

Art Works
Why Business Needs the Arts
October 2004

An Arts & Business Report

Contents

Foreword – Colin Tweedy, Chief Executive of Arts & Business	3
Introduction to the Research – John Knell of Intelligence Agency	4
Introduction – Anyone Want to Play the Boss?	5
1. Chapter One – The Creative Economy, Good Business and the Arts	7
1.1 Moving beyond hype and platitude – the new agenda for business	7
1.2 Making creativity happen – arts and serious play	9
1.3 Inspiring discretionary commitment	11
1.4 Summary – business needs and the artistic response	12
2. Chapter Two – When Business Needs the Arts	14
2.1 Defining the contribution of the arts to business success	14
2.2 ‘A narrow infatuation’ – business buyers and the arts	22
2.3 ‘Walking against the wind’ – artist practitioners and business	26
2.4 The evaluation paradox	29
2.5 Summary and reflections – business/arts collaborations: a glass half full & filling	31
3. Chapter Three – The ‘X’ Factor of Arts-Based Interventions	32
4. Conclusions – ‘Come Together’	36
4.1 Meeting in the middle	36
4.2 Implications for businesses	37
4.3 Implications for arts-based providers	37
4.4 Implications for lead bodies and government departments	38
<u>Figures</u>	
Figure One – The Spectrum of Arts-Based Activities with Business	15
<u>Case Studies</u>	
Catalyst at Lever Fabergé	19
Customer Service and the Arts – A Story of Transformation at John Lewis	25

Foreword

Arts & Business works to sustain and grow the vitality and capability of the arts through its long established dual mission of transferring the mindset, skills and talents of business to the arts and the transforming quality of the arts to business. In collaboration with our partners in both sectors, we have fostered a wide spectrum of business engagement with the arts, creating new ventures, new types of relationships and new ways of doing business.

One important element of our work has been to encourage business to look to the arts for solutions to some of the key challenges they face, in terms of developing their people, resolving difficult issues, and harnessing commitment and creativity. Our efforts have confirmed that too few businesses have a good understanding of what the arts can deliver in terms of their likely impact on people and performance, and that practitioners from the arts are proving surprisingly modest advocates for their wares given their burgeoning expertise and established track record of delivering real change inside major companies.

We sensed opportunities were being missed – by UK business in their attempts to transform organisational practice and performance and by UK arts organisations in their efforts to secure new forms of expertise, income and operational sustainability.

For these reasons, we felt that this was the right time to commission an assessment of where the relationship between business and the arts has reached, to dig under the skin a little to find out what's really going on when business and the arts work together in this way. This summary report outlines the key findings of that assessment. We are keen to capitalise on the opportunities it identifies, and to participate in the broader conversation it demands about the relationship between business and the arts. We hope it stimulates you in equal measure.

Colin Tweedy
Chief Executive, Arts & Business
October 2004.

In Search of Common Currency – Introducing the Research

Any exploration of the relationship between business and the arts encounters the inevitable challenge of forging a common language and vocabulary recognisable to the protagonists and accessible to the general reader.

Some opening comments on language and terminology are therefore appropriate.

Firstly, business/arts collaborations can include a wide range of activities, from corporate sponsorship through to the formal exchange of skills and expertise. When this report makes reference to business arts collaborations it is using the term to apply to a specific form of business/arts collaboration, namely when businesses use artistic practitioners to create specific impacts on the skills base and attitudes of their employees, and on the culture and performance of their businesses. These are the arts-based interventions that this report is concerned with.

Secondly, whilst it is relatively easy to identify and describe the business buyers of these types of services, it is more difficult to describe the diverse array of providers. These can range from individual artists and arts-based organisations through to specialist consultancy-based businesses. The report uses the phrases ‘artist practitioners’, ‘arts-based practitioners’ and ‘artists’ interchangeably to describe the providers of arts-based interventions in business. Their unifying characteristic is their status and expertise as professional artists, rather than their specific relationship with an arts-based organisation or with a consultancy business.

Thirdly, the research reveals that in practical terms a wide range of activities from the arts, including theatre, literature, music, film, photography and painting, form component parts of the arts-based interventions explored within this study. So any reference to ‘the arts’ within the report implies this broad spectrum of cultural and creative activity.

John Knell
Intelligence Agency
September 2004

Introduction – ‘Anyone Want to Play the Boss?’

If this report was entitled ‘Intangibles Matter’ or the ‘Rise of Human Capital Accounting and Creativity’, the seriousness of the subject matter would be clear, and a broad business readership would have no doubt about its potential relevance to their corporate performance and key practices. However, a report entitled ‘Art Works – Why Business Needs the Arts’ is likely to provoke a rather more ambivalent and cursory response. For business the arts have got form – and not all of it good.

Firstly, there is likely to be confusion about the subject matter between the covers. Is it a report about the broad impact of the arts? Many business readers are likely to assume it addresses the important issue of arts sponsorship or the growth of corporate art collections rather than a concern with culture change, creativity and corporate performance.

This reflects a blunt reality – the arts have an image problem when viewed by most businesses. They are either seen as the appropriate preserve of boardroom largesse or as part of some interesting element of a company’s corporate social responsibility agenda. They are rarely seen as a source of potentially hard edged interventions to change the way a company works, thinks and performs.

Where there is prior knowledge of how the arts can be used inside businesses, this is normally reserved to their narrow impact on personal effectiveness and projection – and the less-than-celebrated world of role playing and presentation skills. For the senior directors with the phone number of an arts-based practitioner, the question on their minds will not be ‘What can the arts do to help transform my business?’ but rather ‘What can the arts do for my senior member of staff with a charisma deficit?’ or ‘How can they help my problem team who can’t seem to talk about key issues and move on?’. The artists are personnel practitioners arriving in the ambulance marked ‘Arts’.

As we shall see, improving the personal effectiveness of individuals and teams is something the arts do well, and it can make a major contribution to the success of businesses. However, this stereotypical view of the role arts can play in business has some corrosive effects. Firstly, it is hindering decision makers in business from understanding the powerful track record that the arts now have in driving improvements in culture, creativity and performance. Secondly, it makes it more difficult for arts-based practitioners to make the case for their broader impact and relevance – if the conversation starts with role playing and personal development we should hardly be surprised that it ends there too. Thirdly, for many employees role play = cold play – an unappetising exercise in possible trauma and personal embarrassment in front of colleagues and friends. Whilst responsible arts-based practitioners will act to ensure this is precisely what does not happen when these techniques are used, the fear is powerful and the consequent cynicism resilient and disruptive.

If this is the uncomfortable reality of the current relationship between business and the arts, what do we need to understand about how business and the arts can work together in order to more fully understand the full potential of their relationship, convince sceptics that the arts can have a broader role to play in business, and open up new possibilities for how the arts and business might work together. In meeting these aspirations this research has sought to explore the following key questions:

- What are the key drivers shaping current business practice and how far are the changing needs of business well met by the possibilities offered by the arts? For example, can the arts have a positive impact on commitment and creativity inside businesses, and on corporate performance?
- How has the relationship between arts and business developed and what can be learnt from the best examples of collaboration and success?
- How strong is the evidence base that arts impact on business in positive ways? Are current forms of evaluation questioning the merit of arts-based interventions, or is there a lack of effective evaluation?
- What, if anything, is the ‘X’ factor of arts-based interventions – why should businesses buy them over other competing propositions?
- What is getting in the way of building a stronger relationship between business and the arts?
- What needs to happen if arts and business are to more fully exploit the potential of their relationship?

