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# **Whose value is it anyway? A neo-institutionalist approach to articulating and evaluating artistic value**

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## **Abstract**

The neo-liberal agenda that has dominated the creative industries for the past few decades has engendered a range of problems for artists, arts managers and policy-makers. This article critiques the application of commercial strategic management and marketing tools, theory and principles to arts and cultural organizations and proposes alternative approaches to assist these organizations in creating, identifying and evaluating value on their own terms and in line with their artistic missions and objectives.

The solutions proposed are generated by an application of the literature on arts management and evaluation, cultural policy and sociology and through a qualitative study of audiences' articulations of value. The article reports and analyses the responses of 34 semi-structured in-depth interviews on the value of theatre with participants drawn from audiences in the United Kingdom and Australia. It highlights the discrepancies between the instrumental methods of evaluating value imposed on arts organizations by governments and the personal, intrinsic insights provided by audiences themselves. It argues ultimately for a neo-institutionalist and creative approach to articulating artistic value, which would evaluate organizational performance in line with artistic objectives. In so doing, it makes a valuable contribution to the ongoing debate about cultural value, and proposes a creative, alternative evaluation framework for artists, arts managers, arts marketers and cultural policy-makers.

## **Keywords**

Cultural value; neo-institutionalism; strategic management; arts management; cultural policy; arts marketing.

## **Introduction and context**

Neo-liberal perceptions of cultural value and instrumentalist approaches to evaluating the impact of the arts have dominated the United Kingdom's cultural industries for the past few decades. This awareness of the industrialization and even commodification of culture can be traced back to Adorno and Horkheimer's battle cry against the 'Culture Industry' in the 1940s (O'Connor 2008). In the United Kingdom, the industrialization of culture was perhaps a natural response to Thatcher's neo-liberalism, which sought to apply the principles of deregulation and enhance the role of the private sector wherever possible (Boas and Gans-Morse 2009). This response spawned the still emerging disciplines of arts marketing and arts management, and led to an overriding focus on the economic impact of the arts (e.g. Myerscough 1988).

This defensive approach to articulating the impact of the arts put cultural evaluation on the back foot, a situation that was merely compounded by the creative industries agenda propagated by the New Labour Governments of 1997–2010. New Labour's shift in terminology from the cultural to the creative industries was far more than just semantic; it reflected a wholesale repositioning of the arts and culture as core to economic competitiveness (O'Connor 2008). As Chris Bilton argues: 'Despite paying lip-service to the social, inclusive aspects of the arts and media sectors, the hard-nosed rhetoric of the creative industries highlights individualism and economic outcomes over collectivism and social values' (2007: 166).

So it could be argued that for the past three decades, successive UK governments from both right and left have conspired to industrialize and monetize the arts and culture to a point where their real (social and intrinsic) value has become secondary. This commercial approach to artistic endeavour has tended to privilege products over processes and ticket sales over audiences, and as a result, the arts sector has arguably lost sight of its 'USP': its value in making meaning for its audiences (Baxter 2010). This commercialization of the arts has engendered a range of problems for artists, arts managers and policy-makers; and the neo-liberal approach to arts management, compounded by the instrumentalist approach to evaluation, has led to a crisis in the sector's (and the wider social) understanding and articulation of cultural value.

The overriding aim of this article is therefore to explore what methods and management tools artists, arts organizations and cultural policy-makers can draw upon to articulate and evaluate their value proposition most effectively. It will achieve this by problematizing the application of commercial management tools, theories and principles to arts and cultural organizations, and by proposing alternative approaches, which might assist these stakeholders in creating, identifying and evaluating value on their own terms. This will involve deconstructing the concept of cultural value; exploring the gaps between 'commercial' and 'creative' strategy and marketing; and finally reconstructing artistic value through a qualitative study of the audience experience. Ultimately, the article makes the case for a neo-institutionalist approach to arts management based on qualitative evaluation and insights; it calls for artists, arts managers and cultural policy-

makers to reclaim the language of artistic value from the academics and politicians who have tried for so long to discredit it.

### **A problem of legitimacy**

As François Colbert argues, ‘arts and cultural management is hampered by a twofold legitimacy problem. On the one hand, it is viewed with suspicion by the arts world, and, on the other, it is often taken less than seriously by management scholars’ (2011: 261). In the United Kingdom, this suspicion is perhaps another legacy of the creative industries agenda, which the arts and cultural sector generally perceived as cynical, interventionist and instrumentalist. Martin Piber and Francesco Chiaravalloti (2011: 241) also discuss the legitimacy issues faced by arts management scholars, and note the ‘problems of acceptance related to issues of language, methodology, and relevance of findings’ that this young academic field is still encountering.

