THE CULTURAL MONITOR: A NEW INSTRUMENT FOR THE EVALUATION OF CULTURAL ACTIVITIES

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ABSTRACT

How do we determine the performance of cultural institutions? How do we account for their cultural and artistic contributions to a community, city, or group of people? How to evaluate the impact of subsidies on their performance? How do we determine the non-economic benefits of projects? These questions haunt policy makers, arts foundations, and leaders of organizations. In this paper we will present a theoretical foundation for the development of a Cultural Monitor. We want to show how the concept of cultural capital can be given a practical meaning, how it allows for a variety of values and tastes, and how it can be a significant guide for policy. Our focus in this paper is the conceptual foundation of the Cultural Monitor and its methodology.

Keywords: benefits, cultural organization, cultural policy, evaluation, impact, values.

1. INTRODUCTION

Grant proposals inevitably present a rosy picture of the past and the future. They are filled with bold missions, ambitious plans, promises about the effects, all on the basis of glowing reports on previous performances and achievements. The evidence is based on assertions of the organizations themselves, some numbers, and sometimes outside references. When the organizations are new, the judgment is based solely on the reputation of those involved and the consistency, and presentation of the plans. But when the organization is continuing its activities, the judging of grant proposals should include a judgment of past performances.
From one side, foundations and governments face the problem continuously: how to judge the performance of a cultural organization that they have awarded a grant? They will call for a financial account, and for a report on the activities. Yet did the project bring about the innovation that it intended to bring about? Did it provide the anticipated creative impulse in the community? Did it succeed in stimulating the new networks that were envisioned in the grant proposal? Did it bring about the changes that it was intended to bring about? Did the target group change its attitude or its appreciation somehow? The financial accounting follows clear rules. But a systematic accounting of the cultural performance is lacking.

On the other side, managers of cultural organizations face a similar lack. They present to members of the board the financial numbers, inform them about the plans, and tell them about visitors or audience figures, the reception by critics, and a few more details such as media attention. Maybe they developed a visitor survey (which cost a lot and usually is remarkable for its lack of information and insight). Maybe they will tell the board members about some problems with one foundation or another concerning a grant proposal. To recall an instance in the experience of one of us as a trustee for a cultural organization: an officer of the foundation allegedly judged that organization as too commercial. The director dismissed the allegation referring to all the activities that express the adventurous

and experimental character that the organization is all about. Sure, she had to include a few commercial deals but those we needed for the revenues. The board nodded at the time but how could we know whether the director was sincere and right. Could we be sure that the adventurous and experimental character had not been compromised by the commercial venue? We actually had no clue, except for the assurances of the director.

Existing evaluation programs give subsidies for those reports and analyses. Thanks to economists and accountants a well developed accounting system accounts for the economic values of an organization. The balance sheet measures its economic capital by adding up the values of all its assets and by subtracting the values of all its liabilities. The income statement records the revenues and the costs, with a balance that matches the change in the net worth as reported on the balance sheet. It is a useful method in order to assess for example the profitability of a commercial organization and the prudence of a cultural (non-profit) organization. It helps answering questions on the financing of the operation.

The sophistication of the current economic accounting, notwithstanding, it does not account for all economic values that the organization owns and generates. It does not account, for example, for how the organization did in terms of its artistic ambitions, how innovative its programs were, how it has affected visitors and participants, what effect it had on the environment, and whether it has met its goals.

Evaluation programs are crucial for the sustainability of organizations. If properly designed and conducted, it provides relevant information to support decisions, assuring the strengths and correcting the weaknesses, even continuation or suspension of programs. To be as accurate as possible, the evaluation program ought be tailored to address the real aim of the cultural organization.

Here we aim to present the Cultural Monitor, an evaluation framework that provides first an assessment of merit (quality) and worth (importance) of the cultural policies and activities, as it brings out their failures and successes. It will encourage policy makers, sponsors and leaders in (cultural) organizations to make their (cultural) goals explicit to stakeholders. When applied, it may have a drastic and far-reaching impact on the practices of cultural organizations and their (financial) supporters.

In this paper we start with a brief discussion about evaluation programs, exploring their relevance, use, benefits and pitfalls. Then we will discuss values as they direct and constrain the activities of cultural organizations. As the organization and its structure are relevant for the monitor, as we shall see, we will discuss those next. Then we will disclose the Cultural Monitor method.

2. WHAT ARE EVALUATIONS GOOD FOR?

Evaluations are stressful and painful. The staff of organizations tends to become tense during an evaluation program. Evaluators may be seen as “medieval inquisitors” who cannot do what they do yet have the power to judge what they do, and even make an end to it all. So why would an organization embrace an evaluation program? “Well, because we’re obliged to” is the common reply. Sure, but why not develop an evaluation that also serves the interests of the organization itself? A good evaluation will be good for all parties involved.

