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# 1

## Arts Organizations between Uses and Abuses of Managerial Rhetoric

### 1.1 Management as rhetoric

The expressions 'the rhetoric of management' or 'management as rhetoric' are not necessarily used in a negative sense in these pages, as if indicative of some sort of degeneration or misuse of a body of knowledge and techniques. Instead, they refer to a substantial body of research that, in the last ten years, has been affirmed within the social sciences and in management studies (see, for example, Mintzberg, 1973; Astley, 1984; McCloskey, 1986; Klamer and McCloskey, 1992; Boland, 1993; Czarniawska, 1995, 1997a; Jönnsen, 1998; Battistelli, 2002; Grant et al., 2003; Melander et al., 2003; Boje et al., 2004).

Mintzberg (1973), in his study of 'what do managers do', had already identified the way in which managerial work essentially consists of questioning, discussing, collecting of information, and influencing. If the heroic vision of management sees the manager as a solitary decision-maker and the very decision as a force similar to that of an isolated thinker, almost as a scientist in the culminating moment of discovery, the observable truth is different, with managerial work characterized by fragmentation, limited periods of solitude,<sup>1</sup> and continuous interruptions, brief contacts, questions, and exchanges of words and ideas. Verbal interaction covers 78 per cent of the observed time of managers, which is sufficient to confirm that 'the manager's productive output can be measured primarily in terms of verbally transmitted information' (Mintzberg, 1973: 44).

Indeed, the very notion that a decision itself could be identifiable as a unit of analysis is a controversial question in organizational theories (Mintzberg, 1990; Mintzberg and Waters, 1990; Pettigrew, 1973, 1979, 1990), which instead represent the cognitive emergence of a sort of

commitment to action, which is much more indefinite and with unclear borders (Gherardi, 1985).

Management is, therefore, 'mere chatter', yet not in a negative sense, or as the Scandinavian tradition calls it, 'talk' (Czarniawska, 1997a; Czarniawska and Sevón, 2003). If the definition of management in the self-celebrated form is that of 'getting things done', a more subtle interpretation by March (1988) speaks of management essentially as a matter of 'addressing attention'. Even when one does not converse with anyone, the role of the soliloquy as a crucial part of decision-making processes (Weick, 1977) highlights even further the rhetorical nature of management (in other words, we all talk to ourselves, arguing, counter-arguing, simulating verbal interaction with other people).

This book would not exist, or at the least would be substantially different, if the writer were not immersed in two research projects that have profoundly conditioned his way of thinking, influenced by the perspective of managerial rhetoric.

The first project is on the management of the Venice Arsenal, the centre of state shipbuilding, between 1500 and 1600 (see Zan, 2004a, 2004b, 2005a). According to the rules of the Republic, following the Senate's decision in the first half of the sixteenth century (and with increased emphasis after the Battle of Lepanto in 1571) to provide for military reasons a permanent reserve of a 100 light galleys and 12 great galleys, at the end of their mandate (period) the elected officials of the Arsenal had to prepare a report on the situation of the Arsenal and an inventory of the reserve of galleys. Thus not only did they have to manage, but they also had to speak of managing processes and conceptualize and develop a rhetoric about management that can be traced in the archive documents (*'il discorso del maneggio'* is an expression used by Baldisserra Drachio in 1586).<sup>2</sup> From the analysis of discursive regularity and changes traceable in the documents in question, one may reconstruct the issues, problems and conflicts that captured the attention of the managers. From the analysis of the documents' contents over a span of 60 years, one may uncover the *'discorso del maneggio'* and its evolution within the Arsenal.

The second project is linked directly to the museum field, regarding the British Museum in particular. A review of the museum in 1996 (the Edwards Report) instigated a highly controversial process of modification of its managerial and organizational structure, resulting in the introduction of a dual management structure, with the director (a historian) alongside a managing director hailing from the world of investment banks, without any experience in cultural organizations. The experiment induced conflict and resulted in failure. The document and

the debate as reported in the English press represent raw material of extraordinary importance if one overcomes a simplistic, positivist and naive vision of management as a science or as a group of 'hard' techniques, but rather, in fact, approaches it as rhetoric.

In the texts (whether documents from the Venetian archives or modern consulting reports, articles and letters from newspapers referring to the British Museum), contradictions, arguments, counter-arguments, and attempts to convince and direct the attention are retraced. Briefly, it is the social construction of a discourse about management (or 'talk' about managing). Certainly, the specific content is different in the two cases, yet there is something that is very similar: management as rhetoric, particularly in the way in which actors move within the two contexts.

After which, there is rhetoric, and then there is *rhetoric*. Rhetoric which helps, and that which hinders (in addressing attention, mobilizing actions in some way desired by some actors in conflict with others) or which could, in the end, actually harm. 'Good' and 'bad' rhetoric, that helps or hinders, for example, in making the economics of the museum more or less sustainable. The latter tends to present itself as complex or opaque: with its own intrinsic difficulties of existence and survival, and with degrees of variety and specificity of the single organization which call for a difficult interpretation process (for example, in terms of cash flow, cost behaviour, resources and competencies exchanged, and so on).

In the debate on the economics and management of arts organizations, a paradoxical situation can be pointed out: management as rhetoric is an analytical perspective rarely used and acknowledged. Instead, one may note abuses and excesses of managerial rhetoric in a naive and unintelligent way that is somewhat inconsistent – this being the central theme of this book – with management discourse itself (the '*discorso del maneggio*' referred to in some Arsenal documents).

The word 'management' is often brought up in courses of action which have little to do with the logic of management, with abundant examples cited in these pages. There are what could be called 'bluffs' – which include the unsustainable use of empty and inconsistent terminology, 'buzz words' which are largely and vacantly self-referential. The prime example, undoubtedly, is the use of the term 'mission'. However, there are even worse bluffs: privatization, trivial commercial exploitation of cultural heritage, and – in the case of Italy – the creation of the 'Patrimonio S.p.a.' – a business entity which is supposed to earn money selling its assets, that is the cultural goods of the state – on the basis of discussions of managerial and economic rhetoric.

On the other hand, the need for the development of appropriate forms of managing seems irresistible, surpassing the strict limitations of a debate between who is for and who is against the selling of public heritage. This leaves both parties, however, without a solution to the problem of finding more appropriate forms of management.

This book aims at developing a systematic approach under a managerial rhetoric perspective for cultural organizations, beginning with the research on the British Museum, a paradigmatic example of the difficult relationships in the dialogue between management and the arts.

## **1.2 The controversial extension of economics and management to arts organizations**

The entire question of a 'managerial' approach to running organizations in the cultural field, especially museums, is taking on increasing importance (see, for instance, Di Maggio, 1986, 1991; Wilson, 1989; Kavanagh, 1991, 1994; Pearce, 1991, 1992; Baumol, 1992; Boylan, 1992a, 1992b, 1998; Bennet, 1995; Moore, 1994; Scherman and Rogoff, 1994; Bennet, 1996; Feldstein, 1991; de Jong, 1993; Kawashima, 1996; Lebrecht, 1996; Pick, 1996; Fitzgibbon and Kelly, 1997; Hutter and Rizzo, 1997; Linklater, 1997; van Hemel and van der Wielen, 1997: regarding Italy see also Valentino, 1993; Bodo and Turci, 1993; Bodo, 1994; Fuortes, 1994; Gordon, 1995; Migale, 1995; Morigi Govi and Mottola Molfino, 1996; Roncaccioli, 1996; Pronti and Boccenti, 1996; Bagdadli, 1997, 2001; Sicca, 1997, 1998; Zan, 1998, 1999, 2005b; Angioni, 1998; Causi, 1998; Varaldo, 1998; Chirieleison, 2002; Jalla, 2000).

