## Starving Artists and Charitable Ladies: A Case Study of Goal Displacement in a National

#### Arts Organization

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The literature on non-profit organizations emphasizes the importance of financial resources for organization survival. In the United States, four out of five nonprofit organizations fail within their first five years of existence. The most common reason credited for this high rate of failure is the inability to gather sufficient funds from a sufficiently wide variety of sources (Gelatt 1992, Firstenberg 1996).

Here I argue that the emphasis placed on the difficulty of attracting financial resources has led to a relative under-emphasis on the difficulty of attracting the right human resources to fledgling nonprofit organizations. Insofar as most nonprofit art organizations start with limited funds, most of the human resources we are discussing are initially volunteers. Volunteers are not simply raw material to be shaped into a smoothly functioning organizational culture by arts administrators; rather they are better viewed as carriers of both individual and group cultural traits. Some of these traits are obvious and manifest, such as specific job skills or aspects of personality that make one volunteer a good fundraiser, another a good secretary. Other traits, however, are latent or hidden.

The individual him/herself may remain unconscious of them until their impact is felt, to the benefit or harm of the organization (c.f. Wilson and Musick 1997, McPherson, Miller and Rotolo 1996).

This paper presents a case study of how latent cultural characteristics pertaining to gender and social class roles and role expectations created a crisis within a fledgling arts organization. I offer it as a "cautionary tale" of organizational goal displacement. It may serve to sensitize administrators and volunteers alike to the cultural sub-currents at working an organizational climate where the competition for human resources has become as intense as the competition for financial resources. What follows is 1.) a brief summary of the theoretical and methodological approach guiding the research, 2.) the presentation of the case study, and 3.) analysis of policy implications.

### THEORETICAL AND METHODOLOGICAL APPROACHES

This paper combines the approaches of organizational culture (Manning 1997, Friedland and Alford 1991, Weick 1995, Schein 1984) and chaos theory (Marion 1999, Eve, Horsfall and Lee 1997). Within this considerable literature on organizational cultures most studies focus on organizations that have been in existence for some time, such as powerful corporations or major universities, museums, or hospitals. In such settings, "good" versus "bad" organizational cultures can be identified, with corrective actions taken. But chaos theory, as used within the social sciences, offers us an understanding of new organizations which emphasizes 1.) the importance of initial conditions and starting points, however arbitrary, 2.) the role of feedback, and 3.) that what results from emergent processes based on 1.) and 2.) is not "chaos" in the sense of disorder, but rather particular patterns of order that could not have been otherwise predicted.

On the surface, new arts organizations are in a favorable position, insofar as they can plant the seeds of a positive organizational culture without having first to tear out the bad. Tremendous creativity is involved in the conscious formation of organizational culture (c.f. Barthel 1997). I emphasize conscious formation, insofar as the literature too often sees organizational culture simply as the unsubliminated projection of a few dominant personalities on co-workers. Given the ready availability of advice to nonprofits in both text and seminar formats, this would no longer seem to be a valid assumption. It certainly was not the case in the organization here considered, insofar as advice was consciously sought as to the creation of not only organizational structure, but also organizational culture.

However, no organizational culture is cut out of totally new cloth. Instead, activists and administrators are subject to structural and cultural constraints. Structural constraints include but are not limited to the competition for resources within the marketplace of organizations. Each arts organization defines its mission for itself and the public. It is important that this mission should not simply serve the public good, but also that it should be sufficiently "attractive" to garner financial and volunteer support (McPherson and Rotolo 1996). Organizations must compete for volunteers, of which there is often a shortage. When they occur, such shortages are keenly felt, insofar as many arts organizations are quite literally "run" on volunteer labor. For most art organizations, the bulk of this volunteer labor has traditionally been provided by women. Women had both the available time and the interest in music, dance, theatre, or the visual arts. They were "paid" in terms of social status and friendships formed among like-minded women. It goes without saying that women with large chunks of time were drawn disproportionately from the affluent middle and upper classes (Daniels 1988, McCarthy 1991).