A well-known management motto says, “If you can’t measure it, you can’t manage it.” The logic of management dictates therefore the collection of all kinds of data. It is like driving a car. While driving our car, we see all kinds of information on the dashboard: speed (in kilometers per hour), distances (in meters), engine temperature (in degrees), and amount of gasoline available (in liters) – those are measurements. On the basis of those data, and including other data on speed limit, the time for the appointment we can determine whether to speed up or slow down.

Yet, for the evaluation of the car ride the driver is in need of other information, including information that is not easily caught in numbers. Was the ride worth the time and effort? How does the driver feel about speeding and other traffic violations? Is the driver young and in need of challenges or is the driver more the sedate type who is disturbed by reckless driving? An evaluation usually involves more then going over the numbers. Values need to be taken into account, or aspects of an activity that resists measurement. Accordingly, measuring and evaluating are two different things. The Cultural Monitor needs to do more than collect a vast series of data; it needs to include values.

So what does an evaluation program assess? An evaluation denotes "assessment of values", as is indicated by the root 'value' of the term – evaluations are not value free. They need to be grounded in some justifiable set of guiding principles (or ideals), and should determine the evaluand's standing with respect to these values (Stufflebeam and Shinkfield, 2007). In fact they are strictly dependent on values.

According to Scriven (1991) evaluation programs ought assess worth and merit. Worth evokes purpose and need; the establishment of worth answers the question "*are you doing something necessary?*", "*is it useful?*" Worth represents a combination of excellence and catering to a clear need within a specific context. Worth denotes effectiveness.

Merit concerns the quality of the evaluand. It addresses questions as "*does an evaluand do well what it is supposed to do?*" or "*which aspects could be improved?*" The criteria of the merit reside in the standards of the evaluand's particular discipline or area of service. Merit denotes efficiency.

Those are aspects of evaluands' projects, and the main features of our evaluation program. But which are the 'worth' and 'merit' of the evaluation program itself? Which features should our evaluation program present? Stufflebeam and Shinkfield (2007) consider three essential attributes: utility, feasibility, and accuracy. An evaluation program should be feasible to carry out, by being realistic, prudent, politically viable, frugal and cost-effective, avoiding conflicts and hostility during the investigation. The evaluation team should avoid as much as possible developing an incoherent or excessively burdensome evaluation program, which leads the entire staff to stress and conflicts.

Evaluation programs should also aim to be accurate in their formulations clearly describing the process, the background and the settings. The investigation will convey valid and reliable findings, presenting the strengths, weaknesses, and limitations of the evaluation's plan, procedures, information, and conclusions. These findings should be useful, providing practical information about the selected supported projects, assisting the users to understand and to apply the findings.

So far we presented aspects that characterize evaluands and evaluation programs. However the question remains "*why should someone engage in an evaluation endeavor?*" or better "*what is an evaluation good for?*" The answer is that evaluations are good for 'internal development' and 'external reporting'.

Consider a young Dutch student aiming to study at a British university. As he is not an English native speaker, he must prove his language proficiency with a certificate as IELTS – an international standard of accreditation for expertise in English, which covers skills on listening, reading, speaking, and writing. In order to get prepared of the exam, the candidate takes hours testing his ability in each module. Maybe he goes fine in the first three modules, but not in writing, so he will direct his efforts to improve it. During the preparation phase, the simulate exams are evaluations aiming internal development, i.e., maintaining the strong points and correcting the weak ones. It serves for the student only. After he takes the real exam, IELTS issues a certificate that assures the level of proficiency in English – the candidate may then send it to the university he applies proving his abilities. That's the external reporting aspect of the evaluation.

In case of organizations 'the internal development' is strategic and managerial. It looks at issues inside the organization, seeking improvement possibilities. The stakeholders interested in these evaluations are those with power over the activities, interested in performance gains. 'External reporting' concerns the way organizations have to demonstrate to external stakeholders how well the organization is doing.

By way of conclusion, we define evaluation as the collecting and analyzing various "evidence" in order to generate judgments about the worth and merit of programs, embodied in values. The evaluation is relevant for both the internal development and external reporting.

Fournier (2005) points out that "it is the value feature that distinguishes evaluation from other types of inquiry, such as basic science research, clinical epidemiology, investigative journalism, or public polling." So if values are the core of an evaluation program, we should understand them.