Reflecting these core concerns, the report is organised as follows. Chapter One briefly reviews the research literature on arts-based interventions and the related fields of corporate creativity, human resource strategy and high performance organisations. What does established research tell us about how and in what ways the arts can make a difference inside business?

Chapter Two charts the development of the relationship between business and the arts, exploring in some detail both the demand and supply side of business/arts cooperation. The chapter reviews the evidence that exists for the impact that the arts can have, including leading-edge case studies and examples, and assesses the current state of play in terms of evaluation practices and attitudes.

Chapter Three analyses what, if anything, makes arts-based interventions unique and powerful, and the implications for how businesses could purchase and evaluate such interventions.

The concluding chapter offers some brief thoughts on the challenges the report has identified for arts, business, and key lead bodies, and offers a call to arms for those who care about the performance of UK business, the quality of working life for UK employees, and the vitality and sustainability of UK arts organisations.

Chapter One – The Creative Economy, Good Business and the Arts

How and in what ways can the arts make a difference inside business?

Any adequate answer to this question needs to be able to describe how business has changed, and assess how far the arts can help organisations build the capabilities required for competitive success now and in the future.

Whilst in a short report of this kind it is only possible to offer a selective summary of what has really happened to business over the last decade, a clear and uncontroversial analysis can be set out to explain why certain buzz words and approaches – including creativity, value and commitment – are not about to wane anytime soon. Moreover, the pursuit of creativity and employee commitment now commonplace to successful business is making organisations more open to new approaches and creating new opportunities for the arts in meeting their needs.

1.1 Moving beyond hype and platitude – the new agenda for business

Explaining success

As seasoned observers of business will know, the difficulty in explaining the foundations of business success lies in the fact that they are multi-faceted and interdependent. When any one factor is assessed in isolation from others, it is enormously difficult to ascribe any strong causality to its influence and impact.¹ So for example, there is growing evidence that good people management practices have a positive impact on a range of key variables inside an organisation, such as innovation, creativity, customer service, quality, productivity and performance.² However, it is enormously difficult to prove the direct influence of people practices on these factors as so many other influences are important (for example, competitive strategy) and perhaps unsurprisingly good businesses are often proficient at most of these key influences. This raises the first problem for our study. Namely that even if it is possible to show that arts-based interventions can impact positively on business performance or creativity, it is going to be impossible to single out their influence from other factors.

However, this does not constitute an insurmountable research hurdle. It should still be possible to identify the key assets and practices inside a business that it is possible for arts-based interventions to effectively augment. Thus, if A impacts on B to produce C, where A = arts-based interventions, B = company practices and policies, and C = key outcomes such as creativity, productivity and profitability, this study is interested in establishing the key assets and practices (B) that produce positive outcomes (C), and whether the arts can be shown to have an important impact on B to produce C.

1. For a stimulating introduction to these debates see John Kay's *The Foundations of Corporate Success: How Business Strategies Add Value* (1993), Oxford University Press.

2. See the DTI's *Accounting for People* (2003), produced by the Task Force on Human Capital Management; *The Missing Link – From Productivity to Performance* (2003), The Work Foundation; *Understanding the People and Performance Link: Unlocking the Black Box* (2004), Sue Hutchinson et al, The Chartered Institute of Personnel and Development.

Depending on the direct importance of these assets and practices in shaping business success, we can then make realistic judgements about how far the arts can lay claim to making an important indirect contribution to improved corporate creativity and performance. But let us be clear, we are making the possible case for the powerful, indirect influence of the arts on business success, as that is the limit of any responsible claim.

To identify these key assets and practices, we need to assess how far business drivers have really changed in recent times and what challenges these changes pose for modern businesses. In other words, is the derived demand of business for new ideas and approaches changing and what are the implications for arts-based interventions in business? Fortunately, expert commentators are in broad agreement that certain drivers are now exerting a stronger influence over corporate strategy and success than hitherto. The argument runs as follows.

Intangible assets, value and the people revolution

We are witnessing the transition from the industrial age to the information age, fuelled in large part by the transformative impact of new information and communication technology, globalisation, and the rising importance of intangible assets in the form of new ideas, relationships and products.³ The practical manifestation of these changes is that the greater value of a company no longer resides in its physical or tangible assets, but rather in the human capital and intellectual property of the business, both formally and informally constituted. Professor Baruch Lev of the Stern Business School has convincingly shown that up to eighty per cent of the value of most listed companies in the United States is made up of these intangible assets and that traditional book assets, the type measured by traditional financial accounting techniques, only account for twenty per cent of the value of most businesses.⁴

This shift in the sources of value inside companies has in turn driven a greater preoccupation with how to manage and capture human capital inside businesses. There has been a veritable explosion of interest in human resource management, knowledge management, leadership, creativity and innovation, and in the kind of people cultures that create business success. These so-called ‘soft’ issues are now seen as being as the ‘hard’ determinants of productivity and innovation. As a consequence businesses have rapidly professionalized their HR functions, devoted considerable resources to the development of their people and corporate cultures, and now regard innovation in people practices as a pre-requisite for sustainable success.

To return to our consideration of the key assets and practices that create high performance inside organisations, these changes mean that people assets, intangible assets more broadly defined in the form of ideas, relationships and products, and the practices and approaches that ensure their capture and growth, become the mainstay of high performing business. This of course suggests some obvious points of focus in our assessment of the impact of the arts on corporate creativity and performance. Firstly, how can the arts improve the creative and innovative processes inside businesses directly concerned with the generation and exploitation of new ideas? Secondly, how can the arts help organisations engage their people so that they give their commitment and ideas freely and willingly? If art works well in meeting these needs, the business case for the arts becomes compelling. Let’s look at each in turn.

3. *Our Competitive Future - Building the Knowledge Driven Economy* (1998), DTI; *Living on Thin Air* (2000), Charlie Leadbeater, Penguin.

4. *Intangibles – Management, Measurement, and Reporting* (2001), Baruch Lev, Brookings Institution Press.

1.2 Making Creativity Happen – Arts and Serious Play

‘Creativity is a behaviour; innovation is a process’⁵

Creativity has become one of those management buzz words capable of generating enthusiasm and cynicism in equal measure. Enthusiasm in that many people aspire to be more creative and most recognise that ideas-rich environments are more fun to work in. But cynicism to the extent that at the airport book-end of business publishing, no area of business practice tends to attract more wacky and overblown treatments than creativity. Exhortations involving the movement of cheese, the throwing of fish, or finding your inner genius usually do little to advance the cause of creativity in business. Despite these frothy expressions of intent, the good news is that as fostering creativity has become a mainstream preoccupation for businesses, so our understanding of what is meant by creativity and the necessary conditions to support it has grown substantially in recent years.