With the increase in women's employment in general, and the increased tendency of recent cohorts of women to work in demanding professional or managerial positions, the available pool of such volunteer talent is shrinking. Such women may cultivate a tie to one or two art organizations, but they are unable to commit fully to what frequently is the equivalent of a second, unpaid, job. When they do, the burn-out rate appears high. Other factors beyond the changes in female employment, including for example geo graphical constraints or demographic considerations, can also be seen as part of the structural constraints which cannot, however, be fully addressed in this short space.

Cultural constraints are often harder to identify than structural constraints. They include agreed-upon values and norms, but also latent assumptions as to what one should or should not do, what is or is not acceptable social behavior. Ann Swidler (1986) has presented a highly individualistic account of culture as "tool-kit." Following this analogy, one acquires through socialization and personal experience certain tastes, abilities, skills, and dispositions. Faced with the demands of a specific situation, one then draws on whatever "tools" one has to do the job. While Swidler is aware of the social foces shaping the likely presence or absence of cultural tools in any one person's tool-kit, what this perspective downplays is the emergent aspect of cultural interactions.

Arts administrators are trained to look for opportunities to leverage scarce resources, achieving a greater benefit from their combination than from their use in isolation. But in matter of fact, organizational resources, when combined, can lead to greater negative outcomes through what I call <u>Negative Spirals of Organizational Energy</u>. This term captures the sort of patterning visualized by chaos theorists when they analyze how small, arbitrary events and interactions can lead to structured organizational processes. Given their emergent quality, such spirals are often hard to detect until they have gathered sufficient strength to become a force unto themselves that threatens to derail the whole organization.

The author of this paper was a member of the organization in question and was able to follow its development from the moment of founding. The case study presented is based on analysis of the organization's publications, personal communications preceding, during, and after the crisis, and follow-up interviews with key figures.

## THE AMERICAN ASSOCIATION OF NATURE ARTISTS

The visual arts organization in this case study (of which the name has been changed) has a membership of approximately 800. The overwhelming majority are amateur artists, but it also includes professional artists, affluent collectors, and art librarians. Approximately 90 percent of the members are women, most of whom were between the ages of 25 and 60.

The Founder of the organization was a biologist who had only an amateur interest in this art form. She started the organization under prodding from other artists aware that national organizations for this art form existed in other nations, and who felt that such an organization in the States would draw deserved attention to this rather traditional art form. The Founder quickly got the backing from other institutions and societies in the organizational field (Powell and DiMaggio 1991), and slowly built up the membership and sources of support.

Well aware of the financial requirements for the survival of any fledgling arts organization, the Founder carefully cultivated wealthy supporters for board membership. The first board included only four members, and its Chair was an artist member. As the board grew, however, this Chair's term ended, and she was succeeded by a non-artist member whose major interest was in collecting. This Chair was a wealthy woman who had considerable board experience with other, better established, organizations.

The organization at this point was four years old. The membership had grown to 800, and a professional accountant-cum-collector had been appointed as unpaid treasurer. The 15 person board including a lawyer and had national representation. The organization was publishing an attractive journal three times a year, sponsoring juried exhibitions, educational projects, and an annual meeting attended by approximately 130. A spirit of comradeship reigned among people who previously had no means of communicating with others who shared this particular artistic interest. The Founder knew about the risks of "founderitis", that is, when a founder holds on to the strings for too long. She was also facing pressures at work. Thus she was pleased when the vice-president accepted the positions of President and Executive Director, pending board approval. This change also marked the first time that there would be a paid employee, with the salary of \$15,000 for the part-time work of managing a small organization.

The new Executive Director, whom we shall call "Elena," had what can only be called a checkered work history. She impressed many board members with the fact that she had completed law school, but failed to tell them that she had never practiced. She had never practiced because she turned her law board examination in blank. After a brief affiliation with an experimental education program in San Francisco, she then worked with a small community garden program in the north of England. She quit this program when a professional manager was hired with whom she had frequent disagreements. She was also briefly affiliated with a dance association in England before returning to the United States.