3. ABOUT THE CONCEPT OF VALUE

The concept of values is treacherous. You are forewarned if you embrace the concept. Values are not precise and you cannot hold onto them. People do not walk around with their values on their forehead. (But let us face it: the utility functions that economists prefer are as abstract as values, and as imprecise.) Even when you and I sense a value, we may have a hard time articulating. When someone else articulates a value, like when a young fellow shouts at us something about respect, you and I may wonder what he means by that. (I have an idea but does he?). Let us try to be more specific and see whether we can further the discussion.

Values are relational concepts in the sense that they work in the interactions among people and in the interactions between people and things, or states of affairs. We value things, or the characteristics of things, in comparison with other things. When we value something, someone, an action, a relationship, a state of affair, that someone, action, relationship or state of affairs is important to us somehow, because of the values we hold. When I want to know your values, I will ask you first what is important to you. Our valuation of things, relationships, actions, and states of affair, is based on our values.

When I value an action I consider that action in light of my values like honesty, loyalty, sincerity, prudence, temperance, courage, justice, faithfulness, hope or love. When I perceive your action in the realization of one of those values, i.e. characteristics that are important to me, I will approve and praise your action. In case you violate one of those values, I will disapprove and maybe admonish you.

When I value an object, a relationship, a community, an organization or whatever other thing, I assess its characteristics in light of values such as beauty, useful, friendly, warmth, and diversity. Its value depends on the values I hold dear. When the object enables me to realize some of values I will like it, cherish it, and maybe even adore it. When it does not, I will not buy it, discard it, or forget about it.

When I work for an organization, I have to deal with its culture and will have to appraise the values that that culture promotes and sustains. The better those values accord with my own, the better the work probably will be. The same applies to the communities and the society I am part of.

3.1. Distinguishing values

To further the conversation and to make it more practical, we are distinguishing groups of values. We shall use the visit to a Shakespeare play as example.

Social values. Values are social when they indicate qualities of human relationships. A Shakespeare play has social values for me as it enables me to contribute to a friendship, and to share the appreciation of theatre in general and Shakespeare in particular with others. A social value could also be the status or prestige that I gain by being able to tell others that I want to see a King Lear. Friendship, status, community, and family are possible social values. (The “possible” I add because others may not value these values as such.)

Societal values. Values are societal when they concern our relationships with a large social entity such as a society. The Shakespeare play has societal value for me because it represents an important thread in the tapestry that we call (our) civilization. Performing the play contributes to the quality of life in “my” society. I may also value its educational value for young and old, for its addressing themes of hubris and loyalty that have societal importance. Societal values are also political values such as justice, solidarity, freedom, security, peace, patriotism, and lawfulness.

Cultural values. When we are considering a group of people in terms of what they share and in what respects they are different from other people, we will identify their shared values as cultural values. Prudence is a value of Dutch culture, and pioneering is a typical American value. If the people who love Shakespeare were to identify themselves as Shakespeare lovers, they might bring about a specific culture with characteristic values (such as the love of Shakespeare). Cultural values also characterize organizations as Hofstede (2001) has demonstrated. The theatre company performing the play, might have a culture of its own, and therefore operates in accordance with distinctive values. Think of nations and you will think of cultural values like hospitality, parsimony, fun loving, serious, prudent, exuberant, authoritarian, discipline, respect for elder.

Historical, artistic, and scientific values. Qualities that are specific to the historical, artistic and scientific practices are historical, artistic or scientific values. Shakespeare has historical value for playing a role in 17th century England and having contributed to a tradition in theatre plays through the centuries since then. His artistic values are, for example, the literary qualities of his texts, and the dramatic qualities that inspire literary critics to endless interpretations. Its scientific values come about in the academic discussions that his plays have generated, especially in the humanities. Historical and scientific values include the value of truthfulness, and artistic values are the qualities of beauty, the sublime, experimental, and shocking.

Moral values. When we consider the goodness, righteousness or virtuousness of (human) actions and behavior, we take our moral values into account. King Lear is all about moral values such as the value of loyalty, modesty (by portraying King Lear as a man who is full of himself at first), and of love (Claudia continues to love her father even after he has denounced her). In the dramatic moment that the father compels Claudia to profess her love, Claudia has to weigh her options. Is she going to succumb to the deceitful behavior of her sisters or does she stick to her values? When this brings about the wrath of her father, the viewer has to wonder whether she did the right thing. Moral values include honor, respect, loyalty, being just, compassionate, caring, faithful, and courageous.

Personal values. All values are personal in the sense that individuals hold them. Yet, there are certain values that pertain to the relationship with one self. Shakespeare has personal value to me as his plays inspire me, and challenge my intellectual, interpretive and emotional skills. King Lear has personal value in the sense that it is a source from which we can draw to make sense of situations (of love and betrayal). I may value my skills, my health, and wished I could value my wisdom. All those are personal values.

