Creative Enterprise in West Yorkshire Arts Organisations

Author: Dr. Tim Deignan, Independent Consultant

project funded by the CETL
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1. Introduction

This report describes and theorises the findings of a workshop discussion, commissioned by WYLLN, into the views of arts organizations on the challenges they face in becoming more enterprising and less grant dependent. The aim of the workshop was to help WYLLN to develop awareness and understanding of the issues around creative enterprise as seen from the personal perspectives of individuals working within arts organisations. The workshop was run as part of the "Mind Your Own Business" (MYOB) event held at The Electric Press, Leeds, on 25th March, 2010. This report follows on from a related WYLLN research project (Deignan, 2009a) which looked at enterprise educators' views on entrepreneurial skills development for arts and media students. As in the earlier project, and to provide continuity, this report uses an activity theory framework (Engeström, 2000a) to model arts organization activity in relation to creative enterprise. The workshop, which included seven participants, provided a framework and a stimulus for the participants to reflect on creative enterprise and discuss the issues in relation to their organisations. Using the data derived from the workshop, this summary report theorises arts organization activity in the current economic climate and suggests practical ways forward in relation to the issues identified.

2. Conceptual Framework and Methodology

Arts organizations are an integral part of the creative industries, which have been defined by the Department for Culture, Media and Sport (DCMS, 2001) as ‘those industries which have their origin in individual creativity, skill and talent which have a potential for job and wealth creation through the generation and exploitation of intellectual property’; the DCMS includes among these, ‘advertising, architecture, the art and antiques market, crafts, design, designer fashion, film and video, interactive leisure software, music, the performing arts, publishing, software and computer services, television and radio’. The Leeds City Region Employment and Skills Board (ESB) (2010) estimates that “the combined “creative and digital” sectors

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2 Engeström, Y. (2000a) Activity theory as a framework for analyzing and redesigning work, Ergonomics, 43(7):960-974
employ over a 100,000 people across the Yorkshire and Humber region, with one in six either self-employed or freelancers’. The aim of the MYOB workshop was to listen to voices from the sector by providing a framework and a stimulus for arts organisations to reflect and comment on the issues affecting their creative enterprise and business development.

One way for arts organisations to share their perspectives on creative enterprise is to model how they see the issues in relation to their collective activity and its intended outcomes. Activity Theory (e.g. Engeström⁵, 1993) was chosen to facilitate the modeling process; it is grounded in the notion that human beings use tools to work on an object, or ‘problem space’ in order to achieve a desired outcome. Engeström (1993:67) comments that, ‘contexts are activity systems. An activity system integrates the subject, the object, and the instruments (material tools as well as signs and symbols) into a unified whole’. It is important to look holistically at the dynamics of the system when considering the issues impacting on system performance. The concept of activity highlights the complex interactions and relationships between the individual and the community. Engeström (2000a:964) comments that ‘a collective activity system is driven by deeply communal motives. The motive is embedded in the object of the activity’. Applying an activity theory framework to arts organizations and creative enterprise, Figure 1 below represents a complex dynamic activity system where all the elements are interconnected.

**Figure 1. Working on Creative Enterprise: An Activity System**

![Diagram of an activity system showing the relationship between subject, object, tools, and desired outcomes.](image)

(Triangle adapted from Engeström 1993)

Figure 1 shows the various resources used as tools by arts organisations to work on the ‘object’ or ‘problem space’ of creative enterprise. The lightning-shaped figures represent potential ‘contradictions’ or tensions within the activity system. These tensions can occur

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anywhere in the system. Identifying and analyzing tensions is important as this can lead to a better understanding of the system dynamics and can suggest improvements (for example new and / or improved tools) to enhance system performance in relation to creative enterprise. Kangasoja⁶ (2002:200) describes how such ‘contradictions are the driving force of development. They are manifest in the daily practices as breakdowns, tensions, ruptures and innovations. They call for reworking, both conceptually and very concretely, the objects and motives that sustain the activity, and for re-mediating the activity system by way of improving and inventing new tools’.

