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# It's not all about the profit: an analysis of changes in arts and business relations<sup>1</sup>

Kamila Lewandowska<sup>2</sup>

**Abstract**: Arts and business relationships have been generally characterised by sponsorship and philanthropy and there are a number of studies that support this binary approach. Recently however more research and experimentation has been conducted regarding the structural changes in the arts and business relations, e.g. the emergence of various new types of arts and business collaboration, such as arts-based methods. That being said there remains a dearth of exhaustive studies that would empirically analyse these new types of collaboration and how they influence the terrain of arts and business relations. My empirical study of thirty-three arts and business organisations is one of the few studies to emphasise the changes and transitions that shape the landscape of the arts and business field today. This exploratory study recognises and describes the transition from a transactional to a more partnership-oriented approach of arts and business organisations.

Keywords: arts and business, sponsorship, arts-business partnership, arts-based methods.

JEL codes: M14, M31, Z11.

# Introduction

The traditional, binary classification of arts' and business collaboration centres around two notions: sponsorship and philanthropy [O'Hagan and Harvey 2000; Quester and Thompson 2001; Moir and Taffler 2004; Schwaiger, Sarstedt, and Taylor 2010]. The principal differences between the two are easy to define: sponsorship is a win-win agreement whereas philanthropy is an altruistic act of support [Bennett 1998; Klincewicz 1998; Leclair and Gordon 2000; Comunian 2009].

However this distinction does not cover the entire terrain of arts and business relations. Alongside arts sponsorship and philanthropy, collaborations come in

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<sup>&</sup>lt;sup>2</sup> Theatre Studies Department, Aleksander Zelwerowicz National Academy of Dramatic Art in Warsaw, ul. Miodowa 22/24, 00–246 Warsaw, Poland, kamila.lewandowska@at.edu.pl.

various forms. Arts and business relationships during the last decade have been marked by the emergence of so called arts-based methods (also "creative partnerships" or "artistic interventions"). This concept has since become a topical issue in international cultural policies. In 2010 The Council of the European Union adopted the Work Plan for Culture 2011–2014 and established working groups in order to pursue the priority areas, including "promotion of creative partnerships". In the Work Plan creative partnerships are defined as "partnerships between culture and sectors such as education and training, business, research or the public sector, [that] help transfer creative skills from culture into other sectors" [Council 2010]. Additionally, in 2011 the International Federation of Arts Councils and Culture Agencies (IFACCA) undertook one of the first attempts to research and analyse the nature of "intersections" that exist between the arts and other sectors. The study presents different types of partnerships and examines structural aspects of arts and business collaboration. Although authors recognise that "the intersection between arts and culture and other sectors has been highlighted in the field of culture and development" [Laaksonen 2011], this study remains one of a very few examples of empirical research regarding multi-sectoral collaborations with the arts.

Moreover scholars have identified some structural changes within the traditional forms of arts and business collaboration and indicated that there has been a shift from transactional to a more partnership-oriented approach. McNicholas [2004] identifies a "revolution in the relationship between arts and business" that results in a more "two-way interactive relationship" [p. 57]. Her multidisciplinary research uncovers new patterns in the field and proves that the collaboration between arts and business organisations has become more mutually affecting, highly customized and intermeshed. The aim of my research is to verify if a similar shift has taken place in European countries.

The overarching aim of this paper is to investigate dominant changes in the arts and business relationship from the perspective of arts and business organisations in different European countries. More specifically, I address three research questions:

- 1. What structural changes have emerged in the arts and business relationship over the last decade?
- 2. Has there been a change in the business perspective, moving from commercially focused motivations to more partnership-oriented approach?
- 3. Has there been a change in the perception of business benefits that derive from arts-based collaboration?

These questions are answered through an exploratory study across thirtythree organisations in nine European countries. Incorporating both arts and business organisations I utilised qualitative study involving in-depth interviews. The paper is organized as follows: the first section is devoted to sponsorship analysis. The second and third deal with new forms of art and business relations: partnership and arts-based methods. This is followed by the methodology (Section 4) and research findings (Section 5). The final conclusions include implications for management and research limitations.