The general response to this perceived lack of legitimacy has been a concerted effort to ‘professionalize’ the sector. In the United Kingdom, this has been accompanied by the blossoming of arts management organizations such as the Arts Marketing Association and the Theatrical Management Association, which offer a multitude of short courses in marketing and strategy. Together with the rise in academic courses dedicated to Arts Management, this trend has propagated the adoption of management disciplines in the arts and cultural sector, which has often just exacerbated the problem. For example, strategic management tools such as Michael E. Porter’s (1985) value chain are taught and applied by business schools, management courses and commercial enterprises all over the world. But where attempts to articulate and evaluate value are concerned, commercial business tools and approaches can be both misleading and alienating for arts and cultural organizations, because they generally equate value creation predominantly with profit rather than society.

These issues of legitimacy are compounded by the fact that even the arts sector itself has identified a number of fundamental challenges in articulating the value of the arts (Belfiore and Bennett 2008). The underlying source of many of these challenges is perhaps the complex range of artistic, personal and circumstantial determinants that comprise the aesthetic experience (Belfiore and Bennett 2007). As John Holden (2012) notes, while the social and economic benefits of culture can sometimes be measured, its personal and intrinsic impacts resist reduction because they belong to the immeasurable realm of emotion. Throsby (2006) also concedes that certain expressions of cultural value transcend economic valuation, as they are ‘rooted in shared social experiences rather than individual utility’ (O’Brien 2010: 19).

In short, the arts have increasingly become subject to the benchmarks of incompatible disciplines and practices in order to meet the demands of instrumentalist policy-makers. While business practices can usually be quantified and evaluated in their own terms, sociocultural practices require a more nuanced, subjective understanding. But to fit into standardized public policy frameworks, they have increasingly been forced willy-nilly into reductive, utilitarian justifications of economic impact and social purpose. A clear

example of this reductive practice in England lies in the Department of Culture, Media and Sport's recent Culture and Sport Evidence (CASE) programme, which adopted an evaluation framework proposed by HM Treasury's Green Book (2003) and embraced the normative language of quantitative policy analysis, focusing predominantly on instrumental benefits to the detriment of intrinsic value and lived experience. This approach culminated in findings such as the truisms that older people engage more with culture and less with sport, and that while men are more likely to engage in sport, they are less disposed to cultural engagement than women. The lack of any meaningful sociocultural insight here speaks for itself.

### **Cultural value and policy**

So how might arts and cultural organizations articulate their impact more effectively? Stretching back to Plato, the cultural policy literature has been characterized by a polemical debate on cultural value, which has dichotomized it into intrinsic and instrumental value. However, cultural policy scholars are increasingly rejecting this dichotomy, arguing that intrinsic and instrumental values are mutually informing and reflective of wider sociocultural relations (Belfiore and Bennett 2008). This debate is complicated by a further dichotomy between public and private value. The question of public value lies, of course, at the heart of Government subsidy for the arts, and attempts to justify this funding often confuse the goals of arts evaluation. Although strongly critiqued for his methods (see, e.g. Merli 2002), François Matarasso argues that despite the lack of any coherent rationale behind it, arts evaluation should fundamentally focus on value (1996, 2009). This inevitably poses the question of who should define this value. Cultural policy scholars remain divided in their perspectives on cultural value, however. Ian Sanderson blames the dominance of instrumentalism in the UK Government's cultural policy on the dominant 'rationalist-modernist paradigm' (2000: 439), while Dave O'Brien calls for the cultural sector to 'use the tools and concepts of economics to fully state their benefits in the prevailing language of policy appraisal and evaluation' and proposes the adoption of 'contingent valuation', notably in the form of subjective wellbeing (2010: 4–5). This instrumentalist approach to evaluating value follows the principles of cultural economics (Hesmondhalgh 2007; Throsby 2001), where public value is often quite simplistically equated with value for public money.