All stakeholders, including arts organizations, education and training providers, funding bodies and policy makers and others, will have their own views on fostering creative enterprise. Listening to these different voices is important in order to better understand the system. Engeström⁷ (1999:20) argues for a multi-voiced theory of activity in which internal contradictions and debates are an essential focus of analysis. Consistent with this approach, the MYOB workshop involved modeling the activity of arts organizations in relation to creative enterprise and listening to the workshop participants' views on the performance of the system as seen from their individual perspectives. Seven individuals participated in the workshop discussion. Figure 1 above was used as a prompt to stimulate discussion on the issues facing the workshop participants. In particular, the participants' views were sought on the system tensions and challenges as seen from their perspectives. Drawing on these viewpoints, possible contradictions, or tensions, between the tools used and other elements of the activity system are discussed below in relation to the workshop findings.

### 3. Findings

The workshop focused on identifying tensions in the system, using the perspectives of the participants to highlight development issues and possible improvements relating to creative enterprise. It should be noted that system tensions are a normal feature of activity, and their identification is a necessary step in system development. The comments made by participants during the workshop were subsequently categorized in relation to the different aspects of the activity system as depicted in Figure 1 above. These comments are summarised in Table 1 below.

#### Table 1. Workshop Data: Summary of Participants’ Comments

<table>
<thead>
<tr>
<th>SYSTEM TENSIONS AS IDENTIFIED BY WORKSHOP PARTICIPANTS</th>
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<td>Object / problem</td>
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Table: Space

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<td>profit and development per se.</td>
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<td>The work undertaken by arts organisations is too funding-led and is usually never enough to achieve sustainability.</td>
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<td>Artists feel in a creative straitjacket – creatives are constrained by the briefs they have to work to, which are funding-led. This causes frustration and can result in organisational staff turnover.</td>
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<td>An example of this is in relation to education and training schemes provided by arts organisations (accredited qualifications for return to work / hard to reach learners). Arts organisations see such training as creative work but the funders (eg SFA) see it differently. Central government has a top-down model that is numbers-led (ie based on bottom-line numbers of qualifications awarded).</td>
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<td>If allowed to apply their creativity to the design and content of these courses, arts organisations could improve quality and achievement. However there is currently no flexibility in this regard. Some arts organisations are considering not doing this type of work any more because of the nature of the work involved – unduly heavy administrative workload and creative straitjacket.</td>
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Table: Tools

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<td>Better ways of doing creative impact assessment are needed. For example, arts organisations need to get better at capturing individual learners’ stories showing the benefits to them over the medium and long term.</td>
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<td>Better ways are needed of showing value to the public (re public art works etc) and self-value in relation to learners (re education and training programmes).</td>
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Table: Rules

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<td>Arts organisations need to develop a more imaginative understanding of funding re what it is and how it works. It was suggested that this could be developed by, for example, more networking / lobbying / voice / and inter-organisational exchange within the community.</td>
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<tr>
<td>Funding-led activity is constraining creative activity. More imaginative models of funding are needed. More creativity needs to be applied to the funding mechanisms and to impact assessment processes.</td>
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Table: Community

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<td>Business advisers assume that profit is the driving motive for artists and arts organisations but in fact this often may not be the case.</td>
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<td>It was felt that there was an asymmetry in terms of influence on funding bodies. Smaller organisations do not get sufficient representation and recognition in relation to the funding bodies (big fish / small fish).</td>
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<td>There needs to be better communication – AC / SFA / EC / ESF / etc do not consult arts organisations sufficiently re what they do as partners.</td>
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<td>The charity sector is risk averse in relation to funding arts activity.</td>
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<td>It was felt that CPD was needed for the people who hire and fire in relation to public art works. Currently, artists work for them, not with them. So, for example, Community Arts Officers need training in how to do consultation with artists, and they need training in what is good practice in relation to understanding the complexities of space.</td>
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<tr>
<td>There is a perceived “newism” where the new is favoured by funding bodies, sometimes to</td>
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the detriment of the familiar but perhaps equally valuable.