# 1. Sponsorship

Sponsorship is traditionally defined as a marketing and communication tool in addition to being a component of a communication mix "where a firm provides some financial support to an entity, which may be an individual (e.g. sports), an organisation (e.g. a humane society) or a group (e.g. an orchestra), in order to allow this entity to pursue its activities (e.g. a cultural event) and, at the same time, benefit from this association in terms of global image and consumer awareness of the firm's market offerings" [de Astous and Blitz 1995]. In other words, according to this definition, within a sponsorship agreement a company purchases promotional services from an arts organisation. In a legislative context arts sponsorship needs to be interpreted as a business related transaction if a given company wishes to make its support tax deductible. According to the European Committee for Business, Arts and Culture [CEREC 2007], in most European countries sponsorship expenses are generally tax deductible if they are made in return for advertising benefits. If so, arts sponsorship is simply equated with advertisement.

Such an analogy should be taken into critical consideration. Both sponsorship and advertising deal with perception even though sponsorship is considered by consumers as being less manipulative and obtrusive [Meenaghan 2001a]. Additionally sponsorship of social, environmental or cultural initiatives receives more favourable attention than sports sponsorship or other mass events. Consumers are also much more sensitive towards promotional exploitation of arts sponsorship and do not respond positively to intensive logo display at arts events [Meenghan 2001b; Carrillat and Astous 2012]. This derives from the strong correlation between arts sponsorship and philanthropy [de Astous and Blitz 1995]. Additionally arts sponsorship frequently generates a great deal less publicity and, whilst it enjoys the attention of niche business segments, it addresses commercially oriented sponsors to a far lesser extent [Olkkonen and Tuominen 2006]. It is for this reason that its application should entail a proper understanding of this form of communication, focusing on image-building and stakeholder relations rather than advertising in its crudest sense.

# 2. Partnership

Over the past ten years, a new perspective of arts sponsorship has emerged. McNicholas [2004] identified shifts from typical arts sponsorship as a marketing tool and from such sponsorship as a relationship to its possibility of a partnership. McNicholas recognised six levels of arts and business relations that correspond to six stages in the development of the arts and business relationship. From a one-dimensional approach (donation, patronage) through transaction relationship with an emphasis on a marketing deal (promotion, Public Relations, corporate image strategy) to the incorporation of the arts relationship into a broader business strategy reaching far beyond marketing objectives (arts and business partnerships). The 'six types' model does not imply an evolutionary development of arts sponsorship, where the subsequent forms of the relationship determine a transformation or extinction of the previous ones. On the other hand an arts and business partnership is the latest stage in this model and might indicate a new tendency in arts and business collaboration.

McNicholas is not alone. Prominent arts managers, like Mark Sands (director of media and audiences for the *Tate Galleries*) and Julia Rowntree (development director for the London International Festival of Theatre) claim that their organisations have reformulated the frameworks of collaboration with business in order to move from commercial relationships to a more partnership-orientated approach [Sands 2011; Rowntree 2001]. This change in the arts-business relationship has been fostered by organisations such as Arts and Business UK which "have played significant roles in the transition to a new, more symbiotic kind of partnership between the two worlds" [Bartelme 2005]. Purely commercial relationships do not work well for arts organisations because logos are reaching their limits of value, particularly in relation to work with young people, according to Rowntree [2006]. Arts practitioners are often sceptical about corporate sponsorship as a way to gain the commercial profit [Chong 2002]. This is why the appeal of partnership-oriented collaboration has grown significantly, both on the part of arts and business organisations.

Arts and business partnerships can be briefly described as a realisation of common projects. Partners from both sectors engage in artistic, educational projects that are developed in a mutual fashion. To give an example, cooperation between the Tate Modern and BMW has led to the 'BMW Tate Live: Performance Room' project, a series of performances created exclusively for the online space. Within an arts and business partnership a company does not simply provide funding for the project commissioned and conceived by an arts organisation but rather acts as a co-creator at a conceptual stage. At the same time a business partner does not infringe the curator's territory and make decisions concerning the artistic programme (considered to be unacceptable practice within the arts sector). In order to avoid the risk of business interference, some artistic organisations have decided to develop collaborations with businesses beyond their artistic activity. To give an example, the Palais de Tokyo in Paris, together with its business partner, launched an educational programme to reach the disadvantaged public [Alizart 2008]. Preece [2010] describes another example of arts-business partnership which led to a series of creative events in order to commemorate the 25<sup>th</sup> anniversary of the business

partner. Both sides moved beyond sponsorship towards "inter-organisational relationship with multiple layers of intersection" [p. 57]. Preece highlights the issue of mutual learning and creative inspiration that emerged in the co-creation process. According to Lund [2010] the co-creation element is a result of the finding of common values, 'value co-creation' in the process where parties exchange and make use of each others' resources. Searching for artistic meaning that a company could identify itself with is a part of a shared dialogue and value co-creation. Such interaction also represents a new wave image strategy moving away from the days in which a company's logo was utilised to the primary or a sole benefit of said company. For example, Lewandowska [2015: 47] proves that partnership collaboration with the arts can "increase creative potential on an individual and organizational level".