Transcendental, religious, and spiritual values. In our relationship to the transcendental—to that what is more, to the metaphysical—we realize values such as holiness, sacredness, and enlightenment. Watching King Lear may give the viewer a spiritual experience, a sense of being part of something magnificent, of the sublime. Young people say that they get this kind of experience at a dance party or when listening to music. Religious ceremonies are designed to realize these transcendental values; some scientists do so in probing the mysteries of life.

Functional values. Down to earth we use objects for their functional value. Food has the value of nourishment and with a hammer we hit the nails on their head. The performance of King Lear has the functional value of being a theatre play. (When classical economists spoke about use value, they usually have functional values in mind; nowadays most economists will recognize that other values are involved, but it is not common to make such values explicit as I am doing here.)

When investigating cultural organizations for the sake of an evaluation we need to know the values its people want to realize. But how can it being accomplished?

3.2. Realizing values

Focusing on the realization of values is what cultural institutions (such as museums, theatres, and orchestras etc.), religious communities, and academic institutions do, at least in principle, and what they need to assume their stakeholders are capable of doing. Good museum directors strive to make great exhibitions to make real what it is important to them, at the same time they presume that museum visitors are looking for great art because that is also important to them. All kinds of other organizations do the same. Charities do, but also accounting firms and law firms are doing so in the sense that good lawyers want to be just that, good lawyers, and good accountants want to be good accountants.

Focusing on the realization of values is what the cultural sector is all about, at least what the “serious” leaders of cultural organizations and “serious” artists are aspiring to do. An art museum is dedicated to the arts, a theatre group to theatre. The artistic director of the Rotterdam Symphony orchestra wants to have the best musicians and the best conductor to perform Mahler’s fifth as it has never been performed before. Or he wants to perform experimental music of a new composer because he truly beliefs in its power of innovation. Either way the goal is to make great music at its best.

The Dutch poet and painter Lucebert (1924-1994) once noted: “everything of value is defenseless”. People in the Dutch cultural sector have embraced this saying to characterize their recurrent dilemma. In trying to do well, to realize that what is important to them, like great art, great music, great theatre, they risk losing everything. The question is then

whether they have to compromise on their values in order to be able to continue their activities. Some will tell them to pay more attention to what the public wants. Others will admonish them to be forceful in expressing their values, to stand for the art they want to make, and to persuade or seduce others to pursue great art.

We have found that determining the values organizations are seeking is the most challenging part of our approach: the Cultural Monitor. Organizations are usually not all too aware of these. Yet, if we want to evaluate them for what they seek to realize, their actual goals, we need to know what those goals are.
We start our inquiry therefore by questioning the leadership, to explore what is most important to them. Another way of posing the question is: "*what causes do you want to contribute to?*" We can be more precise when we expose the framework of the Cultural Monitor.

4. THE FRAMEWORK

For-profit organizations are complex in their operations, but simple in their aims; no matter in which sector they operate. The theories of the firm discuss these issues extensively discussing resources, power and information struggles, contracts, property rights, and behaviors – all relevant aspects for any organization, even if operating in the cultural sector. The former Scholar Emeritus at the Smithsonian Institution's Center for Education and Museum Studies Stephen Weil (2002) emphasized, "notwithstanding their distinctive emphasis on the artifacts and specimens that they preserve, study and interpret, museums are not fundamentally different from other organizations of the not-for-profit sector" (p. 4).

However, cultural organizations operating in non-profit sector present a key feature that distinguishes them from the ones in the for-profit sectors: the main aim is not to generate economic surplus (i.e., profit), but to create an impact with the product. This aspect is key in understanding and evaluating an organization. It is not strange to say that performance management tools as Balanced Scorecard, EVA, Return On Assets (ROA) methods, Market Capitalization Methods (MCM), and so on are not enough to monitor and evaluate a non-profit cultural organization. We ought to seek the impact outside the existing methods, using the knowledge on values. The challenge is to develop a monitor that does justice to the particularities of the arts individually and as a whole sector. Therefore, we present the model of the Cultural Monitor, a value-based monitor focused on the realization of the values of the arts.

Building legitimacy and support for the arts is significant. It is significant from the standpoint that the arts are increasingly compelled to provide justifications for their existence and "seek active stakeholder endorsement" for their activities (Stoker, 2006: 48). The model of the Cultural Monitor intends to capture this because it openly describes and visualizes the importance of building credibility, legitimacy and support for the arts. The model is able to show the impact on how people think and feel about the arts. Impact here not only implies positive appreciation, but in the first place something (positive or negative) that matters to peoples' values about their perceived relationship to the arts.