The Arts Council needs to invest in, not subsidise, the arts.

### division of labour

Small arts organisations would benefit from help with: developing business plans; understanding the systems better; using the right funding language; modeling their skills.

Arts organisations often have very limited reserves to invest in marketing / research and development / etc. Their financial horizons are limited.

There is an opportunity for funding bodies (eg Arts Council / Local Councils / Learning and Skills Council / etc) to redefine their roles.

### subject

Quality is often compromised as arts organisations are not able to say "no" and there is over-reaching as a result of this.

### outcomes

Sustainability is seen as more desirable than development

The findings outlined above have implications for the development of creative enterprise in relation to arts organisations in West Yorkshire. The data from the workshop, when analyzed using an activity theory framework suggest that there are many potential ‘contradictions’ or tensions between the tools and other elements of the activity system. The workshop participants’ comments suggest that the factors indicated in Figure 2 below can impact on organizational performance in relation to business development and sustainability. The triangular darts inside the boxes (see subject / tool / object / rules / community / division of labour) indicate tensions relating to the different interacting elements of the activity system. These tensions are suggestive only, as local practices will apply within specific contexts and the various elements will interact dynamically with each other in ways that reflect the unique nature of individual organizational sub-systems. Figure 2 is also limited in that it highlights only tensions between the tools and the other elements in the activity system. There will also be potential tensions within individual elements and between other combinations of elements within the activity system. In relation to the tensions identified, recommendations are made in section 4 below to address the issues involved. These are made against the background of recent changes in the national education and training landscape.
Figure 2. Tensions, illustrated by lightning bolts, in the activity system

Subject
Arts Organisations
- often limited resources
- challenges / insecurity
- changing economic landscape

Rules
Various Regulations
- funding models / language
- understanding of systems
- lack of system flexibility
- restrictive mechanisms
- administration load
- measuring value

Community
Creative Industries Stakeholders
- different priorities
- communication issues
- small organisations not heard
- insufficient consultation
- clients risk averse

Division of Labour
Staff, Partners, etc
- close financial horizons
- over-reaching to secure funds
- responsibility for CPD, R&D

Object
Creative Enterprise
- value conflicts
- activity motives
- perspectives on profit

Sub-optimal Outcomes
- Under-investment in CPD
- Under-achievement re contribution to creative industries
- Under-development re collaboration with stakeholders
4. Discussion and Recommendations

Arts organisations face challenges at a range of levels. Pressures and drivers operate globally, nationally, regionally and locally. In an Arts Council / DEMOS report, Holden (2007:1) comments that ‘as globalization increases pressure on primary industries, manufacturing and services, “creativity and innovation”, “the knowledge economy”, and “the creative industries” (all ill-defined, different things) are perceived to be vital to our future prosperity’. Arts organisations need development support to cope with these pressures. For example, participants in the MYOB workshop mentioned a need for help with developing business plans. However, at a national level, the Department for Culture, Media and Sport (DCMS, 2006:10) has found that ‘there is a gap, a market failure in providing entrepreneurial learning for the Creative Industries’. This view is supported by E-Skills UK (2009:8), the sector skills council, who found that ‘too many courses produce graduates with insufficient specialisms to meet sector needs…private training can be expensive and public providers have an extremely low level of participation in the continuing professional development (CPD) of the workforce’.

In relation to education and training bodies and funding policy, the national picture is changing significantly. The 2009 Apprenticeships, Skills, Children and Learning Bill transferred Learning and Skills Council functions and responsibilities to Local Authorities, the Young People’s Learning Agency and to the Skills Funding Agency (SFA). The Department for Business Innovation and Skills (BIS, 2009:3) note that, in designing the SFA, it is ‘embedding a core value around the importance of understanding and delivering what customers need and being able to respond quickly to their feedback’. BIS (ibid:5) stress that ‘employers will have a strong voice in the new structures; nationally through the UK Commission for Employment and Skills, sectorally through reformed Sector Skills Councils and sub-regionally through local Employment and Skills Boards’. As part of this initiative, the government is devolving more responsibility for the development of skills strategy and the delivery of provision to employer-centred partnerships.