More than a simple intellectual merging of different analytical perspectives, such an extension of economic discourse to arts organizations is not without tensions and underlines a series of misunderstandings and conflicts between experts from different cultural backgrounds (see for instance Griffin, 1988, 1991; Wilson, 1989; Wilton, 1990; Ames, 1994a; Moore, 1994; Carnegie and Wolnizer, 1996; Linklater, 1997). Often, the allegation is that there is a total incomprehension of the base working elements of the artistic organizations, if such an extension does not represent an attack on their very existence, as observed in the harsh comment by a British museologist, Cannon-Brookes (1998: 255): 'Market-driven management systems threaten the physical and intellectual integrity of museums as these object-based institutions are forced to increase their cash flow, and thereby trading

profits, by searching for new mass publics uninterested in their core functions.' Moreover, Cannon-Brooks (1998: 259) refers to a 'series of important constructive misunderstandings of the long-term role generally undertaken by museums within the community. Indeed, Peacock and Godfrey went on to state that the "analysis above shows that there is no particular technical characteristic of museum and galleries which precludes their operation like ordinary commercial concerns".'

Historically speaking, the expression 'economics of culture' risks losing some of its possible meanings, being reductively understood as a process of the economizing culture. In general, in fact, according to Polanyi, it is the term 'economic' that carries a double meaning, in which often the simpler one dominates: that of formal 'economizing' – or less technically but perhaps more precisely – 'making the best of one's means' (Polanyi, 1977: 20). From that perspective, economics is conceived as a science of choices, in conditions of scarce resources, and the suspicion of cultural operators is not so far from the truth when they associate 'economy of culture' with a process of resource cuts. However, the substantive meaning of 'economic' ignores considerations of scarcity and choice, as it focuses closely on the processes of production and consumption that characterize economic activity: '*Economic* here denotes nothing else than "bearing reference to the process of satisfying material wants"' (Polanyi, 1977: 20, emphasis in the original).<sup>3</sup> For a business economist, it is difficult to renounce this second aspect for the understanding of processes and concrete modalities in which economic action is structured in relation to the satisfaction of human needs.

To be sure, the economic pressure toward reducing resources is a real phenomenon, difficult to reverse at the historical level, and this certainly imposes a shift of attention toward the possibility of alternative financing through sponsorship and the like. Yet this does not necessarily mean a complete turn to the logic of commercialization or privatization that is often evoked in this respect. A further limitation to note within the 'economic' debate is the prevalence of a macroeconomic logic which lacks the structure of the economic discourse of the micro level – that is, at the level of the organization: museum, ministry branch, opera house, theatre and so on. In this situation, there is a need for a managerial perspective.

Interestingly enough, a radical criticism of the introduction of a commercial view of arts organizations expressed by those within the arts is often shared by management scholars themselves. The charge of 'colonization' has been associated with such a process of extension

of economic and managerial discourses even within the management field (see Broadbent et al., 1991; Power and Laughlin, 1992; Munro and Hatherley, 1993) where all kinds of organizations tend to be looked at as if they were firms, often leading to the suggestion of the introduction of firm-like mechanisms for running them, all according to an allegedly neutral meaning of management and economic notions.

The result can be ridiculous: 'Museums should avoid "dying"'. A more positive approach, better marketing and customer care with minor redecoration and updating of displays will help' (Audit Commission, 1991: 35), as if it were possible to affirm the contrary. Vagueness is often disturbing in the self-proclaimed applications of managerial approaches within the arts sector. At times, a distracted reader might be uncertain as to whether they are reading about museum organization or sugar producers or salami makers.

The risk is of ending up with prescriptions which are too easy, recycling solutions tried in other sectors – almost an enormous 'cut-and-paste' operation – without embracing the unique aspects of the arts sector and the particular organizations being observed (not to mention the profound internal differences).

What is questioned here – even when taking for granted the historical pressure towards more 'economic' ways of running similar organizations – is the self-referential nature of managerial rhetoric as a self-sufficient, ready-to-use body of knowledge. It is worth overcoming the superficial, if not ideological, views of those who initiate routine solutions such as privatization and non-specific calls for efficiency, almost as if the private sector was somehow 'genetically' better at managing organizations than the public sector. All of which is misleading, distracting attention away from an understanding of the concrete and local conditions hindering the proper functioning of a particular public organization.

This is particularly true when referring to arts institutions and activities, organizations whose specific nature is difficult to investigate. For the management expert this involves the far from easy task of trying to understand to what extent managerial discourse is relevant and can be applied to such a 'strange' object of analysis. This requires attention to micro profiles, to the working and development conditions of individual organizations, starting with the need to focus on notions of accountability and economic responsibility.

In general, the word 'accountability' refers to the idea of 'accounting for': 'To be accountable means, as any dictionary will confirm, to give reasons and explanations of what one does' (Normanton 1966, cited by

Carnegie and Wolnizer, 1996). More analytically, to speak of accountability presupposes that someone is called upon to be accountable for something to someone else. There are therefore two premises, one which is informative (the information that allows some kind of representation of something), the other organizational-institutional regarding governance, the identification of that 'someone' who will take responsibility for managing 'something'.

More specific and operational uses of the term 'accountability' within museum contexts are however less clear-cut. The current international (especially the US) debate on the management of museums seems to revolve around discussion of representational modalities, parameters and leading indicators for the performance of museums, where a good deal of controversy surrounds the fact that these parameters – above all visitor attendance – partially or potentially conflict with the overall 'mission' of a museum as such (see Ames, 1994a; Armstrong and Tomes, 1996; Carnegie and Wolnizer, 1996; Rentschler and Potter, 1996; Oakes et al., 1998; Cannon-Brookes, 1998). What is called for is a sophisticated discourse on accountability, even in terms of technicalities, which could communicate professional concerns that are crucial for and distinctive to these kinds of organizations (visitors, conservation and so on), rather than mere forms of financial accountability.

### **1.3 Management and cultural organizations: a modest approach**

There are several answers to the question of 'why' management scholars should spend time and energy investigating arts organizations according to the management studies perspective. First, and foremost, the answer is 'for fun'. Without looking for over-sophisticated definitions of 'what is art', working and doing research on organizations whose main job is to 'process and preserve beauty' is a pleasure in itself (much more pleasant than talking about diseases, therapies and so on). In a sense, it is a way of consuming art. Spending about 70 working days doing research on management processes in Pompeii – as the writer has done in recent years – means three months of hard work, but also enjoyment, going through the required steps (visiting the site, reading and thinking about it, talking with people, writing).