Yet the financial crisis of recent years seems to have diminished the legitimacy of economic policy models and fostered alternative schools of thought such as the Uneconomics movement, which holds that by ignoring ambiguity and complexity, economists are losing the authority to describe reality in a credible, disinterested fashion (Davies 2012). In a similar rejection of neo-liberal values, many policy researchers also contest the standard dismissal of narrative evidence in cultural policy, arguing that such methods successfully encapsulate subjective perceptions of impact (Galloway et al. 2005; White and Hede 2008). This focus on qualitative evaluation is supported by Carol Scott (2010: 285), who makes a distinction between 'measurable' and 'valuable' and warns that when public funding decisions rely solely on measurable results, cultural policy risks falling back into 'the bind of instrumentality'.

## Insights from Strategic Management

The Strategic Management literature promulgates tools and techniques designed almost exclusively for commercial organizations. Although the occasional case study on an arts organization does appear in Strategic Management textbooks, the generic theory tends to focus on large and even multinational organizations at the expense of small, non-profit, public sector and social enterprises. Porter's value chain is a classic example of this management bias towards commercial enterprise. According to Gerry Johnson et al. (2009), the purpose of the value chain is to help managers understand which of their activities are important in creating value and which are not, and Porter divides these into primary and support activities, all clearly geared towards profit generation. While useful for manufacturing-based enterprises, Porter's focus on logistics, operations and margins sits awkwardly with the type of value creation sought by arts and cultural organizations; it leaves no room for education and social impact, for example, and fails to incorporate creativity.

Porter's value chain is part of a larger entity known as 'the value network', which has been defined as 'the set of inter-organizational links and relationships that are necessary to create a product or service' (Johnson et al. 2009: 77). In the arts context, this definition sheds further light on value creation and identification, as many arts organizations are highly networked and collaborate or co-produce with similar companies to create artistic products and experiences. This is especially pertinent in the touring sector, where touring companies form part of a much wider arts infrastructure or ecology. This practice reflects the growing body of organizational behaviour and cultural leadership literature that focuses on the need for modern arts organizations to collaborate, and for leaders to lead across networks rather than manage down a hierarchy (Hewison and Holden 2011; Knell 2005; Taylor 2011).

In its theory on business models and performance management, Strategic Management proves more insightful for arts and cultural organizations. If a business model can be regarded as a series of relationships participating in the creation of value (Rayport and Sviokla 1995), it follows that all organizations need to be able to create, identify and evaluate their value. According to Joan Magretta, because a business model 'tells a good story', it can align everyone around the kind of value an organization wants to create (2002: 92). In commercial organizations, value creation is indelibly linked with profit: commercial entities exist essentially to create wealth for their owners or shareholders and achieve this by maximizing their profit margins. But in the non-profit arts sector, value is subjective and elusive, and therefore harder to define. Adam Arvidsson bemoans the 'growing financialization of value' and ponders whether what he calls 'social production' can ever function according to 'a new value logic' (2009: 14). Yet even following orthodox Strategic Management theory, value should be measured against the achievement of organizational objectives and related back to the mission, regardless of the industry or sector.

This 'return on objectives' approach is exemplified in the balanced scorecard method developed by Robert S. Kaplan and David P. Norton (1992) and since advocated by both

Larry Weinstein and David Bukovinsky (2009) and Miranda Boorsma and Francesco Chiaravalloti (2010) for the purposes of artistic evaluation. Following this approach, if an organization's mission is, say, 'to delight and challenge audiences' rather than to maximize profit, then value should be created, identified and evaluated by the impact the company's work has on the people who engage with it, as measured against these goals. This is also, of course, a fundamental tenet of marketing, and the balanced scorecard approach supports the calls in the arts marketing literature for customer value to be integrated with artistic objectives (Boorsma 2006).

### **The arts marketing perspective**

Philip Kotler and Gary Armstrong define marketing as 'managing profitable customer relationships' and describe its aim as 'to create value for customers and to capture value from customers in return' (2010: 26, original emphasis). While the aim outlined here is useful for arts marketers in placing value and audiences at the heart of marketing activities, the definition is problematic for the non-profit sector, depending on the reader's interpretation of 'profitable'. Kotler and Armstrong's focus on value raises the question of how audiences actually perceive the value they derive from arts activity and organizations. It might also lead us to speculate about the type of value arts organizations might expect from their audiences, and in an era of increasing co-creation, the shared understanding of value is evolving all the time. For example, Grönroos (2011) defines co-creation as the creation of consumer value, while Boorsma argues that co-creation can fulfil the artistic mission by developing 'artistic exchange relationships' (2006: 77). The problem is that very little is known about how audiences perceive this purported exchange of value.