This has in turn led to routine distinctions being made between creativity (the generation of ideas) and innovation (the evaluation, development and implementation of ideas), and to significant discussion about how far the hard and soft skills involved in generating ideas and implementing them can be learned. Those authors primarily concerned with triggering creativity often focus on the behaviours and organisational conditions required to foster creativity, whilst those concerned with innovation tend to focus more directly on the processes and skills required to manage evaluation, development and risk. The key literatures on creativity and innovation reflect these developments, with one strand being directly concerned with how to kick start and stimulate the ideas creation process,⁶ the other main strand with the disciplines and techniques of managing innovation.⁷

The broadness of these points of focus already highlights the difficulties of assessing the impact of the arts on creativity and its sibling innovation, in that this assessment requires a consideration of the impact of the arts on a broad range of factors including individual behaviours, organisational cultures, and key skills and processes. As we shall discuss later, arts-based interventions inside business can be designed to impact upon all of these things, and as such the question becomes not whether the arts can contribute to the creativity of a business, but rather how. For example, if we focus in rather more narrowly on creativity, which is more about behaviour and motivation than the process-driven concerns of innovation, a number of possibly distinct contributions from the arts become discernable.

5. *What if! How to Start a Creative Revolution at Work* (1999.xvi), D. Allan et al, Capstone.

6. These types of books include both tools and technique books and some more sober reflections on the art of creativity. Examples include: *What if! How to Start a Creative Revolution at Work* (1999.xvi), D. Allan et al, Capstone; *The Act of Creation* (1964), Arthur Koestler, Hutchinson & Co., London; *101 Ways to Generate Great Ideas* (1991) T. Foster, Kogan Page; *The Ultimate Book of Business Creativity* (2000), R. Jay, Capstone; *Jamming – the Art & Discipline of Business Creativity* (1997), J. Kao, Harper Collins; *The Courage to Create* (1994), R. Jay, Norton, New York.

7. This is an ever-burgeoning strand of business writing, not least because of the links often drawn or strategy and entrepreneurship. Some of the better known examples include: *Competitive Innovation Management: Techniques to Improve Innovation Performance* (2000), J. A. Christensen, Macmillan Business; *Mastering the Dynamics of Innovation* (1996), J.M. Utterback, Harvard Business School Press; *Serious Play: How the World's Best Companies Simulate to Innovate* (2000), M. Schrage, Harvard Business School Press; *Radical Innovation: How Mature Companies Can Outsmart Upstarts* (2001), R. Leifer and C.M. McDermott, Harvard Business School Press.

The first is that the arts can help to create an environment, and state of mind, directly conducive to the creation and development of new ideas. Creativity experts are in broad agreement that what Michael Schrage has dubbed ‘serious play’ is at the heart of creating new ideas. Schrage describes serious play as being ‘about improvising with the unanticipated in ways that create new value’. These ideas find their echo in familiar phrases that creative organisations often use: ‘We recognised the need to let go and try something new’; ‘We encourage experiments and improvisation’; ‘You have to keep building and testing new ideas – most of them will fail but some will fly’.

In other words, you have to create the space and permission for creativity to happen, and then keep doing it. And the importance of talking about play is to underline that the creation of ideas is normally a social, collaborative, speculative and sometimes subconscious act, in which a spirit of openness and curiosity prevails.

By implication, an organisation engaged in serious play will be good at:

- Sparking new conversations
- Creating new models and prototypes of how things could be different
- Fostering a spirit of enquiry and creative collaboration
- Boosting their internal ‘bandwidth’, enabling them to create more ideas and hold those possibilities open for longer

If we accept that these types of approach are fundamental to creative companies, then the arts can undoubtedly play an important role in fostering creativity. A spirit of improvisation and ‘serious play’ requires disciplines, tools and techniques thriving in the arts and largely absent from business. The very essence of artistic endeavour and process is built on openness, curiosity, feedback, improvisation, and a restless quest for new ideas and new forms of expression. Organisations may talk a lot about their need to perform, to raise their game in terms of creativity and innovation, but few have an innate understanding of what it means to rehearse, to prepare, to improvise, and to work collectively and honestly to create the new and transform the whole. Here at least it is businesses talking the talk, and artists walking the walk.

As a consequence, arts-based interventions should be particularly good at creating a deeper understanding of improvisation and play, and at creating a spirit of reflection, curiosity and inquiry. This suggests that we should not underestimate the potential impact of the arts on creative processes inside businesses in that as Schrage comments, ‘boosting the bandwidth of improvisation turns out to be an invitation to innovation.’ We shall examine how far the evidence supports these claims in later chapters.

1.3 Inspiring discretionary commitment

If one component of greater creativity is to trigger new behaviours as described above, another vital component is about engaging as many individuals as possible in the creative process. In the language of the times, creativity is best seen as an activity for the many and not the few. This reflects the general argument in much of the existing creativity literature that anyone can be creative, that creative behaviours can be learned, but that the key reason why most organisations perform poorly in terms of creativity and innovation is that they unwittingly suppress creativity. The most common way that they do so is by failing to fully engage the commitment of their employees, who as a consequence do not feel like bringing their innate creativity to work.⁸

These arguments are of course in part a subset of the broader and now commonplace claim that engaged and motivated employees, who are trusted, respected and who receive effective reward and recognition, are more likely to deliver high performance than disengaged and demotivated employees. This has led to the rise of so-called ‘high commitment management practices’, a bundle of people management techniques which are seen as vital to producing high-performance organisations and sustainable business success.⁹ Their prescription is now familiar to good businesses, ranging from good leadership, a focus on learning and development, effective performance management and appraisal, team working and coaching cultures, and effective internal communications.

Academic research in this area has confirmed that commitment, and in particular discretionary commitment – in other words the desire of employees to deliver over and above their contractual terms and expectations – lies at the heart of good business performance. It is no longer enough to hire and retain good people if a business is to succeed – they also need to be motivated in ways that ensure they give of their best.

The research evidence is mixed on the degree to which UK employers are succeeding in garnering contentment and high levels of discretionary commitment among their workforces. Whilst a consistent majority of UK employees signal contentment with regard to their overall psychological contract with their employer,¹⁰ studies also consistently reveal growing unhappiness with working hours, with the intensity of work, and most crucially they demonstrate a consistent decline in levels of discretionary commitment.¹¹ As the recent ‘Working in Britain in the Year 2000’¹² study revealed, the number of UK workers only prepared to do the minimum and no more at work has doubled in the last decade. Put bluntly, more and more UK employees are unprepared and unwilling to travel the extra mile for their employer, who they already feel are getting the better end of the deal. Whilst these relatively sobering findings are difficult to relate directly to business performance, we know that UK plc continues to perform disappointingly against key international benchmarks, such as productivity, knowledge intensity and research and innovation. At the very least, they must form part of a complex story of the British economy’s relative underperformance in comparison with our key competitors.

8. *What if! How to Start a Creative Revolution at Work* (1999.xvi), D. Allan et al, Capstone.

9. *Britain at Work* (1999), Mark Cully, Routledge; *Working Capital* (2002), *The New Workplace: A Guide to the Human Impact of Modern Working Practices* (2003), David Holman et al (eds), Wiley.

10. *Pressure at Work and the Psychological Contract* (2002), David Guest and Neil Conway, CIPD.

11. *Managing to Change? British Workplaces and the Future of Work* (2004), Michael White et al, Palgrave Macmillan.

12. A study funded by the Economic and Social Research Council and conducted by the Policy Studies Institute and the London School of Economics.

However, these figures are particularly worrying with regard to creativity and innovation, in so far as the creativity literature suggests that high levels of discretionary commitment, the area where UK employers are doing least well, are vital to fostering ideas-rich businesses. Numerous examples from world class businesses, such as Microsoft, Nokia and Toyota, underline that creativity demands engaged, passionate, committed employees who can emote, express, explore and experiment. The majority of businesses are struggling to ignite and harness these sentiments among their people.