Should the term 'fun' seem inappropriate or not serious enough, one could refer to it as 'intellectual curiosity'. Indeed, analysing the management process and the inner economy of a museum or another arts organization can help uncover some unexpected links with the 'art of

managing'. For instance, it is interesting to discover that in the genesis of archaeology as a modern discipline – originating in Pompeii in the middle of the eighteenth century – an important role was played by Carlo the Borbone. Later on, he would become the king of Spain, under the name of Carlos III, encouraging the introduction of 'enlightened' and modern forms of management in several royal monopolies, as recent studies have suggested (see Carmona et al., 1997). This tends to confirm that even in this context – as in the Venice Arsenal – it is within the state bureaucracy that, historically speaking, major managerial innovations took place (a rather ironic element, during a period of privatization!).<sup>4</sup>

A second reason for studying management and the arts is the one usually given by cultural economists, that is the economic importance of this 'business'. In particular, the sheer size of cultural tourism should be kept in mind – accounting for about 40 per cent of tourism in a country such as Italy (Formato, 1997) – with a high multiplier effect, to borrow a term from Keynesian economics. To say that it costs only the 6 euro ticket price to visit the Pompeii site is highly arguable, as a visitor normally spends as much as 10 or 20 times this amount in the regional economy (transport, accommodation, food and so on). This multiplier effect also raises serious methodological issues, which we will explore later on, especially in terms of responsibility and the level of application of economic convenience and accountability. The economy (in the substantive sense) of cultural and arts organizations is thus characterized by consistent externalities, which generate benefits in an indirect way, that is to individuals and entities different from those to which the original expenditures are related.

A third reason for studying management and the arts is that most of the organizations in the arts sector have close relations with the public sector, either because they are themselves branches of some public body, or because they depend on public funding. In either case, they are increasingly subject to pressure in the search for economic efficiency and 'value for money'. In some cases, funding is drastically cut back, and in others institutions become candidates for privatization, or at least candidates for 'companization' or 'managerialization', the feared co-option as an additional territory for the inexorable diffusion of the managerial rhetoric.

These reasons alone would justify the importance of this field of research. Yet there is more: indeed, it is not simply a one-sided process, nor a question of applying an already developed, ready-to-use, body of knowledge. It is not as if management theory (as we know it in the

management studies tradition) could be applied as such. Arts organizations offer a different challenge to this body of knowledge: an important – and difficult to deal with – anomaly. In other words, in addition to substantive elements of interest, studying the management of arts organizations can address important issues at the epistemological and theoretical level as well. (In this regard, a possible area of research is on creative processes in the arts as a way of understanding and further developing creativity inside business organizations: see Strati, 1999; Strati and Guillet de Montoux, 2002; Guillet de Montoux, 2004.)

In most cases, even when they are not part of the public sector, these arts organizations are not ‘firms’ in the true theoretical sense of the term. They are, rather, non-profit organizations (NPOs). Consequently the study of arts organizations forces us to overcome firm-centred mainstream economics (and management). Unfortunately, this is a research perspective which is often ignored in the management and economic analysis of cultural institutions (Anthony, 1984; Hansmann, 1980, 1987, 1996; Rose-Ackerman, 1986; Douglas, 1987; Powell, 1987; Weisbrod, 1988; James, 1989; Anthony and Young, 1984; Di Maggio and Anheier, 1993). Moreover, these organizations play an important role in the process of theory building for NPOs as a whole, organizations which cannot be reduced simply to voluntary work, the so-called third sector, and the like. (Incidentally, it should be remembered that arts organizations represent an important part of the organizations analysed by NPO scholars, such as Di Maggio.)

In addition, given their dependence on public funding, arts organizations represent a further field of study for comparative analysis in what has come to be known as ‘new public management’. It might be interesting then to investigate how the impacts of pressures towards efficiency and cost reduction in the arts sector compare to what is happening (and what has happened) in health care, education and so on.

However, arts organizations are set apart by one important feature that they have in common: they are professional organizations where a substantive-aesthetic culture prevails over the culture of a management knowledge that is generic and a-specific in itself. In such a context, it is management experts who find themselves in ambivalent positions, being perceived as ‘deviant’, witnessing the clash between two cultures; alien and separated from the very values of the profession of the curator, the art historian or of the humanist more generally; dangerous adversaries in terms of professional jurisdiction, perceived as bearers of an unfair competition protected and sustained by the invasive managerial rhetoric.

There are interesting consequences in working in such a context. The management expert is forced to go beyond the hyper-specialisms that characterize management studies and tends to be perceived by culturalists as representative of management as a whole. Even economists might have difficulty in understanding the current disciplinary boundaries within management studies – labelling experts in marketing, strategy, accounting, organization (it is more an issue of managing power relations than of specialization of different knowledge); asking a museologist or a musicologist to understand this would mean abusing his or her availability and imposing fragmented visions of management that would make little sense in relation to the problems that he/she faces in more holistic ways.

At the same time one constantly comes up against the problem of ‘relevance’. Indeed, in an era where managerial rhetoric is ubiquitous to the point of saturation – sometimes with useless and excessive, if not perverse, results – such a situation can be challenging. Working within the dominant culture and language of the arts organization, the management expert is forced to a better understanding of the core, distinctive elements of his/her own approach, under conditions of a radical ‘parsimony’ of notions and concepts.

In this regard, it can be problematic to devise or pursue a modest approach, not only in terms of research (see Jönsson, 1996), but also in terms of recommendations regarding actions to be taken and solutions to be adopted. There may be a pressing need for the introduction of managerial and accounting knowledge in the world of art: what is difficult – in my experience – is to find solutions that do not impose excessive doses of administrative culture and work, in contrast with the nature of these organizations (the very ‘overdose of management’ as in the case of the British Museum). Unfortunately, the culture of management studies and accounting does not seem to know half-measures and tends, rather, to impose its paradigms and mindset (see all of the perverse effects in terms of efficiency and bureaucratization that the Research Assessment Exercise for Universities seems to bring about in the UK).

This presents an enormous problem in terms of the educational background of people working inside arts organizations. What is crucial is the creation of administrative experts capable of fully understanding the specificity (and the values, professional needs and also the aesthetics) of a cultural organization, perceiving and possibly anticipating its requirements, finding solutions rather than creating other problems.<sup>5</sup> From this arises a proposal for the rethinking – cautiously but

also courageously – of a plan of education and training for a cultural heritage and arts professional<sup>6</sup> or a similar figure (Fitzgibbon and Kelly, 1997; Dennis and Martin, 1998; Martin, 1997).

This raises another point of interest in this field of research which is the wide variety of national contexts in which these phenomena and conflicts are set. From a management studies point of view, it is often interesting to investigate the impact of the relative status of different professions in different countries (museologists, art historians, musicologists and musicians versus management experts and accountants). For instance, the accounting profession in the UK wields a high degree of power for imposing rules and norms wrought in its own image – for example in terms of performance evaluation, in art as well as in educational organizations, and in terms of reports and rhetorical devices that are typical of commercial private business. Or one could confront the cultural and professional battles through diverse professional groups in different countries (such as the differences, for example, between doctors and museologists in the face of similar phenomena of the invasion of managerial rhetoric in Italy and in Great Britain).

Management scholars should seriously question the potentially counter-productive use of simplistic (and excessive) applications of their body of knowledge, aware of the need to point out its limits and weaknesses, as well as its strengths (in other words, to apply a sort of warning: ‘Management knowledge: Handle with care’). From this point of view, analysing the (often shambolic) accounts of arts organizations forces us also to analyse the state of the art of our profession: for the sake of the art, but also for the sake of management knowledge as a research area.

#### **1.4 A variety of discourses about managing cultural organizations**

Under these premises, the diffusion of managerial logic within cultural institutions presents characteristics which are, in part, common to other organizations linked to the public sector, and also, in part, distinctive elements.