This woman was thus living with her mother outside of San Francisco when she read that a new national arts organization was being created. While in England she had taken lessons in this art form. She quickly sent off a resume that translated the casual English work affiliations as "non-profit management and fundraising experience" and omitted to mention the failed law boards.

With virtually no other volunteers forthcoming, she became one of the three legal incorporators of the new society and its new vice president. Also working in her favor

was the fact that she lived in San Francisco. In order to avoid charges of New York domination (with both the Founder and the third incorporator living in New York State), it was hoped that her high appointment would signify the truly national aspirations of this organization. As we shall see, however, this did not later prevent her from leveling charges of "New York domination."

The official change of command happened at the organization's Third Annual Meeting, held in Illinois. In lieu of a gavel, a giant house paintbrush was passed from the Founder to the former Vice President, now President and Executive Director. At the following Annual Meeting, the first Chair of the Board of Directors stepped down. With the board still numbering under ten members, there was one obvious choice. This was a woman with both Philadelphia and New York connections and board experience. She was happy to take on the job.

One of her first acts was to fly out to San Francisco to meet with the Elena. This meeting was a great success, for Elena, that is. A female bonding was effected through which the new Board Chair decided, in her own words, that her number one priority would be to get more money for Elena. The Board Chair was a very affluent woman who could not imagine that anyone could be asked to work for \$15,000, and accepted Elena's description of her job as "full-time," even though others believed the tasks should occupy only about ten hours of a workweek.

Meanwhile, several other board members began to express their concerns as to whether or not Elena was, in fact, up to the job. They noted her inefficiency, the fact that her telephone calls were seldom under forty minutes long. They also perceived a tendency to inflate achievements and were concerned about her apparent lack of budgeting skill. When several of them met informally in New York to share these concerns over lunch, Elena detected a cabal. She then made an gry and lengthy phone calls to three of the board members, one of whom was also a major donor and the other the Founder. When the Founder pointed out that it was not good management to lash out at major donors, no apology was forthcoming. It was only much later that the Board Chair told the Founder that she did not believe the Executive Director should have been reprimanded. The bonding had been so complete that no criticism of the Executive Director's performance or personality by the board would be accepted by the Chair.

Feeling, rightly, that she had the Board Chair in her pocket, Elena then made her next move. She declared that the fact that she worked at home created a hardship, and that if the organization did not subsidize her rent, she would have to move to a smaller apartment and/or look for a better paying job. The organization still had under 700 members, and was struggling financially. She had the Chair write a rent subsidy for her into the By-Laws, and then the Chair gathered support for this proposal before it would be voted on at the Fifth Annual Meeting. The one person the Chair specifically did <u>not</u> contact about this proposal was the Founder. The lawyer who sat on the board, and the outside lawyer who was paid to draw up the new By-Laws, in no way cautioned the Chair or the other Directors that this might represent and/or lead to a conflict of interest. It

would be reasonable to anticipate that such a provision would encourage the Executive Director to put her own interest ahead of that of the organization. Rather than looking for a permanent office, which the whole Board agreed was the next developmental step, the Director might be encouraged to decide that the best possible office was, in fact, her apartment, in order to keep the subsidy which amounted to \$500 per month.

This was, in fact, what the Founder argued when the point came up at the official Board meeting. She argued that this was a disincentive, and that it would be better to reward Elena with the financial incentive of a raise when she did find a proper office. The problem of offices was compounded by the fact that Elena had already moved three times during the organization's brief five year history, thus making it hard for would-be new members to contact the organization.

But "the fix" was already in. Board members who had been won over in advance by the proposal argued that it was only a temporary measure, for six months, while the search for another office continued nationwide. The By-Laws were approved without change, and Elena began receiving her rent subsidy.

It was also later reported by some of the original members that from this moment a campaign of slander was mounted against the Founder. They recall hearing things said about her trying to get in Elena's way and maintain control, which, they said, did not sound like the person they knew. Not surprisingly, at the end of the six month period, Elena reported that, despite her active searching, the best possible office for the national organization was, in fact, her own apartment. Another board member had actually visited the San Francisco apartment, and found it "embarrassing" and "inadequate." Meanwhile, however, another member of the board had been more successful in locating an attractive alternative.