# 3. Arts-based methods

Arts-based methods have attracted growing interest amongst arts and business practitioners, as well as political bodies. The concept of "learning from the arts" has become suitable for business organisations in times of structural transformation. Boltanski and Chiapello [2007], who analysed management literature in the 1990s in order to identify ideological changes that have accompanied recent transformations in capitalism, indicate that nearly all the texts give "advice on implementing the flexible, inventive organization that will be able to ,ride' all ,waves', adapt to all the changes, always have a workforce that is up to date with the most recent knowledge and secure a permanent technological advantage over competitors" [p. 71]. Both management analysts, such as Peter Drucker and Charles Handy, as well as business practitioners turned their attention to the principle of flexibility, adaptability, competitiveness and rapid technological change. Management authors and "business philosophers" propose to face the "highly uncertain and complex reality" through the development of "new leadership", based on innovation and inspiration [Barrett 1998; Eisenhardt 1997; Mintzberg 1998]. The association between entrepreneurship and the arts is based on the assumption that "high levels of inspiration and passionate creativity have been more the domain of artists and artistic processes than of most managers" [Adler 2006: 487].

The elements of artistic liberation such as creativity, self-fulfilment, passion for work and expressing oneself have been acknowledged as essential values of modern organisations. Daniel Pink's "breakthrough idea" for 2004 (quoted in Harvard Business Review): "The MFA is the new MBA" became a very successful slogan supporting the idea of fostering an artistic approach to business. Professionals with arts degrees are increasingly recruited as new corporate talent in order to add different values to businesses and make them "beautiful and emotionally compelling" [Pink 2004]. Leaders bring artists and artistic processes to companies and the most prominent educational centres include artistic training in their management programmes, e.g MIT (the 2003/2004 Sloan Leadership courses had arts-based components), Oxford University (a course with conductor Peter Hanke), Stanford University (the "Creative Expression" class, compulsory for all undergraduate students) [Adler 2006; Economist 2014].

There are many ways in which the arts can be incorporated into the processes of organisational change. Scholars suggest that corporate art collections have a positive effect on organizational learning and that companies collect art not only for image-related reasons but also in order to stimulate staff creativity, promote the exchange of ideas and encourage employees to "think differently" [Kottasz et al. 2007; Lindenberg and Oosterlinck 2011]. An increasingly popular form of learning from the arts known as arts-based methods provides learning through artistic methods. Different techniques are applied in the personal and professional development of workers in order to make an impact in areas such as soft, interpersonal and communication skills, fostering creativity and thinking out-of-the-box, improvement of team collaboration, leadership and strategic development, innovation of products and processes. For example, theatre methods have been utilised in order to "improve employee communication, facilitate the exchange of diverse forms of information, or to increase the motivation and improve the moods of staff" [Lempa 2014]. The McGraw-Hill Company's leadership development programmes used Shakespeare to illustrate the principles of human motivation and theatre exercises to disseminate the corporation's values [Seifter 2005]. Harcourt Assessmen and The Boston Consulting Group collaborated with the TAI Group to create an environment conducive to change by using performing arts techniques [Thomson 2010]. CitiGroup and Johnson&Johnson chose The Actors Institute as a partner to improve presentation skills of their workers [Buswick 2005]. Unilever implemented the 'Catalyst Programme' and used the artistic process as a means to solve business problems and explore critical issues. Catalyst drew on the visual and performing arts, poetry, photography, playwriting, circus performance, design and jazz [Boyle and Ottensmeyer 2005]. Companies such as Microsoft, Ford or Aetna display "beautiful, thought-provoking works of art" on their offices' walls and organise art contests for employees [Lynch 2015].