These changes to the national education and training landscape are exemplified in the Leeds City Region Partnership (LCRP, 2009:12) which aims to build an ‘innovation eco-system’ to connect ‘knowledge generators’ and ‘end-users’. The LCRP (ibid:12) notes that while ‘we have considerable strengths in our universities and companies…economic outputs do not truly reflect these strengths’. LCRP (ibid:19) also recognizes that ‘small businesses often find it difficult to access support for their training needs’ and that ‘mainstream provision often does not consistently take account of the needs of specific sectors’. Stronger employer

engagement is seen as key to addressing this issue. Skills and innovation are listed among the priorities of the LCRP, who wish to (ibid:19) ‘implement a new approach to strategy-setting so that the skills system can respond to the needs of employers’. To that end, the LCRP Employment and Skills Board (LCRESB\(^ {13} \), 2010a) has been established to ‘set the strategic context and to provide leadership’. The LCRESB\(^ {14} \) (2010b:1) Terms of Reference state that it will ‘promote a shared understanding of skills and employment demand in the City Region economy’, and that it will devise and implement an overarching strategy which is ‘co-produced by employers’ and ‘ensure the widest possible consultation with employers’.

The LCRESB (2010a:3) cite communication weaknesses within the sector, commenting that ‘employers felt that the dialogue with the public sector is driven by a policy or product, not on the basis of their needs’. To remedy this, the LCRESB (ibid:ix) emphasises that it will ‘be guided and motivated, first and foremost, by the skills requirements of employers – to meet their current and future needs’. Of particular relevance here to arts organizations is the LCRESB (ibid:6-7) statement that the ‘priority sectors for boosting skills and employment include the Creative Content Industries (Creative Industries / Digital Industries / Design)’. The LCRESB (ibid:21) intend to ‘draw together the “voice of employers” in articulating how colleges, universities, and other training providers can better meet needs’. However, they also believe that employers have a responsibility for staff development, stating that there is an (ibid:vii) ‘urgent need’ for employers ‘to invest in the skills of their staff’ and that (ibid:11) employers need to take ‘a longer term perspective for their own workforce development planning’. They (ibid:25) stress the need for better communication, to involve ‘reframing the dialogue with business away from what they feel the system isn’t delivering, towards a system that better meets their needs’, and that this ‘will be dependent on better engagement and dialogue’; in return, the LCRESB ‘will require a greater commitment from employers in terms of their time, energy and resources. This is the new “deal” we are seeking to broker.’

The LCRESB (ibid:5) emphasises the need to support ‘a more innovative and entrepreneurial business base’, stating that (ibid:16) ‘learning and labour markets across the City Region are not operating efficiently…First, we see the need to improve the analysis and use of labour market intelligence’. Communication between stakeholders is seen as key to the success of this process. LCRESB fieldwork reports that (ibid:12) ‘employers across the City Region often state that college and university provision is not tailored to their needs…providers want employers to give much clearer signals to allow them to respond’. The LCRESB (ibid:9) emphasizes that the focus of its work will be ‘to ensure that the employer and industry voice starts to influence and change the provision that is already being supplied (ibid:10)’. However, while great emphasis is put on skills, the LCRESB (ibid:6) recognize that ‘some challenges which first appear to be about skills are about other matters’; it notes, for example, that ‘perceptions about the future of a sector, reputations of employers, and pay and conditions all influence whether an employer can recruit and retain the labour they need’. Other factors may also play a part; for example E-Skills UK (2009:9) note that ‘the representation of women and ethnic minorities in the Creative Media industries is in decline. Some of these people have or could end up leaving the sector at this crucial time, taking their experience and talent with them’. The LCRESB (ibid:20) recognises that ‘a focus on improving the skills alone of our

\(^ {13} \) LCRESB (May 2010) A Strategy for Increasing Employment and Skills in the Region, Available at:

\(^ {14} \) LCRESB (May 2010) Terms of Reference, Available at:http://www.leedscityregion.gov.uk/uploadedFiles/ESB%20TORs.pdf
residents will not lead to the improvements in productivity we are seeking’. This point is significant in that it recognizes the complexity of the challenges and the importance of listening to stakeholders in relation to the issues involved.