Among general and shared aspects, one may highlight a long-term tendency to impose upon the entire public sector more incisive forms of economic evaluation in the managerial process. In this sense, cultural organizations – for the most part public or at least dependent on public funding – take part, reluctantly rather than willingly, in a process of ‘economizing’ that found in Thatcherism the ideal historical-economic context for the development of a concept of ‘value for money’, with an

emphasis on the use (and value) of public money (Hood, 1995; Bowerman, 1996; But and Palmer, 2000; Gruening, 2001). What is interesting is the relative slowness with which arts organizations have been contaminated by such a general process.<sup>7</sup>

The call for the appropriate use of public resources is encapsulated in terms of the 'three Es': economics, efficiency and effectiveness:

*Economy* is concerned with minimizing the cost of resources acquired or used, having regard to appropriate quality (*in short, spending less*). *Efficiency* is concerned with the relationship between the output of goods, services or other results and the resources used to produce them. How far is maximum output achieved for a given input, or minimum input used for a given output? (*in short, spending well*). *Effectiveness* is concerned with the relationship between the intended results and the actual results of projects, programmes or other activities: how successfully do outputs of goods, services or other results achieve policy objectives, operational goals and other intended effects? (*in short, spending wisely*). (National Audit Office, 1988: 7)

All this has given way to a specialized research area within management studies – the so-called 'new public management' – which is of considerable interest both for the importance of the processes under investigation (the transformation of the public sector through externalization, privatization and 'companization' is one of the most important processes in current history), and for the presence of often critical qualifying contributions (actually, one of the most curious characteristics of this field of study is that it has become more interesting from the critical standpoint than as regards its original contributions: see Lapsley, 1988; Hood, 1995; Lapsley and Mitchell, 1996; Gruening, 2001; Gherardi and Jacobsson 2000; Lindkvist and Llewellyn, 2003).

If this is the common ground which links the discussion on management of cultural organizations to the wider public sector, other aspects, instead, highlight the peculiarities:

- The intrinsic and irreparable situation of non-profitability, and thus the necessity for public resource allocations, particularly in the presence of relevant externalities.
- The sophisticated technology that characterizes these activities and, in general, humanistic knowledge, although in forms which are apparently discursive. This involves understanding bodies of knowledge of highly professional content.

- The strongly idiosyncratic character of artistic activity, possibly eluding forms of codification and generalization in the face of particular situations, activities performed, collections and so on (from archaeology to contemporary arts to the performing arts).
- The close relationship between politics and culture, not necessarily in the violent and open forms which characterize totalitarian regimes, so much as in the finest commission of interests, expectations and balance between political visibility and professional realization of the different parties involved.

This is, in fact, one of the most interesting aspects in the field. One may go so far as to speak of the foreign nature of management as a tradition of studies and as a body of knowledge within the logic with which these organizations have historically developed. Hardly more than ten years have passed (twenty in the case of England) since the expression 'museum management' was first used, whereas institutions such as Pompeii and the British Museum have been run for over 250 years according to criteria that are almost contradictory in respect to 'management' ('old or 'new', private or public). The study of these organizations also highlights the extreme differentiation and internal contradiction of management studies, the variety of frameworks of possible discourses about management.

Taking a closer look, the very use of the term 'management' for the running of these organizations threatens to be misleading: for many years, as a modern discipline born in the Enlightenment and diffused throughout Europe during the Napoleonic era, museology (and museography) has provided indications and prescriptions as to how to run these kinds of organizations according to a substantive and professional view. While serious limitations in this professional discipline seem to emerge when economic pressures rise and new questions begin to shape the agendas for these organizations, it is not so obvious that management as a discipline – that is management knowledge as we know it from developments in commercial business in the last 50 years or so – would be a good candidate to fill this gap, to overcome the limitations within museums and similar organizations by 'managing managerially', whatever such an odd expression might mean. Mainstream management scholars would probably deny the existence of any doubts in this regard, fostering their own disciplinary identity and assurance, and radical critics would stress the political and ideological meaning of any attempt to deal with this contradiction. What the author is interested in here is the process of translation of notions and

concepts between the two disciplinary fields – management and curatorship – their dialogue and possible cross-contamination within a two-way process.

It is the British Museum, representing the most emblematic case, which highlights the difficulties in the dialogue between the diverse cultural matrices that are necessary and indispensable – in their profound diversity – in the running of the museum.

Overall, leaving the details to be discussed in Chapter 2, in the recent events at the British Museum, two diverse rhetorics seem to confront one another: the current managerial rhetoric as used in the dominant approaches in management studies, and a somewhat more hidden, implicit rhetoric, with its own agenda, developed by professionals involved in managing organizations of this kind (in one way or another, and even against their will).

The first could be analysed from the point of view of a management scholar, with a critical scrutiny conforming to the research tradition, yet without ignoring the important elements that a ‘best practices’ consulting report helps to identify (the index of the report can be useful in the definition of diverse points that must be kept under control in a general management logic; one such is the useful and interesting concept of hidden deficit that will be discussed in this book). Nonetheless, noteworthy contradictions and limits of the Edwards Report can be identified (vagueness, lack of internal consistency, and methodological inadequacies in terms of research standards) in respect to the most controversial questions, which are ‘swept under the rug’: the identity of the museum and the necessity to adapt to more incisive forms of communication; the actual modalities of project management practices, especially in the Great Court (the architectonic restructuring and reworking of the spaces left free by the British Library after its relocation); the acquisition policies and the set-up of galleries; rapport with the sponsors; the issue of human resources; the reorganization and budget hypothesis (including the two options of personnel reduction by 20 or 30 per cent).

A management scholar attentive to the perspective of managerial rhetoric can also distinguish the counter-intuitive managerial relevance from the non-managerial rhetoric of professionals in the press debate on some fundamental problems (the identity of the British Museum, the introduction of ticket sales, the museum’s economy). Returning to the chapter for a clearer reconstruction of events, it suffices to recall the example of the way in which a logic of efficiency was used to defend a professional value (free entrance), arguing that data suggest

that the cost per visitor that the taxpayer must sustain is far less in the case of free-entrance museums.

What emerges is the partial meaning and value of managerial rhetoric as developed in management studies and the necessity of fully understanding the managerial discourse as developed by professionals in their non-managerial rhetoric. One must be aware of the risks of managerial obscurity as an a-specific body of knowledge, somewhat abstract (and often arrogant), and the multiple nature of the management discourse as a domain for a great variety of bodies of knowledge.

Furthermore, the potential internal contradictions of management discourse assume a central role in the debate on the British Museum, mostly within the same consultancy report, and also in dynamic terms, with a potential vicious cycle starting with the introduction of tickets in order to increase income. This has the potential effect of reducing visitor numbers, which will then spark new marketing initiatives, which in turn increase the costs and bring about further interventions to economize the use of the available resources, and so on (that which an attentive observer – close to the curatorial culture – will define as madhouse economics: Whittam Smith, 1996). Leaving aside more serious epistemological implications, this indicates at least the need for a less self-confident attitude, more problematic on the part of management experts, which will arrive at an understanding – beyond the variety of diverse types of discourses, for example by management experts versus museum professionals – of the variety and the relativism of the various management discourses even within the perspective of management studies.