Despite the increasing interest in creative partnerships, the general thrust of this type of collaboration has also provoked criticism. Chong [2002] interpreted the central idea behind creative partnerships as a "populist appeal to the managerial classes" that adopts "an overtly self-referential perspective [...] based on a simplified solace of immediate self-improvement". He believes that "what appears to be a return to the mystical power of art might be challenged as a reactionary position" that "represents another form of social engineering to control workers". Although Chong's criticism of "weak and sentimental beliefs regarding the therapeutic value of the arts" can be justified his concerns towards arts-based learning as a way of extending corporate control over workers sounds exaggerated. Nevertheless turning a critical eye to arts-based learning is necessary, especially because of the dearth of empirical studies in this field. Studies conducted by the WZB Berlin Social Science Centre provides an analysis of the value that arts-based learning can add to organisations. According to the study from 2013 "there is an evidence that artistic interventions can indeed contribute to such Strategic and Operational factors as productivity, efficiency, recruitment and reputation" [Antal and Strauß 2013]. However given the fact that the study examines only secondary sources (268 academic and policy publications), it recognizes the growing attention on creative partnerships but gives no significant empirical evidence as to their real impact on organisational change. Authors improved their methodology in the most recent study [Antal and Nussbaum Bitran 2015] which is based on primary sources (surveys amongst artists, employees and managers). It still centres on personal impressions rather than real, provable effects for the organisation.

# 4. Research method

The aim of this study indicates a qualitative approach. Within a largely qualitative research model, in-depth interviews were considered to be the most adequate amongst the various data collection methods. After the initial literature review, the analytical framework was developed. The non-probabilistic, purposeful sampling method was chosen in order to select cases likely to provide the appropriate and relevant data for the development of the emerging theory. Given the limited nature of this research and the precise issues to be explored, the appropriateness of selected cases was essential for this study. Two series of interviews were undertaken – the first amongst arts institutions and the second amongst business organisations.

Within the first group 18 interviews were conducted amongst arts organisations which operate in different European countries (Germany, Belgium, Denmark, Sweden, the Netherlands, France, Great Britain, Spain and Poland). The organisations were selected on the grounds that they represented the most study-relevant cases, implementing partnerships as their main framework of collaboration with businesses. Firstly, 94 arts organisations that collaborate with business were identified in nine European capital cities. The organisations' websites were the primary source of information at this stage. Different types of organisations were chosen in order to understand the variety of partnerships. Additionally the extensive international scope of the study enabled a crosscountry perspective and demonstrated that partnership-oriented collaboration is not specific only to certain countries or particular cultural policy models.

Each of the 94 organisations was contacted by email and asked for supplementary information regarding their collaboration with businesses (sponsorship/partnership proposals, annual reports, internal memos and papers). Some 42 organisations provided documents and sufficiently extensive information. Having identified a satisfactory dataset, I analysed the data provided and selected 31 organisations that were eligible for participation. Of those 18 agreed to participate in the study. Table 1 presents the profile of the respondent organisations.

Organisation type	Quantity	Country	Quantity
Artistic organisation (arts-based methods)	6	Poland	4
Museum of Fine Arts, Arts Gallery	4	Great Britain	3
Arts/ Music Centre	3	Spain	3
Festival (film, theatre, digital arts)	3	Germany	2
Theatre	2	Denmark	2
		Sweden	1
		The Netherlands	1
		France	1
		Belgium	1

Table 1. Sample characteristics - arts organisations

The second series of interviews was undertaken amongst multinational organisations. Due to limitations regarding physical access, only organisations with subsidiaries in Poland and Germany were chosen. However the questions asked pertained to the global arts support strategy of the given company.

Organisations were selected from two databases – the Commitment to Europe Arts & Business Foundation list of companies and the Polish Ministry of Culture and National Heritage Arts and Business Awards database. These databases included 74 companies; of these 56 were multinational companies with headquarters in Germany, Sweden, Belgium, Denmark, the Netherlands, France, Great Britain and Poland. All the 56 multinationals were contacted by email with follow-up phone calls. 21 companies responded resulting in a 37 per cent response rate. Of these 6 companies indicated that they were not directly involved in arts support thus, in the end, 15 multinational business organisations with headquarters in Germany, the Netherlands, France, Great Britain and Poland participated in the study. In each company one interview was carried out with an employee responsible for arts and business relations. Table 2 presents respondent organisations by business sector and interviewee's department.