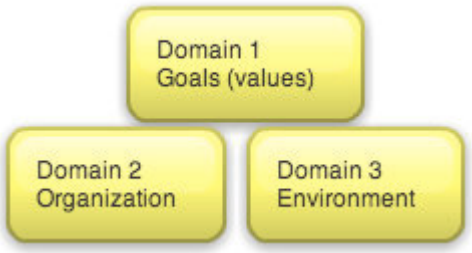
Therefore, the Cultural Monitor is designed to determine its shape and indicators using a bottom-up approach, i.e., applying inductive reasoning grounded on individuals' values. Let the art professionals help decide with which facts they want to evaluate. A good evaluation method does justice to the own idiosyncrasy of cultural organizations – they are keen to realize key values. It is also important to take in the assessment and evaluation internal and external factors. The mission of cultural institutions is the final destination; values serve as a guide or compass direction. This ensures that the mission and values are always interconnected.

The Cultural Monitor accounts for all this by measuring valuations of values and experiences at regular intervals (see the different examples). For the objective of the cultural supplier is in the rule to bring about some change in the valuation of certain values. This the monitor can register as it explicitly asks participants or visitors for their valuation of values. When the Cultural Monitor registers the targeted change in the valuation of certain values the supplier is doing well. The supplier does even better when the experience values get close to the appreciation of values.

In short, the Cultural Monitor is:
For the policymaker to evaluate the intended goals and achievements of cultural institutions.
For the cultural institutions a strategic and management tool to control their policy.
As an evaluation method, the Cultural Monitor presents the general characteristics of any method that we

addressed before: utility, feasibility and accuracy. But as aimed to be an on-going process of evaluation, which will go along with the cultural organization, two further features must be part of the method:
Timeliness – the Cultural Monitor must focus on recent data. Some cultural organizations ignore the relevance of the collection of new data, relegating the task to a lower level. Cultural Monitor must avoid taking conclusions based on outdated information. So rather limited, but more recent information, than extensive but outdated information.
Fixation – when setting up a monitor, it is important to ensure that institutions are more fixated on their underlying causes, rather than committing the common mistake of focus on indicators themselves.

4.1. Three domains
The Cultural Monitor is a dashboard articulated in three domains. At a glance the policymaker and organization can see how the cultural institution is doing. Within these domains, the Cultural Monitor differentiates setting (type, size, genre) and various stakeholders. The Cultural Monitor monitors the evaluation and assessment of the arts and is also a steering mechanism in the sense that it gives direction to the policy of the institution. Put differently appreciates the stakeholder the purpose of the cultural institutions: what is the public value of culture and heritage?
We distinguish three domains. The relationship between the three domains is of great importance – they operate in balance, as a tripod. If one of the domains changes, the essential equilibrium is lost and creates consequences to the other two. The strategic definitions (purpose, mission or vision) affect the profile of the employees, as well the stakeholders who support and legitimize the organization.



THE CULTURAL MONITOR: THREE DOMAINS

4.1.1. Domain 1 – Goals as values
We translate the goals of the organization into strategic definitions (i.e., mission and the vision). What is its purpose? Which underlying values can be distinguished? This public value legitimizes the existence of a cultural institution. We distinguish four clusters of goals in terms of values that collectively constitute Domain 1:

Artistic goals in terms of values. Cultural organizations formulate artistic goals – inspiration of the viewer, keep an artistic tradition alive, i.e. they want to contribute to an artistic discourse (or an artistic conversation) and they do so in a distinctive way. Art has a special meaning for people. Otherwise art would never have such a long history. Key here is that people undergo an aesthetic experience. Art is created specifically to achieve this aesthetic experience. The object (a painting, dance, or theatre play) has no other purpose than that. A particular form of communication gains the experience. For the arts the selected shape or material of the artwork (sound, wood, bronze, body or text) generates meaning or an artistic conversation. From the perspective of art as a form of communication, we speak of a relationship between the form, and the cultural capital of the viewer. Each aesthetic experience is created by these two elements. If the viewer is not directly aware of the meaning of the artwork, it results in a tension between the artwork and the viewer. Precisely those experiences where the viewer has to search for meaning in an artwork are the experiences that impress the viewer. Addressing the viewer's imagination is key to turn the artwork into an aesthetic experience.

Societal goals in terms of values. Art offers a community shared experiences; art brings people despite their differences in lifestyle or attitudes together, and therefore prevents social exclusion. Art contributes to an open climate. When the arts help to increase the social capital in the community, we can speak of a positive impact on the cultural experience in the entire society. Societal goods are such as the global community, national identity, patriotism, civilization, political freedom, equal rights, sustainability, and education.