# THE NEW YORK OFFICE:

On lower Fifth Avenue in Manhattan there is an historic brownstone structure, a former private villa or mansion called simply a "brownstone" in New York, that houses a number of nonprofit organization offices for very affordable rents. When a Director called to inquire, the Manager said there was an office available for \$550 per month, or just \$50 more than they were paying the Executive Director for <u>part</u> of her apartment. In addition, this brownstone had impressive gallery space, a board meeting room, reception rooms, dining facilities, cloak room, and a receiving department accustomed to handling paintings. All facilities could be rented for minimal sums.

After a group of Directors toured the proposed office space, it was decided to call a meeting of the full Board to vote on the question. This much was clearly understood by the Directors who were contacted by the lawyer member of the Board. However, Elena redefined the meeting as a preliminary discussion, and managed to convince the Chair that this was the case. The Founder, realizing at the meeting that the matter was being let drop, called the vote, and it was overwhelmingly in favor of renting this prestigious, but inexpensive, Fifth Avenue office.

In the aftermath, Elena was overheard telling her friends not to worry, "We still have the survey." The Directors soon found out that she was referring to an unauthorized survey she herself had written and included in the organization's newsletter, which came out immediately following the Directors' meeting. The totally biased questionnaire was specifically designed to convince members that subsidizing her rent was preferable to paying a similar amount for a Fifth Avenue office. For example, questions asked members whether the Association should "emphasize providing services to members or whether it should be focused on acquiring a prestigious New York address to try and impress the New York art world." Within the context of American culture and society, there could be only one reasonable answer to such a leading question.

Directors were angry at this unauthorized action, yet refused to take positive action to disown the survey and/or to inform members of what was happening inside the organization leadership. The Chair also refused, despite repeated requests from the Founder, at the very least to have the survey forms collected by a nonbiased person, instead of sent back to Elena. The Chair did allow a second address to be added for the receipt of surveys, but maintained, possibly coached by Elena, that the academic rules of survey handling did not apply to non-academic organizations.

It is also worth noting that in the same newsletter, Elena had stopped referring to the "Founder" as such, and begun to speak in this public organ of "the founders", presumably putting herself and the secretary on equal footing with the Founder. Once again, while board members were shocked by nerve and her attempt to rewrite history so soon after the fact, she was not in any way reprimanded for this action.

Not only had the Chair bonded with Elena and displaced the goal of furthering the organization's interests with the goal of furthering Elena's interests, she had also bought into Elena's framing of the conflict as a personal conflict between herself and a Founder "who wouldn't let go." The Chair went so far as to set up a "pre-meeting meeting" at the New York brownstone between Elena and the Founder – a total surprise to the Founder but pre-planned by Elena. At this meeting the Chair told the two women to settle their differences, which were treated as mere personal differences. In essence, she told them "to kiss and make up." The fact that the Founder could point to the fact that approximately half the board openly shared her concerns about Elena's performance, a fact admitted by the Chair, did not succeed in dispelling this personalization of the conflict.

In the aftermath of this meeting, the Founder resigned from the Board. Her letter of resignation stated that she felt she had lost the confidence of the Chair, and could therefore no longer be effective. In the second paragraph, however, she referred to the public attempt by Elena to claim co-founder status, and clearly indicated that she was prepared to defend her achievement, which she could fully document if necessary. In the American context, this statement was an only thinly veiled threat of a potential lawsuit if Elena continued to make her unwarranted claims. Elena, trained as a lawyer, took the legal hint and stood down on her claims to co-foundership. She had, in fact, gotten what she wanted through the Founder's resignation.

