

Avoid executive stress

THE past ten years have seen the role of the Arts Council supposedly transformed from that of a bureaucracy primarily concerned with the administration of subsidy to the arts to that of an organisation imbued with the eighties culture of enterprise and initiative. This conversion is seen in the Arts Council's three year plan which purports to place an emphasis on business planning, marketing, increased sales, attracting private finance, good managerial practice and training.

Richard Wilding in his Review of the Structure of Arts Funding highlighted basic structural weaknesses and the need for the Arts Council to take on a more strategic approach.

With strategic planning, restructuring and their much vaunted adoption of business techniques, is the Arts Council about to finally emerge from the eighties as a business-like, purposeful organisation capable of taking the arts into the nineties? It would appear not. The Arts Council cannot fundamentally change its ways, it just puts out more window-dressing and the higher echelon bureaucrats masquerade as busy arts executives, all packaged with a specious line in business patter.

On October 16 last year, I attended a consultative seminar on the reform of the arts funding system organised by the Arts Council. I was treated to the smug, self-satisfied, over simplistic simpering of the "new" arts executive who in their presentations assumed we were all imbeciles.

However, none of us were daft enough to miss the fact that the arts were to be restructured first and then a national strategy developed afterwards, a fact that was cheerfully admitted as being the wrong way round.

Clearly the arts need restructuring, for currently the Arts Council and the Regional Arts Associations are the epitome of the Reverend Sidney Smith's definition of marriage as: "a pair of shears so joined that they cannot be separated; often moving in opposite directions yet always punishing anyone who comes between them." What, however, is profoundly disturbing is the Arts Council's lack of business nous and their unseemly rush to carry out the cockeyed strictures emanating from the recent spate of Arts Ministers.

If restructuring precedes strategy formulation even by the smaller margin which Tim Renton now envisages, then the product will be a disaster on a heroic scale. The estimated cost of the current restructuring is so far between £1.5 million and £2 million.

This current approach to restructuring makes little business

It makes no sense for the Arts Council to restructure before a national strategy is implemented - a fact that the new bureaucrat cannot disguise argues CHRIS HODGKINS



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sense, and even less at the level of plain, old fashioned commonsense. If you want to reach a particular objective (strategy) you choose the best method that will get you there (organisational structure).

Before any thought of strategy formulation and structural reorganisation the Arts Council and their paymasters should prudently address themselves to two crucial questions: What business are they in? Who is the customer?

The answer to the second question largely determines the answer to the first. For example, is the customer the arts organisation; is

clear and realistic business objectives.

It is the foundation for priorities, strategies, plans and work assignments. It is the starting point for the design of managerial jobs, and above all for the design of managerial structures. Structure follows strategy. Strategy determines what the key activities are in a given business. And strategy requires us knowing what our business is and what it should be."

This approach to strategy and structure is not some by-product of the past ten years of free market, monetarist mumbo jumbo, with the added value of the clap trap of Victorian values.

The strategic approach has been around for some time. Alfred Chandler, Strauss Professor of Business History in the Graduate School of Business Administration, Harvard University, was concerned in his academic work with the rise and role of business enterprise from 1850-1920.

"While Chandler's analysis is historical, he makes general points about organisational change and the relationship between strategy and structure... Chandler is clear that the structure of an organisation follows from the strategy that is adopted... Strategy is the determination of basic long term goals (aims) and objectives (targets) together with the adoption of courses of action and the allocation of resources for carrying out these goals. Structure is the organisation which is devised to administer the activities from the strategies adopted" (Writers on Organisations, Pugh et al, 1988, Penguin Business Library).

Adam Smith, in the *Wealth of Nations*, observed that "people of the same trade seldom meet together even for merriment and diversion, but the conversation ends in a conspiracy against the public or in some contrivance to raise prices."

The arts bureaucrats and mandarins, having conspired, are about to foist on the arts some arrant scheme that properly belongs in the lexicon of life between the sections marked fiction and the absurd. Having perpetrated this topsy turvey nonsense on the nation it is the arts in Britain which will end up paying the price as the shambles of a structure ill-fitted to a national strategy unfolds.

J K Galbraith said that "politics is not the art of the possible. It consists in choosing between the disastrous and the unpalatable." The unpalatable course for the arts bureaucrats is the formulation of a strategy with its implicit design of managerial jobs with a resulting structure that may well exclude the Arts Council altogether.

■Chris Hodgkins MBA has worked in the arts for the past 20 years either as a performer or manager