However, there are other elements underlying the improper use of managerial rhetoric. In the case of the British Museum there is a pervasive political dimension influencing the managerial process, its intrusiveness and its resistance to abandoning its position. While the rhetoric of autonomy, accountability and economic responsibility continues, the Department for Culture, Media and Sport (DCMS) persistently intervenes, in one way or another, on crucial strategic issues (the resource cuts in real terms, the imposition of the figure of the managing director, the pressure for introducing entrance tickets and so on). Overturning the usual rhetoric, one may observe, in fact, that the process of 'managerialization' has (or should have) implications for the centre as well as for the periphery, requiring a disciplined relationship between the two.<sup>8</sup> Indeed, the rhetoric of value for money could be applied towards both sides of the relationship: where the

museum must demonstrate efficiency and effectiveness (or reach an acceptable trade-off between the two), and where the government itself has to prove the economic value of public funds (and eventually the need to reduce or increase them), according to an economically aware logic (in terms of economics of culture).

There is a crucial question in the story of the British Museum that is addressed neither by the Edwards Report nor in the debate in the press; it is not found in the discussions of the administrative boards nor is it addressed by the government. This is the problem of the economic sustainability of operational and running costs after the transformation of the Great Court. Only at the end of 1999, less than a year before the opening of the Great Court and the initiation of the new architectonic and functional organization of the museum, did anyone realize that the question of the current operations and their funding had been forgotten. The consequence was the firing of 90 people in order to finance the acquisition of personnel with new skills (thus igniting the strike threats which are mentioned in Chapter 2).

The problem of addressing current operations and running costs is one of the most (theoretically) interesting and also (practically) dangerous phenomena of the cultural sector – and not only in Italy; one that a perspective of management as rhetoric helps to promote, posing it as a central element in the discussion.

### **1.5 The multidimensional nature of the management of cultural organizations: a framework**

In light of these reflections, a framework for understanding arts organizations is provided in Figure 1.1, taking into account the growing complexities of the management process within arts organizations. In addition to the highly professional logic (curatorial, musicological or whatever, depending on the nature of art involved) and the aesthetic focus under which arts organizations have been managed for some time – albeit in what might be defined today as ‘non-managerial’ forms, in organizations which span almost two-and-a-half centuries, such as the Pompeii site, the British Museum and Italian opera houses, just to give few examples analysed in this book – the past two or three decades have seen an expansion into new and enriching tasks which have created additional specific managerial pressures. The response of arts organizations – as in all institutions – has been a notable phenomenon of inertia in the face of the necessity to incorporate new knowledge and professional values.

|                     |  | EFFECTIVENESS                                      |   | EFFICIENCY   |
|---------------------|--|--|---|--|
|                     |  | Historical-aesthetic value<br><i>(Back office)</i> | Relation with users<br><i>(Demand-side)</i> | Acquisition and use of resources<br><i>(Supply-side)</i> |
| Substantive aspects |  |  |   |  |
|                     |  |  |   |  |
| Procedural aspects  |  |  |   |  |
|                     |  |  |   |  |

Figure 1.1 A framework for analysing the multidimensional nature of the management of arts organizations

The plurality of issues that the pressure toward ‘managerialization’ seems to impose upon museums need to be addressed. The core logic of economic responsibility concerns two principle aspects: ‘market’ orientation and the orientation toward resources. First, the introduction of economic responsibility tends to structure forms of managerial processes that are focused on explicit objectives. Results are defined from the beginning as goals, while negotiating the necessary resources. More than profitability or the improbable economic self-sufficiency, it is the inherent logic of objectives, resources and responsibility that characterizes such a process (for example, in terms of the number of visitors, income and resources gained autonomously; projects, results and recognition under the aesthetic profile and so on). Second, this general element tends to go alongside further aspects:

- A process of market orientation, which tends to apply key marketing approaches to the relationship with the user or diverse ‘segments’ of users (already evoking the language of market segmentation, with the magical semantic transformation of users into ‘clients’), involving communication with diverse segments of potential consumers.

- A process of attention to the limitations of resources, costs and alternative uses of resources (both financial and human), and thus to service performance linked with differences in providing the service.

The multidimensional nature of management discourse in cultural organizations thus describes a complex setting, involving three areas or dimensions of problems (the columns in Figure 1.1), with diverse origins and cultural matrices which are not necessarily convergent.

- *The historical-aesthetic dimension.* Focusing on museums, this evokes the entire museological dimension and the professional discourse regarding the collections, sites, buildings, and practices and criteria of collecting, preserving, restoring, researching; for an ancient music ensemble this refers to the musicology discourse about the repertoire and the skills to render it, including style and performing practices, perhaps using historical instruments.

In organizational terms, this dimension may be referred to as a crucial back office dimension (although in fact, back office never factors as central and important). While back office does not directly interact with the user, it is indispensable (as in all organizations) for the maintenance and the identity of the organization.

- *The relationship with the user dimension (demand-side).* This implies, beyond the intrinsic characteristics of the service, considering the point of view of the user, his or her needs, his or her consumption process, according to the core logic of 'keeping the customer satisfied', and the countless aspects that this could involve.<sup>9</sup>
- *The resources dimension (supply-side).* This introduces the additional problem of how to achieve everything (back office and customer related activities) while finding ways to economize on limited and decreasing resources (or at least pondering the problem of organizing with attention to the acquisition and use of resources, as for instance in terms of the nature and the quantity of resources acquired in respect to those self-generated; costs and overall productivity; quantitative/qualitative evaluation of productivity and the satisfaction of personnel and so on).

It is not only the three-dimensional nature of management of arts organizations that makes things complex, but also the differences in the logic of action that drive different discourses in terms of efficiency and effectiveness. Thus, efficiency and effectiveness are extremely different concepts, addressing diverse problems (and solutions). Effectiveness is meant here as the degree of achievements of goals with

respect to the different stakeholders involved (Bradford, 1994; Armstrong and Tomes, 1996; Rentschler and Potter, 1996; Griffin and Morris, 2000). Efficiency is, instead, the relationship between output obtained and input used.<sup>10</sup> From this point of view, the back office dimension is guided by the logic of professional effectiveness (in respect to professional standards in terms of historical-aesthetic-scientific judgement according to the different kind of cultural organization). The dimension of demand is also guided by the logic of effectiveness, but refers to the satisfaction of the user (or of the different segments of users). The supply dimension focuses on resources, tending to be guided, instead, predominantly by the logic of efficiency.

This provides a strange mixture of perspectives – effectiveness and efficiency representing quite different relationships – with a counterposition between the underlying matrices. The historical-aesthetic discourse is in certain ways closer to a market-oriented logic, with its emphasis toward the visitor, because it shares a logic of effectiveness across dimensions. Yet the logic of supply and demand belong, more or less, to the same body of knowledge: management studies. Such a mixture of issues and perspectives is at the same time cause and effect of conflicts, contradictions and difficulties in the management discourse of cultural organizations (Di Maggio, 1986; Wilton, 1990; de Jong, 1993; Ames, 1994b; Fitzgibbon and Kelly, 1997; van Hemel and van der Wielen, 1997; Griffin, 1991; Mossetto and Valentino, 2001).

In fact, a latent conflict exists in terms of effectiveness, between the historical-aesthetic dimension and the customer orientation: professional values can collide, creating misunderstandings and reciprocal accusations (of commercialization on the one hand and of self-referential closing on the other). Whatever the degree of this conflict and solution, it will be a trade-off between the two dimensions, between different cognitive orientations (access versus back office). For instance, referring to museums, although the increasing contamination with a ‘show business’ logic is difficult to resist, the specific nature of these organizations must be defended according to the logic of a professional discourse by museologists (and vice-versa).