This suggests another potent area of influence for the arts. The evidence base upon which this study draws, in terms of established accounts of arts-based interventions, the case study bank of Arts & Business, and new interviews with arts providers and businesses using their services, would suggest that the arts are well equipped to impact upon the deeper motivations and orientations of employees.

As we will explore in subsequent chapters, the arts and the values they convey:

- Can successfully infect individuals with a mission to explore and experiment
- Offer a powerful antidote to some of the most dangerous business afflictions – banality and cynicism
- Can be powerful accelerants of all that is good about successful creative businesses – passion, honesty, insight, innovation and personality, both in their markets and in their internal cultures

As Dr Babis Mainemelis from London Business School has noted:

*‘Art is one of the most participative, dynamic and social forms of human behaviour...and art can help people experiment with doing things and create a platform for difficult conversations’.*¹³

Anyone who has tried to mount a creative project or increase the engagement of their employees will immediately recognise that it is precisely these elusive qualities of participation, social interaction, honest exchange and experimentation that are so difficult to kick start in many organisations. The challenge for this report is to explore the degree to which the available evidence supports any claims for the positive impact of the arts in these respects.

1.4 Summary – business needs and the artistic response

Whilst our discussion of the new business agenda, and the key assets and practices shaping creativity and business performance, has been necessarily brief, our analysis confirms that business demand for new ideas and approaches has indeed shifted over the last decade. A concern with intangible assets, people practices and cultures, and how best to create value through enhancing creativity and innovation, have become mainstream preoccupations. They are no longer the preserve of a small number of large companies or knowledge intensive businesses. What is also clear is that UK business as a whole continues to display a weak balance sheet in terms of its overall performance on productivity, innovation, and employee engagement.

13. Dr Babis Mainemels, ‘Art As a Language of Organisational Identity’, Arts & Business and Institute of Public Policy Research Lecture, 26th January 2004.

It is therefore not surprising that UK businesses have begun to show a greater openness and thirst for new approaches and ideas to tackle these intractable challenges. If you doubt this, think for a moment about how coverage of work and organisational issues has changed within the august pages of the Financial Times. If some ten or fifteen years ago you had been told that in the years ahead the FT would begin to devote major coverage to issues such as emotional intelligence, the role of creative writing and theatre as powerful interventions in business, the need for more democratic enterprises, creative leadership, and open source innovation and creativity, you would have shifted uncomfortably in your seat about the dumbing down of the FT, and rejected such predictions as fanciful. Yet, they have come to pass, reflecting both growing business dissatisfaction with traditional approaches no longer seen as delivering the results required and confirmation that businesses are concerned pragmatically with what works, unfamiliar or otherwise.

It is precisely these shifts and changes, and the business world's quest for the new, which have allowed the arts to gain a foothold inside UK businesses. The arts offer new tools and techniques to change the way organisations behave, think and act, and to influence the behaviours and effectiveness of the UK workforce. As we have seen in our brief discussion of creativity, the arts can play both a *technical* (the transfer of skills and disciplines relevant to the creative process) and an *inspirational* role (impacting upon the intrinsic and deeper motivations of employees) inside organisations.

In the chapters that follow we review in some detail the ways in which business and the arts can work together, and assess how far art-based interventions are rising to meet the creativity and commitment challenges facing modern businesses. Do the arts work?

Chapter Two – When Business meets the Arts

Introduction

Whilst the arts are not yet a mainstream partner of UK businesses, the relationship between the arts and business is now well advanced, and there is a significant history and evidence base to draw upon when evaluating how business and the arts work together.¹⁴ Little of that detail will be repeated here. Rather, our analysis begins with an exploration of recent developments in the demand and supply side of business/arts cooperation. Our account reviews the evidence demonstrating the impact of the arts, including leading-edge case studies and examples, and addresses a number of key questions. How are business and the arts working together? What is the current state of play in terms of evaluation practices and attitudes? Are business and the arts forging longer term sustainable relationships? Are art-based interventions rising to meet the creativity and commitment challenges facing modern businesses?

2.1 Defining the contribution of the arts to business success

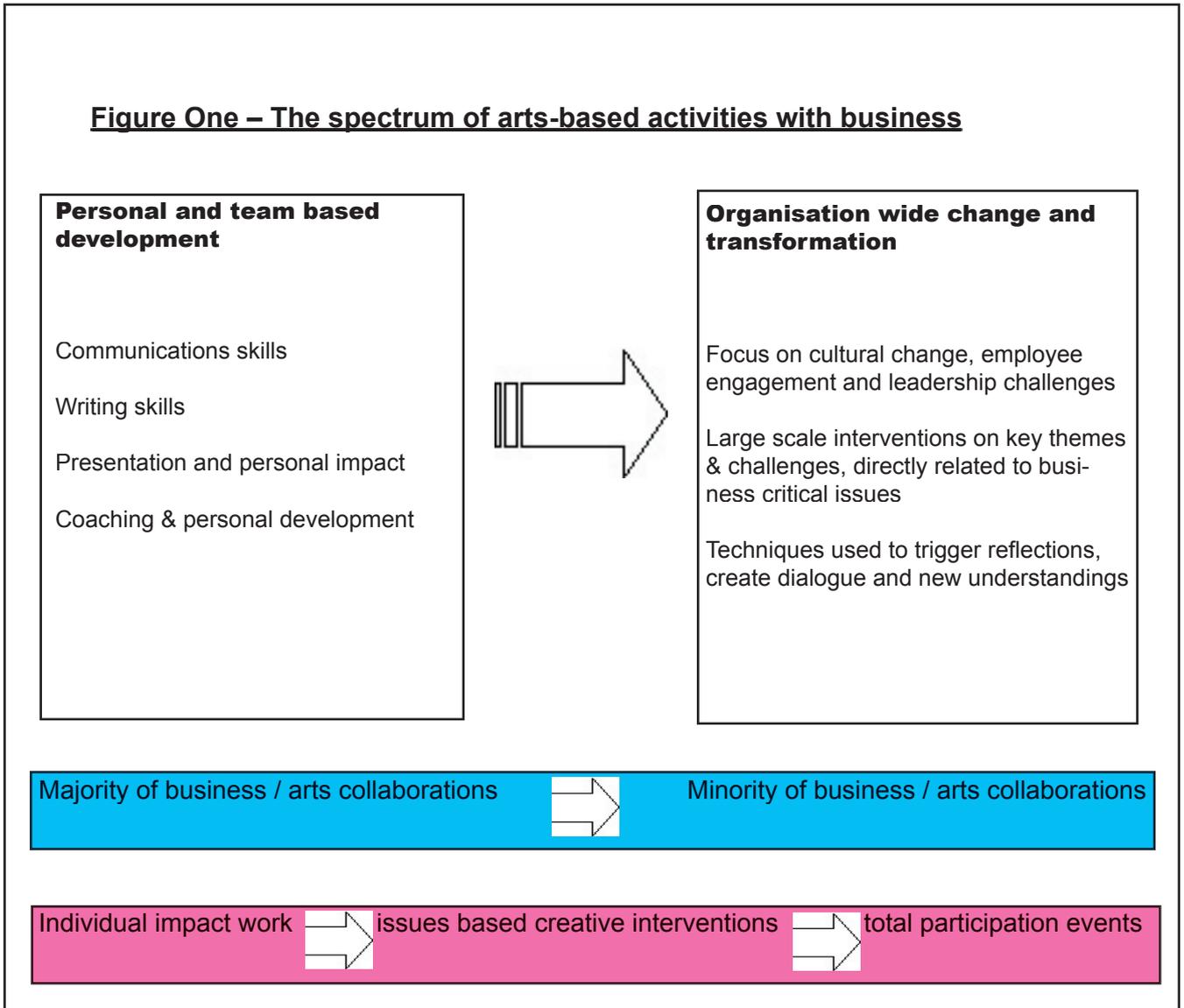
How can the panoply of arts-based activities within business best be captured and explained? Figure One below maps the current spectrum of arts-based activities within businesses. As we detailed in Chapter One, where business has prior knowledge of the character of arts interventions, they are most likely to be informed about the left hand side of the diagram, namely personal and team-based development. Training needs such as personal impact and presentation skills, in which the expertise of the arts are obvious, were the first area in which the arts gained real credibility with business. This has proved both a blessing and a curse to the arts/business relationship over the last decade.