Social goals in terms of values. Cultural organizations are aimed at specific groups to encourage connections between people. Also, expressions in the form of community theatre can be a way for people with similar interests to connect. Binding a specific audience with art is the means through which education or participation of the community can be realized. The experience of art and heritage generates values for the individual, engaging the individual in some way to relate to the own community.

Personal goals in terms of values. Personal goals are translated into the values that an individual can aspire for his or her own sake, such as a skill, happiness, wisdom, freedom, knowledge, and creativity. These values may have a bearing on the social, societal and artistic values but they are personal because they are especially important for a specific individual. A craftsman may derive great satisfaction for crafting something of great quality regardless of what other people think; it is his own dexterity that gives him pleasure. Cultural organizations offer opportunities for people to apply and develop their skills. Another personal value is personal change. These personal values contribute to the personal development of spectators who confirms their man or worldview, correct or expand it, change it.

It is possible and sometimes desirable to weigh the different values: some values are more important than others. When we put it simple then doing the right thing for an art institution is to realize their goals in terms of values.

4.1.2. Domain 2 – The internal organization

This domain covers the capabilities of the organization in-house to achieve their goals. Efficiency and effectiveness of the internal organization refers to how the organization applies their resources (i.e., financial, material, and human) to produce the desired outputs and outcomes. 'Domain 2' is instrumental in facilitating and achieving the goals formulated in 'Domain 1'. This domain is the focus of the usual evaluation methods that we described above, that focus solely in the organization itself. Output is dominant. An output focus requires definitions of what your output actually is and how to quantify it. As previously mentioned, indicators have shifted from being merely financial and budget-oriented to being output performance indicators. The following step is to consider whether existing information technologies are able to provide new types of information.

We distinguish these themes in Domain 2:

Leadership and Governance

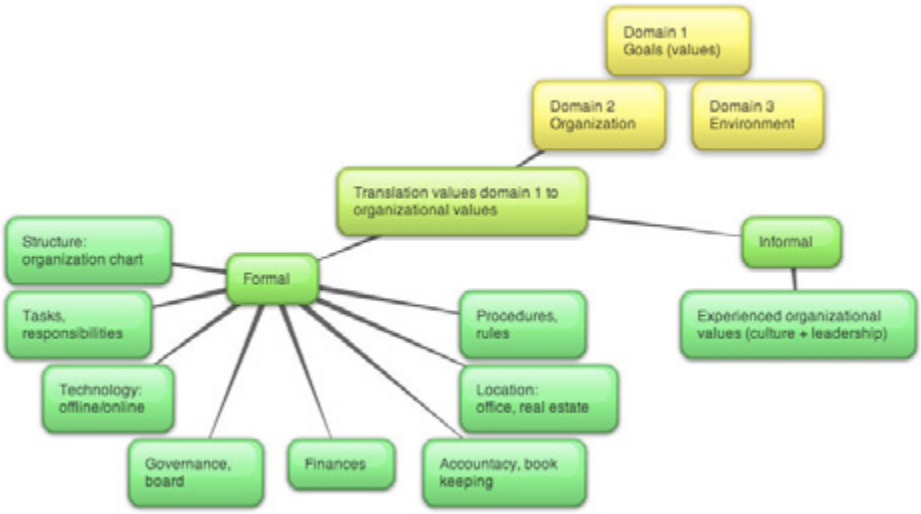
Key in Domain 2 is governance – it focuses on the stakeholders in relation to the defined objectives and responsibilities of the organization. In recent years, the role of governance and leadership has been given increasing attention as a feasible approach to effective administration and management in the arts sector (Galli, 2011; Johnson, 2009; Turbide & Laurin, 2009). Apart from a steadily increasing demand for accountability and transparency, recent developments also show an increasing awareness of a greater need for "checks and balances." Governance and leadership roles have become an important issue for that. An organization, after all, exists to realize specific goals on behalf of specific stakeholders. The main purpose of governance structures is to support the realization of these goals, which is above all a leadership responsibility.
Artistic and financial leadership in the arts sector will steer and control activities to ensure that goals are achieved. Both know they will be held accountable for reaching the goals, as a formal and an informal supervising body will oversee this on behalf of the stakeholders. As such, governance and leadership include processes such as steering, controlling, supervising and accounting. Steering as a governance process is about giving direction to the realization of organization objectives by structuring the organization and processes: the formal organization and internal culture. At strategic levels, steering is the process in which the management gives direction to the realization of established policy targets by structuring the organization and processes of policy implementation (Bossert 2004: 113).