Yet even more disturbing is another type of latent conflict. Although within the dominant managerial rhetoric, efficiency and effectiveness are used interchangeably, in the arts sector they tend to be in opposition. It is easy to increase efficiency simply by reducing the level of services offered (for example by reducing the opening hours or the care and presentation of the objects). With musical organizations, the easiest method to increase efficiency is by reducing the number of orchestra members. However, the absurdist logic of this would mean that first

lyric opera organizations would renounce their activity, then symphony orchestras, and then chamber organizations would opt to become quartets rather than quintets, or trios, or even duets: in the end what would remain is the one-man band, a form of ‘absolute’ efficiency. This means that speaking of management of cultural organizations, poses a problem of compromise, of trade-offs between effectiveness and (or ‘in opposition to’) efficiency. This aspect probably constitutes the most interesting result of the kind of research adopted here, and represents a sort of unifying theme throughout the book, in a double sense:

- as an internal criticism of management rhetoric which tends to see in a non-problematic way the relationship between efficiency and effectiveness;
- as a crucial issue (conflict) at the core of the debates on cultural policies and the implementation of organizational conditions for managing individual organizations.<sup>11</sup>

This highlights a further delicate aspect: the potential contradiction between different approaches within the same field of management studies, wherein a customer-oriented logic could conflict seriously with an approach focused on resources.

To complicate the situation even further – especially within the processes of modernization affecting public administration in continental Europe – the term ‘management’ itself can refer to both substantive and procedural aspects.<sup>12</sup> For example, in terms of the financial resources of a private firm, one may refer to substantive aspects such as the amount and nature of available resources, costs and expenditures, and the attempt to match them with the amounts and nature of earnings. A different issue is the analysis of procedures that are generally used within arts organizations for driving actions or decisions in terms of resources (gathering and using funds, allocating the resources and monitoring costs). Yet another problem is the identification of the links – if any – between those sets of aspects, as for instance between the actual situation in terms of costs behaviour and procedures in use, in a non-deterministic logic, in general (that is, in relation to any kind of organization).<sup>13</sup> Substantive and procedural aspects (the rows in Figure 1.1; for a preliminary application of the framework for museums see Figure 1.2), therefore, belong to two dimensions which must be considered together, rather than focusing in an obsessive way on ‘best practices’ that should mechanically translate into best results from a substantive point of view.

|                     | EFFECTIVENESS   |  | EFFICIENCY  |
|---------------------|---|--|---|
|                     | Historical-aesthetic value<br><i>(Back office)</i>  | Relation with users<br><i>(Demand-side)</i>  | Acquisition and use of resources<br><i>(Supply-side)</i>  |
| Substantive aspects | <ul style="list-style-type: none"> <li>• Value of collections</li> <li>• Development of collections</li> <li>• Maintenance</li> <li>• etc.</li> </ul>                                   | Satisfaction of different segments of public served: <ul style="list-style-type: none"> <li>• visitors</li> <li>• schools</li> <li>• scholarly community</li> </ul>                                  | Financial resources: <ul style="list-style-type: none"> <li>• collected/self-generated</li> <li>• costs and overall productivity</li> </ul> Human resources: <ul style="list-style-type: none"> <li>• quali-quantitative dimensioning</li> <li>• labour productivity</li> <li>• personnel satisfaction</li> </ul> |
| Procedural aspects  | Activities and practices of: <ul style="list-style-type: none"> <li>• collecting</li> <li>• documentation</li> <li>• acquisition</li> <li>• conservation</li> <li>• research</li> </ul> | Practices of: <ul style="list-style-type: none"> <li>• services to the customer</li> <li>• education</li> <li>• loans</li> <li>• marketing</li> <li>• exhibitions &amp; relative criteria</li> </ul> | Logic and practices in managing resources: <ul style="list-style-type: none"> <li>• financial</li> <li>• human</li> </ul>   |

Figure 1.2 The multidimensional nature of the management of museums

This is one of the major hazards of the invasion of managerial rhetoric in the cultural sector, wherein the most sophisticated part of management knowledge – that is, the part which is most critical and subtle, and ‘difficult’ in management discourse – is simply lost, almost blocked by a filter, resulting in the importation of only naive and simplistic approaches. For example, the passion for terms and rituals – such as mission, customer satisfaction and Total Quality – is carried into museums as well as health care: it is an obsession with procedures that do not attend to the substantive characteristics of organizations such as museums or hospitals. This is, in effect, what is most perplexing in the procedural approach: the scarce attention towards substantive elements (Jönsson, 1996, 1998), which raises the issues of lack of relevance and failure to differentiate between organizations (between different museums or even between arts organizations and hospitals) of very different importance and value (in the eyes of the taxpayer, the policymaker and of the museologist). As March said (1988), management is basically addressing attention: and if the attention is to be addressed to scarce resources, it is better to use more incisive approaches.<sup>14</sup>

## 1.6 Responsibility, accountability and governance structures

Applying the logic of economic responsibility to a job which in itself has become more articulated, complex and multidimensional (covering the historical-aesthetic logic, customer orientation and attention to

resources) is therefore, what characterizes the evolution of management of cultural organizations in recent years.

How these aspects relate to the evolution of the public sector is an additional and important issue, given the strong relationships of most cultural organizations with public administration (either because they are public entities themselves or because they depend to a large extent – particularly outside of the US – on public funding). On that note, the impression of the writer is that major problems within the process of ‘managerialization’ concern, in fact, *public* cultural organizations: not so much because they are cultural organizations as such, but rather because of their status within the public sector and its own difficult and controversial transformation. In this regard, the rhetoric of current management as applied to the British Museum will be investigated in detail in Chapter 2. If economic responsibility and the focus on running costs are two critical elements which the experience of the British Museum, above and beyond others, tends to demonstrate, the impression is that these questions still enter, in an absolutely partial and contradictory way, the ‘agenda’ and the debate on the management of cultural organizations all over the world – with a particular emphasis on museum institutions.

In this respect, the risk of a paralysing contraposition arises between proponents and opponents of privatization processes that are often based on a macro level of analysis, often posing the problem in terms of ideological preference (setting public budget constraints against cultural value). This is paralysing because it ignores two major processes which can be implemented – and indeed are already at work – to transform publicly administered or funded cultural organizations through modifying the conditions of managerial actions:

- by introducing forms of managerialism, in the first place through the implementation of management control, cost control, budgeting procedures and such;
- by establishing forms of ‘devolution’, identifying government structures and institutional settings wherein the logic of management itself (the ‘*discorso del maneggio*’) could better apply, without this necessarily implying privatization. Instead, more consistent forms of accountability are implied.

The more telling French word, ‘*désétatisation*’ will be here used, translating into the nonexistent English word, ‘de-statization’.<sup>15</sup> The term ‘devolution’ will result in ambiguity in this context, because in Europe

– certainly in Italy – it tends to be used at a geographical level, that is as transferring bodies and entities from central to local government (either the Region or the Municipality), rather than at an organizational level, for example defining new entities, with new governance structures and forms of accountability (similar to the arm's length principle of the Anglo-American tradition).

