionally influenced by a top-down rigid structure with weak state-level competences for the cultural sector, requires immediate changes. These changes are expected to be both arduous and long-term, but not unfeasible. The fact that there is some slight progress in this regard clearly demonstrates there is a will, but most importantly an opportunity to change.

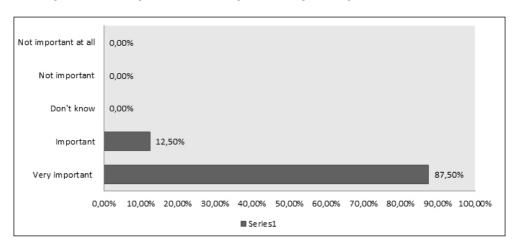


## Employee Survey Results Appendix 1. Assessing the Level of General Management Competences

#### The biggest problem in my institution is:

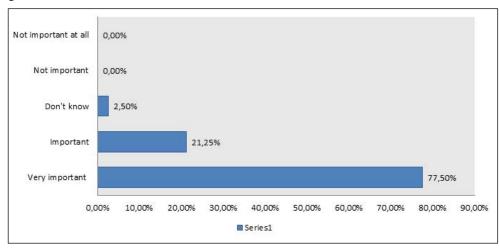


#### It is important that my institution has good management practices:

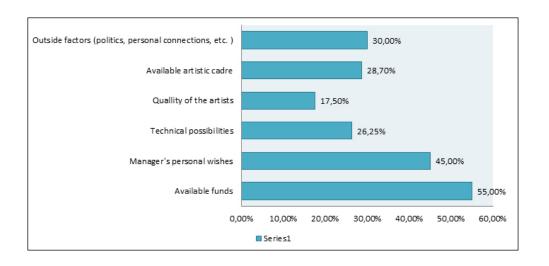


Appendix 2.
Assessing the Level of Financial Management

### It is important that my organization participates in international development programs:



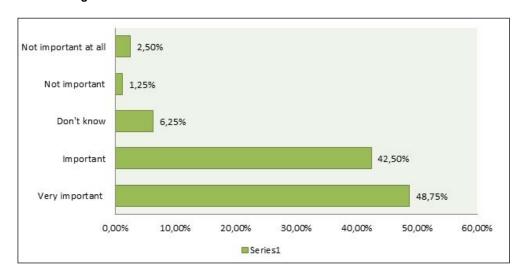
#### The choice of the repertoire in my organization depends on:



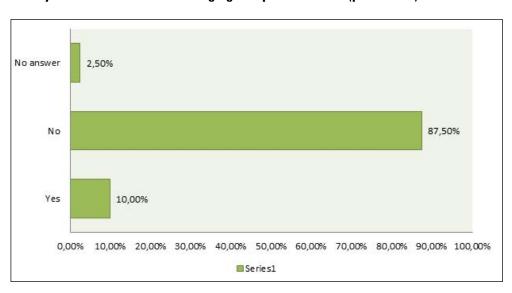


### Appendix 3. Assessing the level of Cooperation and Cultural Heritage

### It is important that my institution develops programs based on tradition and common heritage:

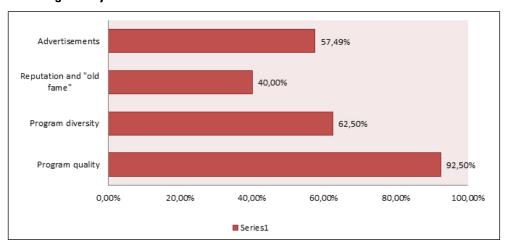


#### Does your institution realize enough guest performances (per annum)?

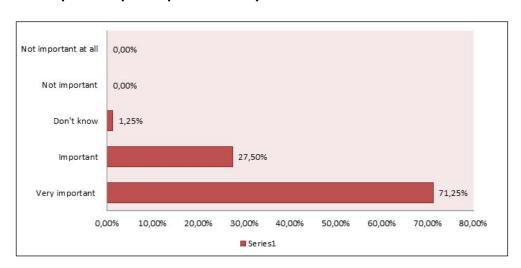


Appendix 4.
Assessing the Priorities for Good Image and Institutional Promotion

#### The image of my institution should be based on:



#### How important is public opinion about my institution:



### Appendix 5. Measurement Indicators

**M1**: Indicators illustrating the levels of organizational culture based on cultural heritage and cultural pluralism:

- Number of projects/performances dealing with common cultural heritage<sup>51</sup>;
- Number of projects based on works (written or composed) by authors coming from a different entity;
- Number of projects based on works by authors belonging to one of the national minorities;
- · Frequency of guest performances from another entity

**M2**: Indicators of the current management strategies used to ensure institutional sustainability:

- Frequency of employee auditions to ensure continuous competitiveness and quality;
- Types and characters of employment standards applied in the process of hiring new employees;
- Number of performances on the regular repertoire aimed at attracting wider audiences;
- Number of contracts with individual firms (aiming at institutional promotion, attraction of potential new audience, increase in revenues);
- Number of yearly visits to other PAI (from and to BiH/region);
- Number of acting/singing/dancing workshops organized for arts students (per annum);
- Number of projects realized according to the method of "rightsizing" 52.

**M3**: Indicators of image quality and level of institutional promotion:

- Number of public engagement projects (humanitarian, fund-raising, social inclusion, etc.) in which the institution participates
- Type of promotional activities and materials
- Does the institution have a public relations officer?

<sup>&</sup>lt;sup>51</sup> All BiH's constituent peoples and national minorities.

<sup>&</sup>lt;sup>52</sup> Program focus is on projects that can be realized effectively and efficiently with the available human resources. The attention is also on program excellence and competitiveness.

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