Formal organization and Corporate culture

The corporate culture is embedded in the formal organization. The formal organization includes the number of employees, the pay levels, structure of hierarchy, job descriptions, housing, and written policies. This is the formal part of the organization, on the other hand we distinguish the informal part: the corporate culture. In order to analyze the corporate culture we look at the organizational values (Martin 2004: 3-6). It is essential to distinguish these organizational values that are shared by all employees. A core set of values conducive to company success should constitute a foundational element of the desired culture. Other components, such as corporate norms, stories, and symbols, should reflect these core values. Most companies already had in place the essential tools for

clarifying values: mission and vision statements as well as corporate codes of conduct. Some important questions are: "*are the key organizational values of the organization clearly articulated?*" (corporate culture), and "*are these values instrumental to a success-driven formal organization?*".

Finance
Here we focus on the ability of the organization to provide cash. Here liquidity refers to the ability to convert to cash quickly. The cash ratio is interesting, as an institution with healthy cash ratio can meet his obligations quickly. The question is whether the institutions have this kind of assets. Often, organizations are measured on both the current ratio as the cash ratio, in order to see if a difference exists. In a changing environment, it is important insight to understand the current repayment capability of an institution. Therefore, we think the cash ratio appears to be the best measurement to look at the financial situation of an organization (Bouwens 2005: 5).



VISUALIZATION OF DOMAIN 2

In order to evaluate these themes we focus on three levels of performance.
The basic level 'house in order': for this level we choose indicators which have a certain score as minimum level considered. In time this should apply: every organization should actually these positive indicators of scoring.
The level of 'continuous improvement': for this level we choose indicators that will provide insight into how institutions their processes and skills. This will involve quantitative indicators and qualitative indicators.
The level of interconnection: for this level we choose indicators that indicate the extent to which cultural entrepreneurship has gained a place in the primary cultural processes.

4.1.3. Domain 3 – The external environment

This domain involves acquiring legitimacy, mandate and support for the art organization. In other words it is the mobilization of, and relationship with major stakeholders. Domain 3 also facilitates and is instrumental in achieving the targets set in Domain 1. Stakeholders vary by organization, by stage of development of the organization and in time. Art is not made in isolation. Artists and cultural institutions offer products to an audience, e.g. a museum, a stage or outdoors, individually and sometimes as a group. These conditions also determine whether a product gets a large or limited support. Therefore it is important to bring the chain of the stakeholder institutions support into the monitor.

The Cultural Monitor shows the chain of stakeholders and how the scope of this chain can be broaden. The monitor should increase the awareness regarding the importance of stakeholders. We define the chain of stakeholders as: the audience, peers, media, customers (theatres etc.), funds, government, sponsors, and donors. We argue that cultural organizations need to know their stakeholders in order to develop objectives that they would support. This support is necessary for long-term success. Therefore, successful strategies are those that integrate the interests of all stakeholders, rather than maximize the position of one group within limitations provided by the others.

In Domain 3, the stakeholder approach indicates that the organization must formulate and implement processes, which shall satisfy all groups who have a "stake" in the organization. The central task is to manage and integrate the relationships and interests of stakeholders in a way that ensures the long-term success of the firm. So the interests of key stakeholders must be integrated into the purpose of the organization, and stakeholder relationships must be managed in a coherent and strategic fashion. Therefore, understanding stakeholder relationships is, at least, a matter of achieving the organization's objectives, which is in turn a matter of survival. The complexity of the interconnection of Domains 1 and 3 is a never-ending task of balancing and integrating multiple relationships and multiple objectives. From this perspective it becomes clear that there is a critical role for values within the organizational strategy. Diverse collections of stakeholders can only cooperate over the long run if, despite their differences, they share the values set by the organization. Thus, for a stakeholder approach to be successful it must incorporate values as a key element of the strategic management process. The Monitor is about concrete "names and faces" for stakeholders rather than merely analyzing particular stakeholder roles. As such it is important for the arts organization to develop an understanding of the real, concrete stakeholders who are specific to the organization.
We propose that as the arts sector becomes ever more turbulent, and when the boundaries between the public and private become more blurred, the Cultural Monitor will be able to tell us more about both values and value creation.
In the chain of network partners we can distinguish three levels in chronological order:
Level 1: cooperation with artistic network partners.
Level 2: cooperation with educational institutions such as with schools and universities.
Level 3: cooperation with chain partners such as art suppliers (set and custom designers) and customers (theatres)
Level 4: cooperation with profit-oriented organizations. This kind of "out of the box" cooperation is still quite rare.

DOMAIN 3: HIERARCHY OF THE PARTNERS

4.2. Issues on the implementation of the Cultural Monitor

We are currently developing the method to implement the Cultural Monitor by working with a Dutch foundation that is supporting the performing arts, which also involves the Dutch Ministry of Culture. The intention is to develop an evaluation that does justice to the particular characteristics of these organizations including their special goals.