A blessing in the sense that the arts greatly enliven and improve more traditional learning and development techniques in this area. Anyone who has attended a presentation skills course facilitated by someone in dire need of presentation and projection skills themselves, and with an absence of charisma and humour, has little difficulty in understanding the potential power and expertise of, say, an established actor running such a session. When this type of work is done well, particularly when it dovetails with effective coaching and personal development interventions, the impacts on individual and team performance can be immense. Reflecting this, the arts have become a major influence on the conduct of learning and development in UK businesses, and on the practices of learning and development providers, as well as a mainstream feature of professional learning and development.¹⁵

14. Arts & Business has a diverse bank of case studies confirming the positive impact of the arts on business. Some of these are featured in their 'It Worked for Them' report (2002), and some of the more general issues around measuring success are discussed in their 'Did it deliver? Evaluating Arts-Based Training Inside Business' (2001).

15. Whilst it has not proved possible to accurately estimate the total size and value of the arts-based provision to business, the growth and influence of the arts on learning and development can be seen in a number of ways. Firstly, the degree to which flagship leadership (for example, the Top Management Programme for the Senior Civil Service) and executive education programmes now carry arts-based interventions in their curriculum. A good example is Cranfield School of Management, which has established the Praxis Centre, a unique facility among business schools in the UK in that it is a 'centre of expertise' that focuses on the soft skills of management development and uses a variety of innovative approaches to spark participants' imaginations. (Continued p.15)

Figure One – The spectrum of arts-based activities with business



But the narrow association of the arts with these forms of activities is also a curse in that it has encouraged the pigeon holing of arts-based work for many businesses, making it difficult for the arts to break out of this narrow silo of activity. The buying pattern of businesses from the arts reflects this. Our analysis of the Arts & Business case study bank, and our interviews with business buyers and arts-based providers, confirms that a business’s most likely first experience of arts provision remains this type of work, and for the artistic community it continues to form the majority of their work with businesses (as represented by the blue continuum in Figure One).

imaginations. Working exclusively with artists on issues concerning leadership, presentation and influencing skills, it has very strong links with the Globe Theatre and its leadership programme. IMD Lausanne also works with a range of artists to augment executive and open programmes. More broadly, the annual A&B Investment Survey figures show that in 2002/03 the respondents (not-for-profit arts organisations) collectively received £3.6 million for creative training/arts services in business. The figure for 2001/02 was £1.9 million and £2.3 million in 2000/01. Whilst these figures offer only a rough-and-ready snap shot, they suggest that the market for arts-based interventions in business is growing.

As a consequence, the language used to describe the arts/business work relationship tends to be dominated by terms related to the world of training and development. Common terms used to describe arts/business collaborations include '*creative training and development*' and '*arts-based training and development*'. However, as the relationship between the arts and business develops, these terms become less useful descriptions. In some respects a barrier to understanding, in that they no longer reflect the panoply of arts-based activities that are available to the business world.

This is because over time artists have been able to broaden the scope of their work with businesses. Figure One captures these developments. A common cycle of development between a business and an arts provider is that once the artists have proved their worth in working with teams and individuals, the business may begin to explore how they might work with the artists to explore a particular issue or theme. So for example, the workplace may be suffering from poor employee relations and low trust. This in turn requires difficult issues to be identified, talked about and reflected upon. The arts are enormously powerful in such circumstances, in that a whole range of techniques such as forum theatre¹⁶ can be used to create a neutral territory in which these issues can be raised and discussed without creating blame or dissent.

This type of work can be described as issues-based creative interventions (see the purple continuum in Figure One), types of intervention that have been vital in convincing many businesses that the arts can play a broader role inside business, impacting upon broader cultural and employee engagement issues. Crucially, they require artists to design responses to address critical business issues and therefore move the arts firmly beyond the territory of learning and development. These projects also usually involve a significant scaling up in terms of the size of the project and degree of participation and engagement. Often this type of work involves the use of large-scale 'total participation' events, in which a large number of employees are involved in all aspects of the creation and production of the intervention. Such events have the power to create a strong sense of mutual understanding and ownership and can therefore be particularly powerful ways of altering attitudes and commitments inside a business.

16. Forum theatre was developed in the 1960s by the Brazilian, Augusto Boal. It is an interactive art form which examines a problem or obstacle in its unresolved form. The audience becomes an active part of the play by being invited to stop the action, to ask questions, to give feedback and guide the actors on stage. In this way the play becomes a kind of theatrical debate, in which the audience can act out their solutions to the problems facing them, creating a greater sense of shared meaning and understanding.

Returning to Figure One, this type of work is gradually expanding the continuum of arts interventions from the left-hand box, which describes personal and team-based development activities, towards the right hand box, containing organisation-wide change and transformation work. Whilst these forms of collaboration between business and the arts are less common than the more familiar activities we have already described, they are reshaping the relationship between arts and business. They represent a step change in the potential influence and reach of the arts in impacting upon business, and demonstrate that many of the key business issues identified in Chapter One, including the need to create open cultures, to engage employees, to inspire high levels of discretionary commitment, and to produce high-performance workplaces, can be addressed effectively by arts interventions.

These recent developments also raise a number of vital issues. Firstly, it is clear that the common understanding of arts interventions in business is beginning to lag behind emerging practice. Secondly, the terms currently used to describe how arts and business work together are inadequate and unhelpful, reflecting the broader problem that the arts and business may lack a common vocabulary and limiting the scope for cooperation and collaboration.

There is a pressing need to rename, re-label and re-advocate how the arts work with business. The spectrum of arts-based activities that we have described signals that terms like creative training and development have outlived their usefulness. A better catch-all descriptive phrase is '*arts-based interventions*' because this term can encompass activities on both the left and right hand side of Figure One, from personal impact work to organisation-wide cultural change and transformation work.

Further in the future, it may no longer be helpful to think in either broad generic or narrow prescriptive terms. A more productive approach might be to detail the various couplets that capture the potential impact of business on the arts:

- Learning and the arts
- Leadership and the arts
- Employee engagement and the arts
- Corporate creativity and the arts
- Managing change and the arts
- New ways of working and the arts

These types of descriptors allow for a richer and more comprehensive consideration of how the arts can impact positively on business practice. When restated in this way it becomes easier to understand how the arts (A) can impact upon the business asset and practices (B) that we described in Chapter One to produce positive performance outcomes (C) such as increased productivity and profitability.