One thing is certain in such transformation processes: all of us are increasingly called upon to account for activities and resources used – particularly those which are public and/or inside the public sector. Yet this must happen with respect to the core logic that drives cultural institutions as professional organizations. Among these – in the case of cultural organizations and, in particular, cultural heritage – the qualification of public goods remains an essential element.

Referring to the introduction of forms of managerialism in museums, an appreciation of the entire process of 'managerialization' of public sector Italian institutions is developed in Chapter 3. The limitations of national entities, for instance the reform of the autonomous *soprintendenza* as well as changes occurring within municipal museums are discussed, as are the limitations of documents concerning standard-setting for museums developed by Italian professionals in recent years. A serious lack of understanding of the rhetorical nature of management underlies this situation, and the result is a confused and excessive use of a trivialized managerial rhetoric.

The difficulty in understanding the relationship between managerial rhetoric and resources (and conditions of action) emerges in various situations. From a semantic point of view, it is very telling that the consequence of referring to the 'autonomy' of the *soprintendenza* is that the question of managing human resources is simply forgotten: once again 'autonomy' is assigned without a direct control over resources (within an institutional design which is rather bizarre from a financial point of view, as will be shown).

More complex – but no less problematic – is the sense that the introduction of forms of managerial control in several municipal museums tends to assume the meaning of a ritual exercise, if not outright mystification: a situation that could be defined as 'false managerialism'. If the essence of managerial control is to verify and make explicit the logical and organizational chain between objectives, resources and results, one of the paradoxical results of the abuse of managerial rhetoric in managerialization processes is the bias towards individual responsibility of actors in terms of goals and results, without a discussion of resource allocation. 'Doing things on a shoestring' is how such

an attitude is usually referred to within the sector, both in terms of investment decisions (for example the opening of new museums) and in reference to current operations (and current costs). Resources are often cut according to a top-down logic that has little or nothing to do with the process of goal-setting which continues in parallel, and in a somewhat abstract and ritualistic way, subject to its own inertia.

Such a situation, filled with potential time-bombs in investment processes, does not help, however, in dealing with day-to-day operations: it represents another 'lost opportunity' for making the bargaining process about goals and resources explicit between administration and politics, in terms of the trade-off pursued between efficiency and effectiveness. Indeed, on the contrary, within several municipal administrations, deontology requires the teaching of 'survival techniques' to directors and curators in the face of these 'false managerialism' tendencies.

It is the difficulty of reforming public administration that opens the door to the need for experimenting with alternative solutions, for example, devising governance structures that are allied to economic responsibility, wherein the allocation of resources is consistent with goal-setting, in this sense recomposing the programming logic between decisions and allocation of resources.

Following a short discussion on common aspects in the process of 'privatization' of cultural organizations found at an international level, Chapter 4 focuses on some of the distinguishing features in the Italian context. One of the most interesting phenomena in this sense is the widespread trend in the arts sector toward the transformation of organizations into operative foundations. Beyond simply saving resources (from the point of view of the public administration by which the organization was previously underwritten), the reasons behind this are the search for flexibility in operations and in managerial conditions. Such a process can be referred to as an 'exit' from the public sector (*désétatisation*) without implying the selling of assets and cultural goods (privatization).

However, in this case too managerial rhetoric lies in ambush: with an excess that confuses the managerial discourse (the '*discorso del maneggio*' as Drachio called it) and creates inconclusive or perverse results (the opera house case that will be referred to). Despite a resolute criticism of naive or mechanistic views of the transformation of arts organizations into foundations, the author nevertheless believes that a careful use of managerial rhetoric could assist in a more focused and functional definition of the design of the new entities, which should

be capable, above all, of addressing the issues of running costs and strategies for survival, despite the lack of economic self-sufficiency characteristic of cultural organizations.

In particular, in Chapter 4 the project of the transformation of the municipal museums of Milan into a foundation will be analysed (with some additional reference also to the similar transformation of the Egyptian Museum of Turin), with the main focus on the issue of managerial responsibility. The most interesting aspect of the transformation into foundations – as argued – is that agreements between the partners (the municipality, other local entities, the ministry, such sponsors as local bank foundations and so on) are to be spelled out in explicit terms. The mandate of the top manager of the new entity in relation to resources provided by the partners can be formalized, according to an explicit and long-term view. In this way, these complex relationships between politics, policies, and representatives of the various institutional actors and he/she who will actually manage are disciplined. Both goals and resource allocation are stated explicitly, while also clearly defining times and procedures for assessing results, and in some cases redefining them in further programming cycles. This could eliminate the phenomena of instability and inconsistency or, in the worse cases, the abandonment of initiatives already begun, resulting from sudden changes in politics and policies where there is no long-term relationship between goals/resource settings for the future, nor proper commitment to provision of resources for previously agreed upon goals.

The book concludes with a broad review of the municipal museums of Venice where a similar approach has been applied. These are among the few profitable museums in Italy, thanks in part to local conditions, but also to a careful policy of outsourcing to an external general contractor while retaining overall control. A reconstruction of the evolution of Venice museums in the 1990s is proposed. However, the need to ‘account for’ the museums’ activities – above all, according to a logic of effectiveness – is also suggested. On the basis of the framework developed in this chapter, the final chapter provides a kind of ‘report’ aimed at understanding the aspects that characterize the multidimensional nature of the museum operations. Taking the curator’s point of view, the report stresses the contradictions between efficiency and effectiveness that characterized the museums during this period of evolution: suggesting a reduction of the former in the name of the latter. The report aims to be comprehensible by curators, and in principle could be used by museologists in narrating to civil society the actual

outcome of museum activities; it could also represent a basis for a more structured discussion between political and managerial responsibility.

Overall, it is a report not unlike that of Baldissera Drachio and his colleagues, when reporting on the Arsenal to account for their jobs, at the same time having to negotiate (and therefore discipline) the relationships with the Senate and the City of Venice in relation to Molin's proposal in 1633 for a reduction in the original target from 100 to 50 reserve galleys. This is another form of a '*discorso del maneggio*' that links conditions of actions and resources with political objectives.

## Notes

1. Mintzberg (1973: 34) also reports data from other research: according to Stewart, of 160 managers observed for 4 weeks, only 8 cases were found of uninterrupted periods of at least 23 minutes; the same period was found 12 times within a 35-day observation of a director in a study by Carlson.
2. As is well known, the word 'management' derives from the term 'maneggio', used by Pacioli in 1494 in the first printed book on double entry book-keeping, subsequently diffused as 'the Venetian method' all over Europe (see Zan, 1994).
3. 'The substantive meaning stems, in brief, from man's patent dependency for his livelihood upon nature and his fellows. He survives by virtue of an institutionalized interaction between himself and his natural surroundings. That process is the economy, which supplies him with the means of satisfying his material wants ... So long as the wants depend for their fulfillment on material, the reference is economic ... To study human livelihood is to study the economy in this substantive sense of the term' (Polanyi, 1977: 20). Furthermore: 'Production represents what is perhaps the most spectacular economic feat, namely, the ordered advance of all material means towards the consumption state of livelihood. Together the two kinds of movement complete the economy as a process' (Polanyi, 1977: 32).
4. On closer investigation (Boylan, 1992a), it emerges that the genesis/diffusion of modern forms of management and the genesis of museology as a profession in the Napoleonic era are not unconnected issues – which shows that the relationship between management and art goes back further than one might think.
5. This is the hypothesis behind the structure of a graduate programme – *Gestione e Innovazione delle Organizzazioni Culturali e Artistiche* (GIOCA) – at the University of Bologna. This is not a 'standard' masters, which would presume an already-consolidated field of knowledge that could be transferred to students, as much as it is a course oriented towards research and the devising of solutions. The course focuses not just on 'cultural goods', but on cultural organizations, on the assumption that on the one hand the knowledge of management can be applied in similar ways to diverse organizations within the cultural field, and on the other hand that the processes of transformation of cultural consumption and of the same technologies require mixture and exchange between consolidated forms and art institu-

tions (on the dynamic of the connections between creative industry and professions see Caves, 2000; Bianchini, 2002).