Liz Hill et al. (2003: 1) define arts marketing as 'an integrated management process which sees mutually satisfying exchange relationships with customers as the route to achieving organizational and artistic objectives'. This definition succeeds in avoiding the supposition of profit and incorporates the realization of artistic objectives; but it lacks the focus on value evident in Kotler and Armstrong's definition. Derrick Chong (2010) poses the question of whether arts marketers are perceived as image promoters or value creators, and his uncertainty is reminiscent of Colbert's point about the suspicion with which the arts sector regards its managers. But there seems to be a consensus in both Strategic Management and Marketing about the central role of value, and equally about the vital interrelationship between value and the customer.

In the past few decades, there has been a renewed interest in Arts Marketing in consumers' relationship with value. One seminal notion behind this development was the concept of hedonic consumption (Hirschman and Holbrook 1982), which held that postmodern consumers seek emotional, sensual, imaginative and intellectual responses to cultural products. More recent research has suggested that consumers engage in hedonic activity to escape from everyday life and pursue emotional, absorbing experiences (Brown and Novak 2007; Radbourne et al. 2009; Walmsley 2011b). There is a clear link here with the psychological concept of flow, which Mihaly Csikszentmihalyi (1988) links with self-improvement, self-congruence, self-harmony, escapism and timelessness and

identifies as the self's ultimate pursuit of well-being. These insights into audience motivation provide a framework within which to explore Boorsma's notions of artistic value and exchange.

Morris B. Holbrook (1999) developed the theory on hedonic consumption to create a consumption value matrix, which identified the cognitive, aesthetic, emotional, spiritual and social impacts of the consumption experience. These ideas have in turn influenced B. Joseph Pine and Gilmore's (1999) concept of the experience economy and Bill Sharpe's (2010: 77) 'economy of meaning', where creativity is 'configured into cultural patterns and relationships, "genres", that release its capacity for shared meaning making'. One key question to explore in this study is therefore what value the arts can generate in the experience-based economy of meaning, and then how this value might be articulated and evaluated.

Theatre has been described as a sociological public event that begins and ends with the spectator (Bennett 1997; Elam 1980), and this description is significant for two reasons. First, it reminds us that theatre is a collective phenomenon with a tradition of creating public value; and second, it reinforces the centrality of the audience member to the theatre-making process, whether in a modern context of co-creation or in a traditionally spectatorial role. Following the balanced scorecard approach and reflecting Hill et al.'s definition of arts marketing, Boorsma and Chiaravalloti (2010) call for arts organizations to evaluate their marketing strategies according to their mission and artistic objectives, rather than relying on purely financial objectives. There is perhaps a circle to square here: namely that arts organizations should place audiences at the heart of their missions and strategic objectives and evaluate their performance accordingly.

### **A creative management approach**

We have seen that Strategic Management tools such as the value chain posit value in commercial terms which ignore artistic and social values such as creativity and meaning-making. However, Bilton and Cummings (2010) argue that creativity and strategy go hand in hand, pointing out that although Porter's value chain omits key concepts such as creativity and innovation, it does provide a useful starting point and is malleable enough to be adapted to suit the needs of different organizations and sectors. If adapted to an arts organization, the value chain could retain its focus on the processes of production, operations and marketing. However, in order to reflect an artistic mission, it would need to reject the ultimate focus on profit and incorporate instead a more complex system of encoding and decoding, which would reflect the more collaborative creative process adopted by many modern arts organizations and depict the more democratic, interconnected consumption experience engaged in by modern producers, critics and audiences. Most significantly, the mono-directional production chain would be transformed into a multi-directional network of dialogues – between critics and audiences; between producers and audiences; between critics, creators and creative teams; and between audience members themselves (Walmsley 2011a). Following Porter's logic, the arts organization could add value at each stage of the chain by supporting, facilitating and enhancing these processes. So Bilton and Cummings are right to argue for



a marriage or reconciliation between strategy and creativity: in a modern organization, the two should go hand in hand and be mutually informative, not mutually exclusive.