The most difficult part proves to be the determination of such goals. We seek to articulate them in terms of values to be realized. The leadership of each organization needs to be as explicit as possible. Although we should expect that the leadership is able to produce those values, our experience tells us that some prodding is necessary. For that purpose we have developed a template of possible values arranged in the four areas that we indicated above.

We also need to know the stakeholders for whom the organization wants to realize its values. Here we already involve Dimension 3. The more differentiated the stakeholders are, the more costly the evaluation will be. Possible stakeholders are: the public (divided in demographic categories such as young and old, level of education), peers, the artists involved, employees, donors, political entities, foundations, business community, the media.

The monitor is designed to survey the stakeholders with two sets of questions:
Worth – What is important to you?
Merit – How do you judge of the performance of the organization?

The first question addresses the values of the stakeholders. When asked in sequence the Cultural Monitor can observe whether certain values have shifted (like more appreciation of the experimental, or classical music). This is important as cultural organizations usually have as their goal to change values of stakeholders.
In the first step the suppliers of cultural goods have to specify the values that are important to them and for which they seek greater appreciation. This turns out to be an important step especially as suppliers usually are compelled to define their mission more explicitly than they are used to. The cultural accountant may extract some of these intended values from the proposals that the suppliers have submitted to government agencies or foundations. In the first step the cultural accountant will ask from the supplier to define the relevant target groups, or stakeholders. Whom does the supplier want to affect with the offering? These groups may include peers (other museum directors), critics, locals, tourists, art lovers and so on.
The second and third steps ideally start with an exploration in the form of focus groups preferably for each target group and interviews. A focus group helps to determine the relevant questions to ask and how to word them. Experts will need different questions from those tourists will respond well to. The focus groups and the interviews provide the input to a survey among a select number of each target group. The survey has to be conducted at intervals in order to determine relevant changes.
The result of the survey has the following character:

Target group 1 (i.e. experts)	
Appreciation of selected Values	Likert scale (1-10)
vs.	
Experienced values	Likert scale (1-10)
Target group 2 (i.e. locals)	
Appreciation of selected Values	Likert scale (1-10)
vs.	
Experienced values	Likert scale (1-10)
Target group 3 (i.e. tourists)	
Appreciation of selected Values	Likert scale (1-10)
vs.	
Experienced values	Likert scale (1-10)

Turning to the criteria for Domain 2 we need to make a clear distinction between evaluation for the sake of external parties and monitoring for the sake of the organization itself. An evaluation does not require information on how an organization accomplishes its goals. Whether the goal is to be entrepreneurial or not is of no the concern of the evaluator. The evaluator is only interested in (potential) problems. So we design criteria for warning signals. A red flag goes up when the problems are so serious that the survival of the organization is in question. An orange flag points at imminent dangers, and a yellow flag indicates minor problems that need to be addressed.

For our indicators we focus on financial ratios (solvability, ability to generate cash or the liquidity risk for a certain period), leadership (effectiveness, clarity of vision and mission, persuasiveness), and internal culture (does the organization work in accordance to its values).

Part of the information will be provided by the organization, another part needs to be generated by way of an internal survey. The actual evaluation of this domain requires a panel of experts. This panel has to assess the information against some benchmarks and in light of their judgment as what constitutes good practice and when practices are too risky or become problematic.

We follow the same procedure for Domain 3. Here we collect information about factors such as collaboration with other institutions, marketing efforts, innovative practices, political activities, networking (CRM system), and social media strategy. Here, too, an expert panel is needed to weigh and judge the provided information. We are experimenting with form-free presentation of the information.

5. CONCLUSION

As we are in the midst of developing the Cultural Monitor and are just about to start working with performing arts institutions, we cannot evaluate our own Cultural Monitor. The real challenge now is to get the cooperation of those institutions and to develop good methods for determining the relevant values and collecting the responses of the stakeholders. We also still have to determine the precise indicators for Domains 2 and 3.
Another issue is when to ask stakeholders? If the intended impact is long term, we should ask about the long-term effects, and not how they judge the play that they saw yesterday. How reliable will the responses be? We expect that those asked will have to develop the skill of making the judgments on the issues that we present to them.
We expect that the Cultural Monitor fully developed and in operation will have a significant effect not only on the process of evaluation but also on the organizations themselves. For the monitor compels them to be more conscious of and articulate in the goals they are striving after, and for whom they are working. And when they realize that they fall short of those goals, they need to reconsider their practices in Domains 2 and 3.
However, the Cultural Monitor is not completely neutral. If executed well, it should improve cultural practices and contribute to their effectiveness.

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