Arts organizations are part of a sector that is difficult to define. In an Arts Council / DEMOS report, Holden (ibid:2) comments that ‘the creative industries are still, in spite of all the attention that they have received, not fully conceived, explained, narrated or understood’. This conceptual ambiguity has implications for policy-makers. Holden (2007:2) describes how ‘the large institutions of government find it difficult to engage with organizations that are micro, fluid, disaggregated…these organizations are difficult to find and to communicate with, and they move at such a speed that the feedback loops used in traditional policy-making find it hard to keep up’. This point is relevant, for example, in relation to the tools used by government-funded agencies to identify and monitor small arts organizations; incomplete or inaccurate data may unwittingly be used to misinform policy and planning decisions. Caution must also be exercised when making assumptions about the activity and motives of arts organizations. Holden (2007:27) argues that ‘financial aims, and traditional business goals and practices, do not form an adequate narrative of how the creative industries function…policy will be successful only when it works with the grain of people’s lives, their work patterns, creative development and the variety of their aspirations, motivations and needs’.

To understand how they work and how they can be developed, the complexity of arts organizations and their activity need to be respected. Holden (2007:31) refers to ‘the informal; the important but difficult to grasp connections and networks, the subtle cultural ecologies, that make Britain a creative industries powerhouse’. Holden (2007:10) argues that ‘a more sophisticated approach will involve looking not only at how the markets for creative industries’ outputs function, but how people involved in making a living from their creative endeavours navigate the world of opportunity in which they find themselves’. As business development and reduced reliance on funding are desired outcomes of the system, the means of achieving these should be agreed by system stakeholders. This depends on an effective modeling of the ecosystem and an improved understanding of the ways in which individuals and organizations navigate and succeed in the landscape of business networks and opportunities.

In line with this process, in Figure 3 below, the ecosystem and associated ‘values, challenges and solutions’ are shown centre stage, as a proposed shared object or problem space, to be worked on in partnership by arts organizations, education and training providers, funding bodies and policy makers. It is important to recognize and model how each of these interacting activity systems will contain multiple perspectives and their motives will not always be identical. Improved understanding in relation to different stakeholder perceptions of the issues can be used to build partnership and inform system development in relation to for example, funding and training provision.
In relation to developing the system, the better identification and alignment of stakeholder values in relation to the creative enterprise agenda may offer a way forward. This requires an improved understanding of the various stakeholder perceptions and values, particularly those of arts organizations, education and training providers, funding bodies and policy makers. Engeström\textsuperscript{15} (2000b:305) emphasises the importance of making manifest the multi-voicedness inherent in a collectively constructed activity system. Similarly, Roth et al\textsuperscript{16} (2004:51-52) suggest that subjectivity is an important but overlooked feature of activity-theoretic studies, and emphasise the importance of a better understanding of subjective realities in activity systems. Figure 4 below (a simplified version of Figure 1) gives a central place to incorporating the values and viewpoints of the various stakeholders in defining and working on the problem space, or object of their collective activity. These diverse values and viewpoints could be systematically investigated and modeled to inform planning and development in relation to addressing creative enterprise challenges. The values here relate to the system tensions identified and to the motives driving the activity of the different stakeholders.