The balanced scorecard approach was mentioned above as a viable alternative to the dominance of the positivist, bottom line, return-on-investment style evaluations of organizational performance. Another example of a successfully applied multidimensional approach is Holden's (2006) value triangle, which deconstructs cultural value into instrumental, institutional and intrinsic value and endorses evaluation across all three realms. Alternative evaluation frameworks that have been applied to the arts come from the fields of sociology, human geography and social anthropology. These include small world network analysis (Uzzi and Spiro 2005); social network analysis (Oehler and Sheppard 2010); and strategic added value (Volkerling 2012). The advantage of these approaches is again that they are multidimensional and strike a balance between value as expressed and anticipated by arts organizations' different stakeholder groups. For example, Michael Volkerling's strategic added value framework evaluates cultural policy interventions (or what he calls 'arts agency') across four dimensions: partners, place, projects and people, and aims to balance the artist-led supply element against the audience-focussed area of demand (Volkerling 2012: 7).

### **The audience perspective**

Neo-institutionalism provides an alternative vision to the isomorphic, economics-based paradigm of organizational life that prevails in the Business and Management literature. The neo-institutionalist perspective takes a sociological view of organizations, considering their interaction with and impact on society (Hasse 2005). This perspective is particularly appropriate for arts and other non-profit organizations, which collaborate and co-produce within complex institutional networks and deliver missions that relate to their social impacts; and the alternative evaluation frameworks discussed above provide excellent examples of how this perspective can be applied in practice.

Other neo-institutionalist approaches to arts evaluation include attempts to provide an objective measure for artistic quality (e.g. Boerner and Renz 2008; Boerner 2004) and mixed-method studies into the audience experience (e.g. Brown and Novak 2007; New Economics Foundation 2008; Radbourne et al. 2010; Radbourne et al. 2009; White and Hede 2008). These studies have provided invaluable insights into audiences' perceptions of value which, in summary, have been articulated in the following terms: emotional impact, stimulation and flight; engagement and captivation; knowledge and risk; authenticity and collective engagement; learning and challenge; energy and tension; shared experience and atmosphere; personal resonance and inspiration; empowerment and renewal; aesthetic growth and self-actualization; improved social skills, better relationships and family cohesion. Although all of these studies have fallen into the positivist trap of developing models, toolkits and indices, they have nevertheless sought to place audiences at the heart of the artistic value debate and made a powerful case for the role of qualitative research in illuminating the value of the arts experience.

It has been posited that the creative industries deal in ‘symbolic, experiential goods of non-utilitarian value’ and that they create experiences for audiences in response to ‘expressive and aesthetic taste’ and the significance determined by audiences’ coding and decoding of value (Townley et al. 2009). However, organizational performance in the arts and cultural sector is rarely evaluated in experiential and aesthetic ways. Indeed, it has been argued that ‘most approaches [...] fail to make sense of the contextual complexity of artistic activities, overestimating the general validity of methods and underestimating the richness and diversity of the contexts in which they might be applied’ (Piber and Chiaravalloti 2011: 242). The primary research undertaken in this study thus aimed to explore and embrace some of this contextual complexity and tease out the richness and diversity of audiences’ experiences of theatre. In so doing, it aspired to shed further light on Boorsma’s notions of artistic exchange and value co-creation.

## **Methodology**

According to Jennifer Radbourne et al., measurement of the audience experience ‘requires feedback that is qualitative and thorough, and that encourages sustained reflection’ (2010: 316). In order to capture the experiential nature of the enquiry, this study adopted a uniquely qualitative approach. According to Herbert J. Rubin and Irene Rubin: ‘Qualitative work emphasises nuanced, context-dependent analysis that almost by definition precludes a standardised and uniform approach’ (2005: 242). So the core aim of the primary research was to uncover some nuanced, contextualized expressions of the value of theatre for audiences.

The research approach was essentially pragmatic, as opposed to positivist or anti-positivist (Piber and Chiaravalloti 2011). The methods employed comprised a combination of qualitative techniques, including responsive interviews (Rubin and Rubin 2005) and participant observation of performances and post-show discussions. To counter cultural bias, the research was conducted both in the United Kingdom and in Australia, where two comparable organizations were selected: Melbourne Theatre Company and West Yorkshire Playhouse in Leeds. In total, 34 semi-structured, open-ended in-depth interviews were conducted with theatre-goers ranging in age from 17 to 77 years and comprising eleven men and 21 women. The interviews were all conducted by the author in 2010 and the primary research questions were as follows:

- Why do you go to the theatre?
- What was your first memorable experience of theatre and how did it affect you?
- What kind of plays tend to affect you most and how do they affect you?
- What’s the best play you have ever seen and why?
- How important would you say theatre is to your life?
- How different would your life be without theatre?