Elena did not, however, win the battle of the office. Enough of the Board Directors had contacted members to tell them what issues lay behind the survey. With completed forms being sent in to the two addresses rather than just to Elena, the small results (38 forms out of the approximately 800 members) were mostly in favor of the New York office. In fact, some members suggested that Elena be publicly reprimanded and fired for her underhanded efforts. Instead, when the office moved to New York and she decided to stay in San Francisco, the Board went along with the Chair's suggestion to reward Elena with a lifetime membership. The Founder, meanwhile, had an award named after her.

While this moment represented the chance for the organization, now better funded through a legacy, to move up to professional non-profit management, the board once again hired an artist member as the new Executive Director. In the time since (approximately three years) membership has remained constant, rather than growing, as called for in the Association's Strategic Plan. However, a major funder from within the Board's ranks has helped put the Association on firm financial footing. It is thus likely to hold on to its national office and small place in the firmament of nonprofit organizations.

#### MAJOR FINDINGS AND POLICY IMPLICATIONS:

What does this case study tell us about the hurdles facing new arts organizations? The advice literature on nonprofit management emphasizes over and again the importance of financial resources. Here, however, the organization experienced <u>greater</u> difficulty in attracting trained human resources. While hundreds of artists joined at the first mailing, only two expressed any interest whatsoever in assuming a leadership role.

This may be because artists themselves are not known for their managerial talent. Also, insofar as the membership was overwhelmingly female, many of these women were already juggling family and art and, in some cases, additional work roles, and did not feel they could assume the added responsibility. Others simply did not have basic skills such as writing a business letter, and only a few were computer literate.

Women have always volunteered and frequently moved from volunteer to paid leadership positions. With increased numbers of women working outside the home, however, many of the women who <u>would</u> have been available are no longer free to make a long-term commitment. Among those who ARE free will be some people like Elena, who have proved themselves through the past to be unable to sustain long-term commitments. Being free of such commitments, however, they have both more time and more emotional energy to devote to new organizations than do their fully employed counterparts. As this particular controversy took shape, Elena was quick to label the Founder "a career woman", in order to gain the sympathy of the large numbers of members who were not professionally active, whether or not they were employed. When someone is bent on destructive aims, this difference in time and energy may make "managing the shadow side" more difficult than has heretofore been suggested (c.f. Egan 1994).

Thirdly, gender and class can make for strange combinations and divisions. Much of the writing on women and nonprofits focuses on the affluent volunteers and wealthy board members (Ostrower 1995, Ostrander and Schervish 1990). In this organization, while there were some working artists who were also struggling financially, the vast majority of the membership were affluent urbanites and suburbanites. A significant minority were wealthy. Among this minority was the Chair, who had no idea of the pay scale for part-time arts administration. When comparative figures were produced that suggested Elena was actually <u>overpaid</u> rather than underpaid, these figures were quickly dismissed. When other social roles, demographic characteristics, and personality traits are added, overly-facile gender generalizations break down, and Negative Spirals of Organizational Energy may develop.

When such spirals do develop, cultural lag may make the organization unable to respond effectively. Among the board, the lingering fear of being "unlady like" or making oneself unpopular made members unwilling to voice opposition in public that they were willing to voice in private. The board had no effective way of managing Elena, since it was unwilling to reprimand. Even after the controversy, when the lifetime membership reward for Elena was proposed, opponents confided they kept their silence, "for fear of being politically incorrect." (!). Another Board member active in other organizations as well admitted she had learned from the experience "that being a board members means more than just giving money when asked. Someone has to care passionately about the good of the organization."

With this case study in mind, arts administrators should look out for interpersonal alliances that appear to put self-interest ahead of the public service role of the organization. The board needs to be educated in the importance of this distinction between personal and public goods – a distinction that may seem elementary to arts administration professionals, but that needs reinforcement among volunteers at every level of activity and authority. All board members need to understand that their role includes appropriate supervision of employed officers and that they need to be committed to taking action as needed. If cultural codes of lady like or gentlemanly behavior interfere with this supervision, the codes themselves must also be addressed. Otherwise, chance occurrences and relationships may develop into Negative Spirals of Organizational Energy, and organizational goal displacement and/or demise may be the unintended and undesired outcome.

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