In order to explore these issues more fully we need to examine examples of how the arts can engender such broad impacts within a business. This of course requires us to find businesses that are engaging the arts to engender cultural change and transformation. However, examples of the long-term involvement of the arts in an organisation's ongoing change and management strategy remain rare, though they are increasing.

The best known example is Catalyst at Lever Fabergé and Unilever Icecream & Frozen Food, two Unilever operating companies. To these we now turn.

Catalyst at Lever Fabergé

Catalyst is now four years old and is the largest corporate arts project in the UK, encompassing a wide range of arts-based interventions and activities. The project was born soon after the merger of Elida Fabergé and Lever Brothers in 2000, when the Chairmen of the respective companies, James Hill at Lever and Keith Weed at Elida Fabergé, identified the need to provoke a change in culture to encourage creativity and risk taking inside the business.

The company took the then courageous decision to help enact these changes by instigating a project called Catalyst, proposed to them by Alastair Creamer, an external arts consultant, to bring art into the workplace. But from the outset the logic behind the move was a hard-headed desire to improve business performance and create real advantage for the business. As James Hill has commented:

*'We are in the business of branded consumer goods, and we believe bringing art and design skills into our environment helps us in advertising, marketing, new product development, and gives us an advantage over our competitors'*¹⁷

Since its inception Catalyst doubled in size by opening up a second programme in another Unilever operating company, Unilever Icecream & Frozen Food, in 2002. Catalyst has also been used by Unilever centrally to design and manage major awards events and conferences. However, in this case study we concentrate largely on the work at Lever Fabergé because of its longevity.

Lever Fabergé took a number of decisions that have proved vital to the success of the project. Firstly it appointed Alastair Creamer to be full-time creative director for Catalyst, with a stand-alone budget and a clear role and presence inside the business. It was important to separate Alastair from just being another consultant. He was a Unilever employee running a programme dedicated to energising and motivating other employees. Secondly, the project was not presented as a pilot, or as 'a nice to have' extra initiative, but rather as a stream of activities central to making Lever Fabergé a more creative and successful business. Thirdly, it was quickly identified that the arts could impact particularly powerfully on both emotion and expression in the business and how these related to the brand and public personality of the business. Fourthly, the project quickly developed an over-riding preoccupation with the most pressing business issues of the company, whether short or long term.

As Alastair Creamer makes clear, the approach of Catalyst has from the outset been:

'Ask first what is the business issue, and then ask how can we solve it by working with artists or arts-based organisations'.

17. 'Unilever finds rhyme and reasons for supporting arts,' Financial Times, August 23rd, 2003

As a consequence, Catalyst quickly became a multi-stranded programme of arts-based activities addressing specific needs across the business. For example, the Board identified weaknesses in the quality of written reports, board papers and creative briefs inside the business. They were keen that key documents and papers should not only be more powerful in terms of message and communication, but also that they should be more succinct.

In order to meet this need Catalyst put in place a programme of activities entitled ‘Becoming Better Writers’. The aspiration of the programme was to realise people’s writing potential – on both a personal and a corporate level. At the level of the business the key output was to improve the capability of Lever Fabergé employees to write brilliant creative briefs, concepts, innovation plans and internal communications, and to distil proposals and reports down to an inspirational essence.

Given the technical and creative skills that the programme has been trying to foster, the creative arts have proved an enormously powerful way of realising people’s writing skills and potential.

As Alastair Creamer observes:

‘We don’t ask poets in to our organisation to help staff write poetry – but we do invite poets in to our organisation because we want to improve the way we write. Poets are the true experts in clarity and distilling language to its essence’.

The writing programme has run in various forms since 2000, and has met with considerable success in meeting its original aspirations, not least because it shares with other Catalyst activity an attempt to engage people’s personal passions, as well as how they put those passions and skills to use in the business.

As Keith Weed, Lever Fabergé Chairman, comments:

‘Catalyst allows you to experience new skills in neutral territory’.

Similar projects have included the use of professional photographers to improve the visual awareness of the business, and in particular the marketing team, and a project with The Map, a theatre company, designed to help the business improve its collective capacity in giving and receiving feedback to effect positive change.

More broadly, Catalyst has aimed to have a direct impact on the working environment within Lever Fabergé, creating a more challenging and stimulating culture in which individual employees have a real voice in terms of asking challenging questions of the business and trying new things.

As Alastair Creamer comments:

‘Catalyst is interested, fundamentally, in new ways of working – in giving people the confidence and permission to have new ideas about how they, their team and even the company should do business’.

Evaluating success

The most telling success metrics for Catalyst are the ongoing support of the Senior Management Team at Lever Fabergé, and the degree to which Catalyst has become a durable, sustainable feature of working life inside the business.

Many arts-based interventions in business are narrow, one-off interventions, which rarely trigger a programme of sustained activity or ongoing participation by the workforce. Catalyst has transcended these traditional limitations. For example, if we consider the sustainability of the project, in the first year of Catalyst some 80% of all employees took part in at least one Catalyst activity. Some four years since its inception, nearly 70% of the workforce now participate in at least one Catalyst activity, even allowing for the fact that the programme embraces more staff and more operating sites than it did at its birth. Equally impressively, nearly a quarter of the workforce (23%) are serial participants (five or more events a year) who have taken part in Catalyst every year since its inception.

Keith Weed, Lever Fabergé Chairman, also believes that another key success of Catalyst has been its positive impact on the culture and ‘soft’ people indicators inside the business. Lever Fabergé regularly conducts employee surveys on key people indicators, which they benchmark against other businesses. In recent times they have out-performed the high performance average on 12 out of 13 key people indicators, and they have achieved the seconded highest recorded score on ‘valuing people’.

Catalyst therefore has a vital role to play in Lever Fabergé’s recruitment and retention strategy, and overall people development strategy.

Taken together these are impressive achievements. As a consequence Catalyst has embedded itself deeply in the business, becoming a vital part of how the business invigorates its culture, tackles business performance issues, and creates an openness to change.

Drawing lessons from Catalyst’s success

As we noted at the outset, Catalyst is unusual in terms of both its scope and longevity. It offers proof that an artistic collaboration can be accepted as an essential and powerful business tool on a day-to-day basis over a sustained period of time. Given that Catalyst is best described as a genuinely exceptional example, does this limit the degree to which we can draw broader lessons and implications for the development of the relationship between business and the arts? The answer is of course both yes and no. Yes, in that in the immediate future it is unlikely that a large number of businesses will commit to a level of investment and engagement with the arts comparable to that of Lever Fabergé and Unilever Icecream & Frozen Food. Therefore some of the sources of value that Catalyst has created, such as its powerful indirect impact on culture and commitment resulting from its symbolism and continuity, are unlikely to be easily replicated in other businesses.

However, there are broader lessons to be learnt from the success factors of Catalyst, not least because Catalyst has been shaped by some clear over-arching principles and ground rules, and in the final analysis is made up of smaller, individual arts-based interventions which other businesses could embrace and experiment with along similar lines. What then are some of those general lessons?

Firstly, that the success of arts-based interventions, and their possibilities for impact, are profoundly shaped by the mind set and culture of the company. Lever Fabergé and Unilever Icecream & Frozen Food are clear that to get the most out of arts-based interventions a business has to be prepared to be genuinely enquiring to the point of being open about its vulnerability. It needs to be open-minded about admitting that it is not getting things right. This necessitates senior leaders taking a public risk.