As the interviews were semi-structured and open-ended, the questions were nuanced, tailored and followed up with probes and secondary questions to facilitate ‘guided introspection’ (Wallendorf and Brucks 1993). Interviews averaged just over one hour each and detailed transcription notes were taken during each interview and observation,

which resulted in over 50 hours of data. These data were then processed, anonymized and coded using NVivo, which facilitated the emergence of key themes and concepts and served to reorganize the data and present it in different ways. This process encouraged the author to distance himself from the original data, which in turn supported reflexivity and the emergence of ‘an etic voice that explicates deeper cultural meanings’ (Wallendorf and Brucks 1993: 352). This qualitative approach resulted in a significant amount of ‘thick description’ (Rubin and Rubin 2005: 13) and ‘deep feedback’ (Radbourne et al. 2010: 316), which elucidated the concept of artistic value and provided some interesting comparators with the literature.

## **Findings**

Participants articulated the value of their theatre experiences in a wide range of contexts through rich personal examples and insights, and many of their accounts reflected the benefits outlined in the literature, such as escapism, captivation, emotional impact and well-being. When asked why they went to the theatre in the first place, the most common responses revolved around a search for emotional experiences and impact. As a retired Melbourne teacher put it, a good play ‘transforms you, hits the emotional chord and makes you feel some real affinity with the person on stage’. Other people described seeking (or even needing) an ‘emotional hit’, while an Australian student studying in Melbourne described her quest for ‘moments of emotional release’. A retired English teacher from Leeds actually deconstructed this concept of emotional impact, asserting that: ‘Theatre’s an emotional thing isn’t it? Tension, suspense, humour, pain, grief, sadness, poignancy...’. Audiences’ emotional responses to theatre were also evidenced in the observation of live performances, through audible laughter, gasps and even crying, and through first-hand accounts of emotional experiences during post-show discussions.

Other common drivers to attendance included: edutainment – namely the need to be challenged intellectually, emotionally, artistically and ethically; escapism – the desire to ‘switch off’, ‘lose myself in it’, be ‘immersed’ and ‘transported’; ritual – references to the heightened dress code, the ticket tearing, the dimmed lighting, the plush red seats, the interval drinks and the curtain call; and the live experience – ‘Theatre is live: there’s an immediate chemistry between the audience and the actors on stage that’s tangible’. Encapsulating the significance of ritual, anticipation and engagement, a young education professional, when describing his first trip to the theatre, recalled his excitement of:

being introduced to the ritual of performance, from getting the tickets ready to finding your seat, the hushed conversation, the whole pre-theatre thing... the anticipation was pretty exciting, the anticipation of something different, something I hadn’t experienced before. What sticks out is the complete darkness surrounding the stage – you have no choice but to engage with it.

Indeed part of the value of theatre-going seemed to lie actually in the anticipation of attendance and engagement. Many respondents, particularly retired theatre-goers, described theatre trips as ‘a highlight in my diary’, discussing the pleasure they obtain from pinning their tickets to their notice boards and looking forward to the occasion. One

respondent claimed that one of the highlights of her theatre experience was seeing the audience reach ‘a pitch of anticipation’ before a well-known show, while another participant confessed to meditating for two minutes before a production to ‘clear her mood’. Many other respondents described their rituals of going out for dinner, taking their time, reading the programme, ‘soaking up the atmosphere’, and taking in the set and surroundings before a show.

When asked to describe the kinds of plays that affect them the most and the best plays they had seen, participants tended to mention deep, challenging and ‘authentic’ plays which provided insights into the complexity of human relationships. There was a general consensus that theatre often explored difficult themes, such as sexual abuse, that other art forms tend to shy away from. As an Australian academic explained: ‘I don’t go just to be entertained but to question human relationships, the big existential questions’. Other recurring themes included captivating acting (which increased empathy), imaginative and untraditional staging, visual stimulation, and scenes ‘where you could have heard a pin drop’. While some respondents preferred funny, positive and entertaining spectacles, others revealed a preference for ‘dangerous’, ‘uncomfortable’ and even ‘harrowing’ productions, which often developed or even challenged their world-views and elicited an unforgettable, visceral response.