6. For instance, in Italy an important event has been the initiation of the first training course for *soprintendenti*, organized by the ministry in 1999. This could open the way to more incisive action on the establishment of educational processes toward the development of competencies for those who would go on to manage complex arts organizations. Another encouraging sign – that would not have been found only ten years ago – is that the teaching of managerial control is present in many (almost too many) of the masters courses on cultural heritage, although in some cases, only eight hours are dedicated to this subject in the naive assumption that such shortcuts can actually exist. In reality, the cultural distance means that often the minimum ‘critical mass’ in management education is far from being achieved. It is as if an economist attempted to condense – in a similarly short time – education in the necessary topics of art history, theories and practices of conservation and so on. It is difficult to imagine that this will develop competencies beyond those necessary to act with minimal knowledge about managerial concepts and related techniques, permanently condemning arts organizations to a dependence on external consultants, without even the capacity properly to verify and control their work (the risks and costs of this behaviour begin to emerge in Chapter 2 in reference to the British Museum).
7. In searching in any library, what is surprising is the dearth of contributions on this topic prior to the 1990s, apart from a few theoretical works (for example Baumol and Bowen, 1966; Peacock and Godfrey, 1974). A few important pamphlets emerged in the UK around the end of the 1980s (Griffin, 1988; Cannon-Brooks, 1989; Kovach, 1989; Noble, 1989; Wilton, 1990; Museums and Galleries Commission, 1990; Audit Commission, 1991).
8. Similar considerations also emerged from previous research on Italian museums, in reference to both the civic museums and to those at the national level (Zan, 1999). At that time, the author thought that it was peculiar to the situation of the Italian public sector and its history of bad management. However, it seems that it is a rather generalized phenomenon, although with ‘national variations’.
9. In fact, more than anything this is a problem of behaviours and a consumer-oriented approach. For example, in the case of a university, creating the timetable while keeping in mind the idea of minimizing the students’ time in the classroom costs little but is of enormous value to the student in terms of time management and productivity. Furthermore, at times costs are actually reduced through an increase in customer services: for example, outpatient surgery reduces overnight hospital fees, requiring only the comparatively simple concentration and programming of the work involved. In the museum sector, this could refer to the variations in the opening hours of single museums – which tend to depend on tradition, customs and administrative history – and the disservice that this could cause the user. More generally regarding this perspective see Hendon et al., 1989; Bradford, 1994; Dickenson, 1997; Linklater, 1997; McLean, 1997; Colbert, 2000. Regarding the Italian situation see also Solima, 1998; Solima and Bollo, 2002; Moretti, 1999b.

10. The definition of effectiveness here proposed is the more classical one and differs substantially from that which is provided by the DCMS report on 'Efficiency' and 'Effectiveness' which will be discussed further: 'effectiveness is the relationship between efficiency and the results. The results are the final impact of the activity and should be interpreted in relation to the scope and objectives' (DCMS, 1999: 39).
11. The potential incompatibility and the continuous incomprehension of the conflict between efficiency and effectiveness can be expressed ironically, as in the following story (taken from the English magazine *Classical Music*, edited by Rhinegold, 11 August 2000), which was given to the author by Christopher Gordon, whose help is here acknowledged:

*Schubert's Unfinished Symphony.* The Chair of a Music College's Board of Governors was given some tickets for a performance of Schubert's Unfinished, but was unable to attend. He therefore passed on the tickets to the senior manager of the College, who later sent him the following report:

For considerable periods, the four oboe players had nothing to do. Their number should be reduced and their work spread out over the whole orchestra, thus eliminating unhelpful peaks of activity.

All 22 violins seemed to be playing identical notes; this seems unnecessary duplication, and the employees in this section should be drastically cut. If a large volume of sound is absolutely necessary, then advantage should be taken of the new technologies. The College already possesses an electronic amplifier.

Much effort was made in playing demi-semi-quavers. This seems an excessive refinement and I would recommend that in future all notes should be rounded up to the nearest quaver (or semi-quaver at most). This would have the added advantage of allowing us to use trainees or lower-grade operators which would be cheaper.

I cannot see that any useful purpose is served by repeating on the horns, passages which have already been played perfectly adequately by the strings.

If all such redundant passages were eliminated from the concert, then I estimate we could have reduced it from one hour to about 15 minutes. Had Schubert given proper attention to these matters at the planning stage, and taken proper consideration of the time factor as a crucial part of his overall strategy, it is highly likely that he would have found it possible to complete the symphony after all.

12. The terms substantive and procedural are used here in parallel to the discussion by Polanyi (1977) on substantive and formal meanings of economic notions and economics itself (and, unfortunately, in contradiction to the use by Simon, 1976, of the term 'substantive rationality' when referring to the degree of congruity of the decision with the rational choice framework, and 'procedural rationality' when referring to actual historical and social processes connected with the choice). At a different level, the distinction also echoes the difference between action-oriented and decision-focused contributions in management studies (see, for example, Normann, 1977; Pettigrew, 1987; Mintzberg, 1994; Zan, 1990, 1995).

13. For example, Anthony Hopwood (1990) has highlighted the counter-intuitive nature of the development of Benetton, the well-known Italian clothing firm, based on the competitive strategy of containing current costs in the absence of any sophisticated system of cost control. At the same time, a business may be characterized by a well-structured labour force (with competencies and excellent experiences) and from a good organizational climate regardless of the absence of some formal procedures for the hiring and rewarding (incentive systems) of personnel, or vice-versa.
14. Important changes to the DCMS (1999) document on efficiency and effectiveness commissioned from Deloitte are introduced here. In addition to simplifying the framework, we focus primarily on substantive aspects (the so-called outcomes and outputs in the Deloitte scheme), the 'reason why' of these organizations, and only secondarily on procedures (activities in Deloitte's terms). Effectiveness is seen in terms of collection-related and market-related issues (which are close to what are referred to as 'stewardship' and 'access and communication' in the Deloitte document), but once again primarily in terms of substance/outcomes rather than procedures/activities. Efficiency aspects (particularly in terms of human and financial resources) are given a more explicit role, still distinguishing the substantive and the procedural level. In that sense, our preference for substantive aspects is closer to what was developed – for instance – by the registration scheme, than to the redundant list of parameters proposed by DCMS (1999).
15. The term *désétatisation* was used in the conference in Amsterdam in June 1997 on *Privatization/ Désétatisation and Culture. Limitations or Opportunities for Cultural Development in Europe?* (van Hemel and van der Wielen, 1997). Unfortunately, in the Italian translation (*Economia della Cultura*, 1997) the richness of meaning in the title was lost, leaving the trivial '*La privatizzazione culturale in Europa*'. As in the general debate, the only term left is 'privatization'.

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