Secondly, that the use of the arts is not seen as some wacky, nice-to-have, risky sideshow, sponsored by the people in HR, or Marketing or Operations. Catalyst is notable for the commitment of senior executives, and the presence of a full-time artistic director with a stand-alone budget and a mandate to make things happen by focusing on business critical issues. How do these lessons transfer to a smaller project or business? They imply that the less effective the business proves in *'bringing the artists inside'*, in other words making them part of the home team with a right to care about the business and its performance, the more the potential benefit of any intervention is going to be diminished.

Thirdly, that the arts-based provider has to have certain qualities, whatever the size or scale of the engagement. The artistic director of Catalyst places great emphasis on the importance of being *comfortably bilingual* in the language of the arts and business. It is obviously going to be more difficult for any arts-based provider to effectively address business issues and concerns unless they are adept in understanding those issues, in assimilating the culture, and in using the language prevalent in the business. Businesses are built on their own cultural and linguistic capital – artists need to work with that capital as it exists in order to create change.

Fourthly, that a longer term relationship between a business and an arts provider is more likely to deliver compelling results. As we have already discussed, Catalyst passes the sustainability test and as a consequence has not only built great credibility within the business, but has also generated a wide range of positive impacts inside the business. Importantly, the Lever Fabergé experience also suggests that the influence of an arts-based voice inside the business has not only helped them address key issues, but also broadened its perspective and thinking in unforeseen ways. The challenge for other businesses is how to build these longer term relationships and to experiment with how artists can shape the key conversations within a business in such a way that bigger possibilities and changes might be explored. We will examine later whether such longer term relationships are a regular feature of arts/business collaborations.

Fifthly, in attempting to address business issues by using the arts, Catalyst has always been clear that any arts intervention should always work with people in two guises – as employees and as individuals. This recognises that many of the attributes of an engaged employee – voice, confidence, and aspiration – which are the root source of commitment and creativity – are unlikely to be triggered if you make only transactional appeals to someone as an employee. Many arts interventions work with the person first and the employee second, and Catalyst has always been explicit about how any intervention may or may not relate to someone's professional role inside the company. The implication of this for other businesses is that the arts have the power to engage people in a way that other types of intervention cannot. They may be narrowly designed to meet a business need (say the writing skills issue we have discussed as part of Catalyst) but they have the deeper benefit of demanding and provoking personal reactions, which the evidence from Lever Fabergé suggests improves employee retention and commitment.

Our analysis has sought to test how far these lessons and implications are echoed in other business/arts collaborations, by interviewing arts-based providers and business purchasers of arts provision. The aspiration was to get beyond the gloss of best practices case studies (useful as those are) and generate an honest, warts-and-all account of how far the relationship between arts and business has come, identifying what's working and what isn't, and what may need to change. We present the demand side view of business first, before discussing the perspectives of the arts-based providers.

2.2 ‘A Narrow Infatuation’ – Business Buyers and the Arts

Our interviews with business purchasers of arts-based interventions are necessarily drawn from a selective sample, namely organisations that have recently bought and used an arts-based intervention.¹⁸ Therefore, whilst we can make no claims that our findings are representative of business as a whole, as we have not been able to test the awareness and attitudes of those businesses who have not yet bought from an arts provider, the respondents offered remarkably similar and strongly held views across the key themes we explored with them. We therefore believe they capture some important dynamics in the current arts/business relationship, which should be the focus of ongoing research.

Why do businesses buy arts-based interventions?

There were a number of common drivers and influences affecting the decision to use the arts. Firstly, nearly all respondents confirmed that their business was facing an immediate and pressing business, cultural or organisational challenge and that traditional approaches were not moving them forward. This created a willingness on their part, and sometimes inside their organisations, to try something different from outside of the mainstream.

The other most powerful factor influencing the decision was a recommendation – either from by another business or from someone within their professional network – about a good recent example of an arts-based intervention or a particular arts provider. Given that businesses often perceive an art-based intervention as carrying greater risks than traditional approaches, they tended to make reputation-based purchases.

A small number of the respondents had themselves had a positive experience of arts-based provision which had made them warmly disposed towards considering using the arts inside their business.

None of the respondents made the decision to engage an arts practitioner as a way of supporting the arts. Their motivation was business focused and transactional.

How knowledgeable were they about the range of arts-based provision?

The majority of those interviewed did not have a broad knowledge of the range and type of arts-based provision. Despite holding different functional roles, they shared the primary concern of addressing particular business issues, the majority of which fell into the personal/team development and impact box, and they had become aware of the possibility of using the arts to help. Only one respondent had been influenced by the impact of broader promotional work advocating the power of the arts. In their case, a Department of Trade and Industry sponsored roadshow about partnership at work, which had involved exposure to examples of art interventions including forum theatre, had led them to contact the nearest regional office of Arts & Business for advice and guidance on how to pursue their interest.

Whilst drawn from a small evidence base, these findings suggest that much work remains to be done to increase awareness in the business community of the potential role of the arts in helping their organisations.

18. Interviews were conducted with ten businesses drawn from different sectors, and of differing size. Some of those businesses indicated a desire to remain anonymous, others were happy to be identified, and they feature in this report as either case studies or by being directly quoted.

What do they think they're buying?

At the time when they made the decision to purchase an arts intervention, all respondents thought that they were buying a new approach, and that for many businesses the novelty factor of an arts-based approach is a good sell in the first instance. The majority also believed they were buying something out of the ordinary and more risky than more traditional approaches. Many of them indicated that they sought significant reassurance from the provider about how the event, intervention and outcomes would be managed. Those who had previously experienced an arts-based intervention themselves also believed that an arts intervention was more likely to trigger the reflection and engagement from their people that they were looking to prompt.

Were they building longer term relationships with arts providers?

A mixed picture emerged on this issue. For half of the respondents, the use of the arts had been a one-off affair, whilst the other half of the organisations had used the initial provider on an ongoing basis. However, this was in the form of repeat work, running the same intervention with other groups, rather than an initial piece of personal development work leading to a longer, larger scale engagement. In other words the artists were becoming trusted providers of narrowly focused interventions, rather than ongoing partners in larger scale work.

What had they learnt about what works and what doesn't?

Only one of the respondents believed that the arts intervention used had met with limited success. The rest reported very positive experiences. Interestingly, they shared a common view of what works best when engaging an arts provider, and the results partly echo the lessons we drew out from the success factors of Catalyst.

They emphasised the importance of the arts-based practitioners becoming part of the home 'delivery team', in terms of finding common ground in terms of aims, language, and method. This allowed for a full exchange of ideas, enabled a genuine collaboration between the arts provider and the business, and ensured that the arts provider was sensitive to the business context they were working in. Some were keen to praise the skills of the artists they worked with in this respect, noting their willingness to meet them halfway and help them through the process of learning how best to work with them. Others felt that the primary responsibility for making this happen lay with them, in terms of specifying, commissioning and managing the project properly, and saw the disciplines of working successfully with an arts-based provider as no different from any other outside contractor.