Both series of interviews were carried out between November 2012 and February 2013. Each interview lasted from 60 to 90 minutes. The interviews were conducted in person, by the author of this paper. The key characteristics of the participant organisations are presented in Table 1 and Table 2. The top-

Business sector	Quantity	Interviewee's department	Quantity
Banking and Insurance	6	Public Relations/ Communications	7
Automotive	3	CSR/Sponsorship	4
Telecommunications	2	Cultural Engagement	2
Business Services	2	Company's Foundation	2
Oil & Gas	1		
Mechanical Electrical & Process Engineering	1		

Table 2. Sample characteristics -business organisations

ic guide covered the key research issues. Following the recommendations of Gaskell [2000], the interview was not led with the support of a set of predetermined, standardized questions (as in a survey or questionnaire), but instead the open-ended questions were used as "an invitation to the respondent to talk at length, in their own terms, with time to reflect".

Respondents were asked to describe their organisation's practices at the time and compare them to the collaboration with arts/business partners that had occurred over the last years (going back to the early 2000s). In case the respondent's experience in the position in the organisation was shorter than three years, additional sources of information were used, e.g. company reports, press releases and articles. The questions centred on the issue of *how* partners collaborate (Who initiates? Who takes part? What do the channels of communication look like?), what is the main concept of the collaboration (realisation of common projects, sponsorship of predetermined events, philanthropic endeavours) and what are the benefits and advantages (fostering creativity amongst employees, brand recognition, raising regional competitiveness). To increase reliability of responses the evidence-based approach was used with interviewees being asked for examples that supported the practices that they identified.

The data collection method implied the use of conventional content analysis where coding categories are derived directly from the text. The method chosen is linked to the research questions, which focus on capturing and describing the phenomenon (emerging changes in the arts and business relationship) rather than the statistical significance of the occurrence. The bias to this approach is due to the fact that it only seeks to uncover patterns and themes but cannot prove any general tendency.

The process of content analysis began "in the field" [Gibbs 2007], during the early stages of data collection. Taking field notes and acquiring supporting documents, for example CSR statements and reports, during the interviews helped the analysis of the transcripts at a later stage. Categories and a coding scheme were derived both from the data and *a priori* from research literature. Coding schemes were developed deductively based on preliminary theories and then modified within the course of the analysis. Working with the transcripts common elements were identified and categories developed by means of the process of manual line-by-line coding. In order to assure coding consistency the constant comparison technique was used. Drawing conclusions from coded data focused on uncovering patterns and exploring the properties of categories, for example, existing types of arts and business collaboration, the main benefits from each of them and the realisation process.

# 5. Results and discussion

The results of the study are presented according to the main changes recognized in the arts and business collaboration. Fragments of transcripts were included to support the findings and bring the reader closer to the data. In general arts and business organisations have recognised a transition from commercially focused forms of collaboration to a more partnership-oriented approach. The two most commonly indicated justifications for this phenomenon were: the decreasing role of arts sponsorship in communication strategies and the growing potential of collaboration that reaches beyond marketing objectives. The second argument relates to relatively newly discovered business benefits from collaboration with the arts. For example, one of the possible benefits derived from an increasingly popular concept that artistic competencies can stimulate innovation in businesses.

#### 5.1. Changes in arts and business relations

Respondents identified that arts and business relations move from being centred on business transactions and marketing benefits towards cooperation and partnerships that engage both partners in artistic, educational and social projects. This study recognises that the global transformations that influenced the change in arts and business approach started in the 1990s, however the fruits of this change itself date roughly from the beginning of the 21<sup>st</sup> century.

The majority of interviewees confirmed that business engagement is associated with selling objectives to a very small extent. One of the main reasons is that long-term effects of arts sponsorship make the return on investment hard to achieve. Additionally information congestion renders promotional messages invisible or even unwanted by the audience. This is why business organisations are more willing to create partnerships beneficial for both sides rather than simply have their name "badged" to existing arts events. As some of the respondents noticed:

"Both business and arts organisations are increasingly reaping the benefits of strategic mutual alliances. Companies have understood that they need to change

radically in the face of the complexities and challenges caused by globalisation in aims reaching beyond purely economic objectives. The 'money can't buy' values that business can draw from the arts can help to confront such challenges" (Artistic Organisation).