To help tackle the issues, the LCRP (ibid., p12) are interested in ‘piloting a range of novel approaches to connecting entrepreneurs and researchers’. One way to do this would be to systematically and scientifically analyse the views of the different stakeholders on the issues as they see them. The WYLLN research report on educator perspectives (Deignan, 2009a) provides an approach for doing this, involving a blend of activity theory and Q methodology. Q methodology (Stephenson 17, 1935, 1953; Brown 18, 1980) offers a theoretical basis for understanding the diversity of views on creative enterprise found within the innovation ecosystem. Q methodology has been used increasingly in a wide range of subject areas, with studies reported in numerous academic journals (e.g. Barker 20, 2008; Deignan 21, 2009b; La Paro et al. 22, 2009). As described by Brown (1980:5), ‘Q technique and its methodology…was designed to assist in the orderly examination of human subjectivity’. Brown 23 (1997:14) describes the purpose of Q as being, ‘to enable the person to represent his or her vantage point…for inspection and comparison’.

Procedurally, the participants in a Q study represent their viewpoints by rank ordering (or ‘sorting’) a set of statements (or ‘Q-sample’) on the issue of interest. The participants then comment on the statements, particularly those with which they most strongly agree and

disagree. For example, the Q-sample of 48 statements used in the WYLLN enterprise educators study was informed by and developed from a ‘concourse’ of diverse views drawn from a range of sources including the academic literature, ‘grey’ literature, interviews, focus groups, and email communications with staff from a range of backgrounds with personal experience of enterprise education. A similar approach could be used to investigate the views of stakeholders in relation to developing creative enterprise.

Q methodology involves not only Q-sorting (i.e. the ranking of statements), which is a data collection technique, but also Q-factor analysis, a procedure for statistical analysis. McKeown & Thomas24 (1988:17) emphasise the fact that, in Q methodology, ‘variables are the people performing the Q-sorts, not Q-sample statements’. Likewise, Brown (1980:6) notes that, ‘the resultant factors point to…persons bearing family resemblances in terms of subjectively shared viewpoints’. With regard to its general applicability, Van Eeten25 (2001:395-396) argues that Q methodology can identify stakeholders’ arguments without forcing a specific problem definition upon them: ‘Q-methodology is especially suited to the task of uncovering positions really held by participants in a debate rather than accepting decision-makers’, analysts’, or even the participants’ predefined categories’. This is salient with regard to the challenges of developing an ‘innovation eco-system’ for creative enterprise. Van Eeten (2001:392) suggests that ‘an in-depth analysis of the stakeholders’ arguments and their relations, applying Q-methodology, can be used to come to an action-forcing reconception of a controversy. In this way, Q methodology could be used to investigate and illuminate multiple perspectives on creative enterprise within the activity system.

5. Conclusion

In terms of its creative enterprise activity, the regional economic and cultural landscape is complex. This complexity needs to be acknowledged and respected in any planning to address successfully the issues and tensions identified in this report. A holistic approach is therefore required, so that the interconnectedness of the parts and the dynamic nature of the system are taken into account. To help stakeholders to work towards this, the report models system tensions with regard to the creative enterprise agenda and current activity within the Leeds City Region. Suggestions have been made in this report which could help to develop the performance of the system. I hope the report will be of use to WYLLN in considering the challenges facing arts organizations and possible ways to develop creative enterprise. If the WYLLN partners wish to engage me in further development work, I would be happy to discuss this. Finally, I would like to thank sincerely all of the participants at the MYOB workshop, for sharing their views openly and honestly.

Tim Deignan    Ph.D., M.Sc., M.Ed., B.Ed.

6. Appendix

Other WYLLN – related output by the author of this report:


Tim Deignan is an independent consultant and researcher. He is a published author, a regular conference speaker, and has worked on a range of projects at local, regional, national, and international level. Clients have ranged in scale up to organisations with a workforce of 10,000. Tim’s work typically involves modeling different values and perspectives on complex issues in order to improve system performance. While the theory underlying his approach is rigorous and grounded in a solid body of academic research, the consultancy process itself is participant-friendly and adaptable for use in different contexts. Please contact Tim for details if you are interested in him running workshops or conducting research for your business.

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