A particularly rich description of the role that collectivity, captivation, emotion, authenticity and reflection can play in spectatorship came from a retired English language teacher from Leeds, who summarized her decoding process as follows:

At the moment when you leave and people move there’s a very collective moment. People don’t speak, but they occasionally mutter. People are still on the stage, still emotionally charged. If you do hear a comment, everyone’s listening. People are still internally assimilating and reacting, comparing the play against their own life experience, assessing whether or not it rings true. It’s quite a private moment, after the resolution. Then gradually people start to exchange views and opinions.

This reflection evidenced the merging of public and private value discussed in the literature and highlighted the role of theatre in facilitating shared experiences and meaning-making.

Questions about the role and value of theatre in people’s lives elicited a diverse range of responses. While some respondents regarded theatre as just a hobby like any other, others felt that it added greatly to their quality of life. When asked why she went to the theatre, a young arts worker from Leeds reflected that: ‘Theatre makes an ordinary day a more exciting day, a special event. I notice a difference in myself if I haven’t been for a while. It’s a bit like an experience fix’. Responding to the same question, the Australian academic echoed the importance placed by others on the live experience, responding that: ‘Theatre deepens the quality of my life in that it’s an enriching experience. I love the vitality of the experience’. When asked to picture her life without theatre, she became quite tearful and continued:

I'd feel like I'd lost part of the support system of my life, it would make me feel isolated, like if someone said I can't ever read books again. How would I communicate with that that wide world? It would narrow my experience of relating with people I might never otherwise have the opportunity to relate to.

## **Discussion and implications**

The inevitable question raised by these insights into audiences' perceptions of the value of theatre is what significance and implications they might have for how arts organizations articulate their value and evaluate their strategic performance. How can a value chain capture, let alone measure, intrinsic value, such as providing a 'support system'? If many audience members attend theatre to escape from the constraints of their material worlds, how can instrumental evaluation tools such as contingent valuation and wellbeing wheels make sense of and express this flight to a make-believe world full of fantasy, ritual and collectivism? The tensions between the artistic goals of aesthetic transcendence and meaning-making and the policy/management obsession with quantitative data and performance metrics seem particularly acute when juxtaposed in these Manichaean terms.

While much of the consumer behaviour theory on flow, hedonic consumption and the search for meaningful experiences was reflected in this study, there was no evidence of the commercial terminology or profit focus of Strategic Management, nor of the instrumentalist language promulgated by cultural policy-makers. Participants perceived value in both immediate and cumulative terms; made no distinction between intrinsic and instrumental benefits; and conflated private and public value. They spoke freely and spontaneously about the wider impact that theatre has on their lives, recalling 'special moments' and describing their personal 'memory banks'; and when describing their spectatorship, audiences often evoked spiritual, ritualistic experiences, confirming the claim that people engage in leisure activities as much to create shared meaning as to consume (Arai and Pedlar 2003).

This once again challenges the adoption of commercial strategy and marketing speak, which singularly fails to capture these immeasurables; and it suggests that the neo-institutionalist approach, which is rooted in social interaction and impacts, might provide a more appropriate management framework. Arvidsson maintains that in social production contexts, people seek out communities of practice not for personal gain but because it 'gives meaning to their lives and contributes to their own self-realisation'. He goes on to assert that '[t]he currency of value is thus what we, with Aristotle in mind, could call *philia*: friendship, positive affective bonds' (Arvidsson 2009: 20). His argument is, of course, reminiscent of Maslow's theory, according to which self-actualization represents the ultimate goal of motivation, and the notion of '*philia*' was strongly reflected in this study, with participants referring to the 'collective feel', 'buzz', 'shared live experience' and even the 'belonging, understanding and communion' provided by fellow audience members. This language, again, sits more comfortably with a neo-institutionalist perspective.

So what are the implications of these findings for the two arts organizations whose audience members participated in the study? Melbourne Theatre Company is the oldest professional theatre company in Australia. Its mission is ‘to produce classic and contemporary Australian and international theatre with style, passion and world class artistic excellence in order to entertain, challenge and enrich audiences in Melbourne, Victoria and Australia’ (Melbourne Theatre Company 2010). West Yorkshire Playhouse is one of the UK’s largest producing theatres and its mission is ‘to demonstrate the power of theatre to change people’s lives by serving the communities in its region and maintaining an international profile for the quality of its work’ (2010). It was noted earlier that value should be measured against organizational objectives and related back to the mission. While an application of Porter’s value chain might well assist both organizations in pinpointing weaknesses in customer service, savings to be made in set and prop making, and even opportunities for cross-selling to increase box office income, it would not assist either organization in achieving a deeper fulfilment of its mission.