"The time of the logo has passed ten years ago. It doesn't convince business to collaborate with the arts" (Arts Gallery).

"Our company expects something else than its logo on a poster. We want 'intelligent' forms of informing the audience about sponsorship. We want to show that our company has a soul. It doesn't have any direct impact on increasing revenues. Also it is very hard to plausibly evaluate the effects of art sponsorship because they are rather unmeasurable. This is why we look for values that money can't buy" (Automotive Company, Public Relations Department).

#### 5.1.1. More business engagement in the creation process

Partnerships represent a different approach than the typical arts and business relationship where the arts organisation is a 'receiver' of funds and a company acts as a donor. It is more about engaging business partners in the process of artistic development, keeping in mind that a company in question cannot act as curator in this process. However, many of the arts organisations remain careful as regards to the invitation of business partners in the process of cocreation. Some of them had doubts about the ethical aspects of such actions.

"Unlike in sponsorship processes where artistic projects are entirely conceived by arts organisations, within partnerships a business partner is involved from the project's inception. Co-creation of work is highly complex in the world of the arts and the main objections towards cooperation with businesses relate to the issue of artistic autonomy" (Artistic Organisation).

"The joint engagement of business with arts projects from their inception is a very sensitive issue. It necessitates very clear channels of communication between partners as regards to what extent the business in question can, or should, be involved. We are not here for a voice of business. We want to align ourselves with business but it is a very gentle relationship and we don't allow co-curatorship. We also don't collaborate on projects which do not fit within our artistic direction" (Museum of Fine Arts).

Some of the companies were aware of such threats and claimed:

"As a partner we want to keep the art autonomous. All decisions regarding artistic content must be left to the arts organisation" (Automotive Company, Cultural Engagement Department).

# 5.1.2. Mutual adaptation of the agents

This research underlines that mutual understanding is a major concern in arts and business relations. The respondents claimed that effective partnerships require permanent and straightforward communication and mutual learning. A partnership is a long-term venture and ongoing interaction is compelling. Permanent dialogue is essential in defining the role of partners in the process of co-creation and mutual adaptation.

"We try to find bridges and explore possible ways of collaboration. A permanent dialogue is an essential element of our multi-sector approach and leads us to innovative solutions" (Automotive Company, Cultural Engagement Department).

"Arts and business worlds speak different languages and there is a need to build a bridge between them to make them flourish" (Museum of Fine Arts).

#### 5.1.3. More emphasis on societal activities

Respondents confirmed that businesses are influenced by the feedback from local communities with regards to their proactive behaviour in this area. This study underlined the twofold impact of arts and business partnerships, both on people (human resources) and the region (infrastructure, technological resources). Business respondents highlighted that partnership-oriented collaboration allows initiatives to be undertaken that increase the well-being of society. Unlike sponsorship, which consists in transferring business money in order to support an arts institution, partnerships allows both parties to collaborate and create initiatives for the benefit of the local society, such as arts education programmes, collective artistic activities as well as to introduce new technologies. The rationale is that more united, cooperative and better-informed communities are likely to create a more favourable climate for competitive business development. A more culturally educated, satisfied and motivated community makes both better workers and consumers; a win-win situation.

"We noticed that businesses move their arts engagement activities from 'elitist' events to more societal activities. Our company aims to make the arts more 'democratic' and available for everybody" (Automotive Company, Cultural Engagement Department).

"We would like to culturally activate communities and institutions and not only donate a sum of money to an arts event. We look for arts projects that make positive impact, especially on young people and mobilise them to make use of their creative talents" (Telecommunications Company, Corporate Foundation).

#### 5.1.4. Greater focus on companies' internal environment

Some respondents pointed out that companies are increasingly more focused on the internal advantages of the company rather than the profits gained from outdoor communication. Such companies wish to associate the benefits gained from association with the arts with employees. Instead of brand positioning they adopt corporate membership schemes that allow access for corporate members and their employees to selected events or develop initiatives that use art as a tool of organisational development. Some of the respondents claimed that art collections have positive impact on employees and work climate. "Companies, more than in the past, would rather look into how they can influence the internal environment. They like their employees to have a 'money can't buy' experience" (Museum of Fine Arts).

"In our office building we present a permanent collection of modern art. 117 artworks are hanging on our walls in office spaces and they naturally become a part of the work environment. They are fully integrated into everyday life, in the same way as laptops and filing cabinets. They stimulate different reactions and promote interaction between employees" (Bank, Corporate Foundation).

#### 5.1.5. Growing role of creativity in collaboration

The concept of creativity, traditionally regarded as being an exceptional ability or talent for innovation, is increasingly understood to also promote dynamic economic growth. Respondents agreed that businesses now rely more and more on creative and innovative processes. However the role of the arts in fostering creativity in business was emphasized much more by the arts organisations themselves.

Respondents pointed out that the number of artistic organisations that provide business with workshops and other kinds of arts-based services is growing. However it is still a niche segment of arts and business relationships. Respondents identify two main obstacles in the business sector. Firstly, lack of knowledge about arts-based learning initiatives and advantages that can be gained from this form of collaboration with the arts. Secondly, initial resistance and scepticism about possible benefits for the businesses themselves. The study underlines that by the end of the collaboration, company employees display greater levels of positivity, even reaching a level of enthusiasm.

When asked about the main contribution of arts-based methods, respondents – from both the arts and business – indicated different benefits on an individual and organisational level, mostly related to interpersonal abilities and skills: better communication, increased interaction, improved understanding of the other's (clients, colleagues) needs, better social competences and a generally improved working climate. They all lead to more efficient leadership and co-creation processes. On the organisational level companies rethink their organisational culture and incorporate new ways of thinking in their production and marketing processes.

#### 5.2. A structure of changes in arts and business relations

Figure 1 shows that the structural transitions in arts and business relations indicate a shift from marketing focused sponsorship to a more partnershiporiented collaboration. The findings in this study suggest that there has been a qualitative change in *how* partners collaborate. As far as the collaboration process in concerned, sponsorship and partnership represent different approaches. Sponsorship is far less interaction-based and focuses primarily on the final

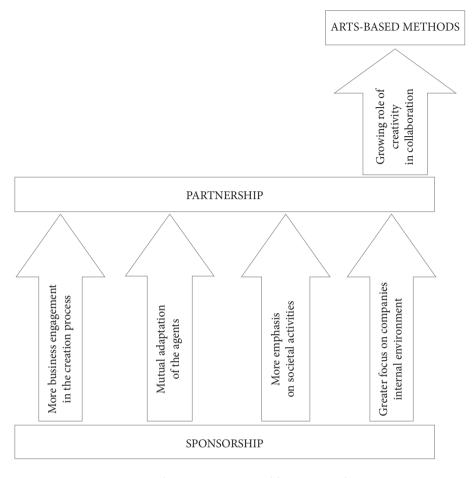


Figure 1. Changes in arts and business relations

outcome of the collaboration. Partnership is much more about mutual transformation of partners, which takes place in the course of the project realisation.

Partnership is a kind of relationship in which resources, knowledge and skills are shared in order to enhance the competitive advantage of both agents. It moves far beyond a business arrangement towards a long-term, strategic alliance. Following Dyer and Singh [1998], alliance partners can develop knowledge-sharing routines through face to face inter-firm interaction of individuals. This relational view corresponds to a partnership in which representatives from both parties work together on the formation and implementation stage of the project.

The aspect of learning from the arts was broadly recognised by the respondents in this study. As depicted in Figure 2, types of arts and business relationships differ widely in terms of how they enhance organisational learning. Sponsorship is invariably associated with communication-related profits

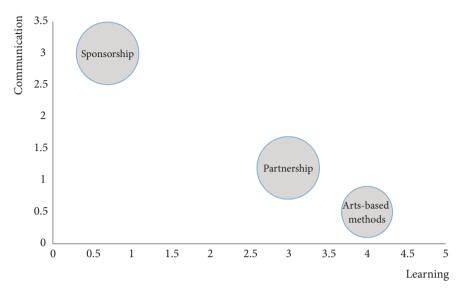


Figure 2. Main benefits from arts-business relations

and hardly relates to the learning benefit. Partnership and arts-based methods involve the learning benefit to a much greater extent, however, in both cases the learning advantage occurs in a different fashion. In partnership learning emerges as a "side-effect" in the co-creation process, when teams from both parties work together, developing and implementing creative ideas. In arts-based methods learning becomes a sole objective of the collaboration.