To evaluate the artistic quality, passion or transformative power of a production and to assess the extent to which it entertained, challenged or enriched audiences, a softer, more balanced approach would be required. In our earlier discussion on value, we noted Arvidsson’s call for a new value logic and considered alternative, creative strategic frameworks, such as Kaplan and Norton’s (1992) balanced scorecard, Holden’s (2006) value triangle and Volkerling’s (2012) strategic added value model. If a creative management approach were adopted by arts organizations to assess their mission fulfilment, models such as these could prove invaluable. A balanced scorecard, for example, might prompt Melbourne Theatre Company to survey international artists about the style and passion of its programme. This scorecard might incorporate Holden’s value triangle, which could be used to explore a production’s intrinsic value by analysing recorded post-show discussions or focus groups with audiences. This type of qualitative evaluation would elicit deep, reflective feedback based on audiences’ experiential and aesthetic satisfaction, and it would achieve the added goal of helping audiences decode and make sense of their theatre experiences. Adopting a similar approach, West Yorkshire Playhouse might use Volkerling’s model to evaluate the impact of its ‘agency’ on its partners, entering into conversations with artists about the international profile and quality of its work. Again, this would inculcate a positive reflective and reflexive practice, and strengthen the organization’s relationships with its peers.

If public arts funding responds to an acceptance of ‘market failure’ (EPPI Centre 2010), it follows that an authentic evaluation of artistic value should not be influenced by market values. There appears to be a growing awareness of the inability of market economics to reflect the social value of organizations and their resources (e.g. Arvidsson 2009; Bolton et al. 2011; Throsby 2001), and this article makes the case for the adoption of alternative, neo-institutionalist (i.e. sociocultural and practice-based) models of value based on the real life experiences or praxis of artists and audiences.

An inherent argument underlying this call is that cultural value should be approached reflexively to overcome the reductive, profit-based strategic tools that dominate the

thinking and literature on organizational performance and cultural value. Reflexivity is a form of critical analysis of context and it theorizes practice as both spatial and situational. A reflexive approach rejects both the managerial and the political conception of value as quantifiable, fixed and given, regarding it instead as emergent, in-the-making and constantly under negotiation (Oliver and Walmsley 2011: 88).

## **Conclusion**

This article has highlighted the gap between the neo-liberal concept of value as peddled by commercial Marketing and Strategic Management theorists and the neo-institutionalist perspective on value as articulated by audiences, who lie at the heart of arts organizations' value chains and networks. The article therefore responds to Bourdieu's (2003: 10) call to strengthen 'the critique of and resistance to the neoliberal doxa'. The logical response to the accepted market failure of the arts is to capture their value in a creative, intrinsic and reflexive way, and to articulate this value in artists' and audiences' terms. Boorsma stresses the need for arts organizations to co-create value and create artistic exchange relationships with their audiences, and the qualitative study of theatre-going reported in this article has provided some valuable insights into how audiences perceive the value of the arts and on what bases such relationships might be developed.

Arts organizations often struggle to evaluate their strategic performance because of the tensions and gaps between their artistic objectives and the ways in which these are measured. This article therefore advocates a neo-institutionalist, creative management approach to articulating and evaluating artistic value. This approach should be informed by the emerging disciplines of Arts Management and Arts Marketing, which need to overcome their inherent lack of confidence and move beyond the legitimacy and relevance problems that have plagued them since their inception. This might in turn empower them to reclaim the language of cultural value and the methods of artistic evaluation from the neo-liberal management academics and political policy-makers who have usurped them for far too long.

There will always be tensions between management and the arts. But if the academic disciplines which study, support and critique the arts are ever to attain greater acceptance, relevance and legitimacy, they will need to reject the reductive practices of instrumentalism and embrace the reflexive and situational praxis embodied by arts organizations and their audiences. As Arvidsson points out: 'The value crisis of contemporary capitalism [...] opens up the possibility for alternative standards of value' (2009: 27). This crisis provides the perfect opportunity for Arts Management disciplines to coalesce and champion an alternative vision and articulation of cultural value.

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