Unlike in partnership, in which learning can directly emerge only amongst those who attend the meetings with art representatives, arts-based methods allow the involvement of employees from different company departments in the learning process. Focusing on the organisation's transformation, arts-based methods bring the learning benefit and the collaboration itself to a higher level of advancement (Figure 1). This type of arts-business collaboration entails more profound organisational change, although it reduces the mutual learning into a one-way transfer of art-routed skills. In arts-based methods learning is more methodological and better structured than in a partnership collaboration however the learning benefit is only on the business side.

#### Conclusions and implications for management

I believe that the findings that have emanated from this study hold implications for practice. This research supported the theory that identifies the trend of a gradually shifting approach towards relationships of a more partnershiporiented nature. Partnership means that the role of both actors (business and arts organisations alike) are evolving, as well as the reasons for such relationships. The findings suggest that changes have occurred in how businesses act in these relationships and that they are more interested in being involved in a project's creation rather than solely providing financial support to an existing event. Managers, both in the arts and business sectors should take this into consideration and initiate the collaboration as explored in this study. In particular the successful collaboration should be based on partnership collaboration which indicates that both partners are involved in the project design and implementation. Although the dilemma of artistic freedom appeared in discussions with respondents and arts organisations it was emphasized that business should not influence decisions concerning the artistic programme, they also claimed that clear-cut communication between partners as regards to what extent the business in question should be involved can be an answer to this issue.

The study recognises a tendency in the exploration of new, possible benefits gained from cooperation with the arts. Involvement of the arts, conventionally seen as a tool of external communications, is increasingly manifesting itself in the field of personnel and organisational development. Companies are interested in the sort of cooperation that entails internal and organisational transformation. The most obvious example is that of the initiatives provided by artistic organisations that are devoted to arts related services to businesses. These organisations employ individual artists and train them in synchronization with companies' needs.

Given the distinctive nature of arts-based methods and the small research sample it is hard to generalise about business attitudes towards this form of collaboration. This study generally supported findings from earlier studies regarding the primary resistance of companies that have not had experience with arts-based learning initiatives and the favourable attitude of those who have. Although these initiatives remain more of an emerging phenomenon than commonplace practice this growing trend is both current and apparent. The findings of this study also showed that companies perceive arts-based learning initiatives as a way in which particular skills can be developed but do not generally believe that they promote creativity per se. However the question about the correlation between company's involvement in the arts and the concept of creativity reveals a potential source of bias. The interviews were held with employees responsible for arts sponsorship or philanthropy. Arts-based methods are not necessarily one of their activities as they are launched by departments such as human resources, research and development. The potential for the arts in internal development can lie undetected or underestimated by communication, CSR or Public Relations departments. In future studies creative partnerships should be analysed independently and a different sampling method should be adopted.

The findings suggest that both businesses and arts organisations are aware of the strengths and weaknesses of arts sponsorship as a medium of communication. Companies expect little when it comes to expanding market reach however they continue to adopt arts sponsorship in both direct marketing as well as in the process of image building amongst stakeholders. What is more the most apparent attitude towards arts sponsorship amongst the businesses analysed is that it offers a "money can't buy" experience. Businesses thus appreciate the intangible benefits derived from the arts whilst simultaneously realising that, in the majority of cases, effects are hard or even impossible to measure.

# Limitations and future research

It should be noted that there are a number of limitations to this research that need to be taken into consideration. This study examines the forms of arts and business collaboration in Europe. In order to carry this out a sampling method was applied that enabled the selection of information-rich cases and the exploration of the diversity of the arts and business landscape. Different types of organisations in nine countries were approached. Owing to the highly purposive character of the sampling method, in which the selection criteria were skewed to identify the most diverse and not necessarily the most representative cases, it is difficult to discern how general the findings might be. Despite the international scope of this study the findings cannot be used to recognise or compare trends in different countries. This is an exploratory study that exposes a crosssectional, overall view of the European arts and business relationship. Future studies could address particular issues separately and adopt a more in-depth perspective. They should also cover a broader scope of arts and business relations and include the forms of collaboration that have not been mentioned in this study. Ideally this would prompt researchers to use more representative samples. It would be interesting if larger samples could be used in an international context so that differences between countries could be analysed. Furthermore it is important that future research establishes the nature of the changes that take place, especially with regards to the shift from a transactionbased to more partnership-oriented form of collaboration.

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