The other clear success factor identified by the respondents was that the business needs to be clear about why they are engaging an arts-based practitioner, both in terms of desired impacts and outcomes, but also in terms of what they are trying to access through the artist (the balance if you like of improvisation, inspiration and technical inputs). This partly relates to the risk they attach to using an arts provider. One way of managing that risk involves being clear about how far you want the artist concerned to push certain limits and boundaries, and how far you want them to limit their contribution to a more tightly prescribed transfer of skills and expertise. They were also clear that arts-based interventions were useful compliments to existing tried and tested methods.

How did they evaluate the outcomes and impacts?

Partly reflecting the personal and team development focus of much of the work being assessed, evaluation was dominated by one-off, questionnaire-type evaluation exercises, focusing on individual reactions to the event or intervention and the skills of the practitioner. The pejorative way to describe this finding would be that the so-called 'happy sheet' method of evaluation was being widely used to capture immediate satisfaction ratings with the intervention. More sophisticated evaluation techniques, focusing less on individual reactions and more on business performance outcomes and effects, involving formal pre- and post-event evaluation using a range of evaluation methods (self-reporting, line manager and peer review, etc.), were notable by their absence. The only exception was a recent initiative undertaken by the John Lewis store in Peterborough which is detailed below.

Customer Service and the Arts – A Story of Transformation at John Lewis

John Lewis are constantly trying to improve the quality of their customer service. Some time ago they recognised that central to lifting customer service standards was a set of people skills and self-confidence attributes that were not easily augmented through traditional training.

As the result of being exposed to arts-based interventions at a DTI sponsored event, the senior managers of the Peterborough store decided to explore using arts-based interventions as a way of impacting upon these people skills and attributes.

They decided to work with TheatreActive in producing a piece of theatre that would trigger reflection among their workforce about how to better serve the customer and about what types of new customer service behaviour would improve performance.

They worked in close partnership with TheatreActive, with each employee attending a two-hour training session run by the internal site team before working with TheatreActive for half a day. In terms of TheatreActive's preparation, each TheatreActive actor shadowed two shop-floor employees. This enabled them to understand the context of the business and its language and vocabulary. The key output of this process was that TheatreActive worked with the amateur dramatics society attached to the business to produce a play capturing the realities of customer service within the store.

Why did the approach prove successful?

Steve Boast, one of the key managers behind the initiative, believes that the arts intervention proved successful for a number of reasons:

- Because the providers worked in a genuine partnership with the management team and staff
- They became 'one team' rather than a distanced external provider
- The initiative targeted key business indicators for improvement
- The intervention allowed employees to explore and experiment in a way that more traditional learning and development approaches are unable to instil
- The arts-based provider could take the John Lewis employees to places that the internal HR team could not
- The intervention was focused in a laser beam fashion on a very specific business issue

As Steve Boast commented, one of the dynamics of success was that the intervention was about:

Allowing people to explore, without risk, meeting goals and tackling change’.

Evaluation

Like many other leading retailers, John Lewis actively benchmark their customer service performance against the rest of the sector by using a mystery shopping index. Prior to the intervention the store’s customer service performance was ranked 22nd in relation to other competitor stores.

As a result of the arts-based intervention, the store moved up to 15th, and then to 7th, in terms of improved customer service.

In addition to these hard metrics for success, John Lewis also evaluated some softer data in terms of the reactions of their employees to the arts-based interventions. These were uniquely, in the experience of John Lewis, one hundred per cent positive with no dissenting respondents.

For the Peterborough senior management team, arts-based interventions are now regarded as a useful and proven element of how they intend to develop their people, and they plan to work with arts-based providers on some of the broader change management challenges facing the business.

On the basis of our small sample of interviewees, UK businesses are not adopting sophisticated evaluation techniques when it comes to assessing the impact of arts-based interventions. This picture endorses large-scale academic research findings that the great majority of UK employers do not employ sophisticated or effective evaluation methods to assess the impact of their training and development activities.¹⁹

Summary and reflections

Our business interviews contain both good and bad news for the future of business/arts collaborations. The encouraging dimension is that the respondents were buying the arts to meet a clear business need. The majority believed that the arts intervention had been a success on its own terms, and around half were continuing to use an arts-based provider. However there were some negatives. The businesses did not have a broad knowledge of the full range of arts-based provision. They saw arts-based provision as a good way of filling a comparatively narrow need around personal and team development, and they were not using sophisticated evaluation techniques to assess the impact of arts interventions. As a consequence it may prove difficult for arts-based providers to develop and move their relationship with clients from one end of the arts intervention continuum (personal and team-based development) to the other (organisation-wide change and transformation). Artists are in danger of remaining narrow personnel practitioners arriving in the ambulance marked ‘Arts’.

19. ‘The Assessment: Knowledge, Skills and Competitiveness’ (1999), Keep and Mayhew, Oxford Review of Economic Policy, 15,1,1-15.

2.3 'Walking against the wind' – Artist Practitioners and Business

Through its long-established brokerage and delivery role in the area of arts-based interventions, Arts & Business was able to identify many of the leading practitioners in the field of arts provision to business, some of whom have delivered interventions at both ends of our arts interventions continuum, including organisation-wide change and transformation work. In order to explore the views of these providers in some detail we ran two focus group discussions and a number of additional interviews. As with the business interviews, whilst the sample base is small – some fifteen individuals in total – we have been able to generate real insights into the current relationship between business and the arts, which need to be explored in further research.

A supply side view – what types of artist practitioners and arts organisations are providing arts-based interventions to business?

Whilst the growing size of the market for arts-based interventions suggests that this area of work could be a viable source of income for many arts organisations, Arts & Business and other experts in the field confirm that arts interventions are largely the domain of freelance artist-trainers or arts-based training companies. However, the number of arts organisations that have built the capacity to deliver this sort of work on a commercial basis is steadily growing – and includes The National Theatre, West Yorkshire Playhouse, Circus Space, LAMDA, Arc Theatre, Academy of St Martin in the Fields, Central St Martins and Trestle Theatre, and a fair number of regional organisations. The New Partners programme offered by Arts & Business is also catalysing other art organisations to develop their capacity in this area. These organisations include Almeida, London Sinfonietta, City of London Sinfonia, Fecund Theatre, Cardiff Bay Orchestra, Leicester Comedy Festival, Young Vic Theatre Company, National Galleries of Scotland, Lyric Theatre Hammersmith and Soho Theatre.

Are businesses smart consumers of arts-based interventions?

The practitioners confirmed that many businesses do not have a well-informed view of what the arts can offer to business. This echoed the view of business buyers that many clients feel they are embarking on a risky venture and therefore need reassurance and help in creating an appropriate intervention. The general view was that the majority of business clients need help and assistance in buying the right offering, in evaluating it, and in recognising if real change has occurred as a result of an arts-based intervention.

On a positive note, respondents were finding increasingly that smart businesses are getting more interested in creativity and the conditions that best support it, and are becoming more willing to explore the softer, cultural factors needed to create and exploit ideas. This had become a positive source of learning for the artists themselves, and a number of the artists believe that some of the more creative dialogue taking place inside businesses needs to be transported back inside arts organisations, many of whom are stuck in a cycle of sclerotic risk-adverse behaviour.

In terms of how the respondents gained their work, the vast majority of their new business came as a result of client recommendation and referral. They were rarely, if ever, engaged in competitive pitches against other arts-based providers, which suggests that businesses are not as demanding as they could and perhaps should be of the arts provider market.

What had they learnt about what works and what doesn't?

Artists strongly endorsed the view of our business interviewees that they do their best work when there is a genuine exchange of ideas and collaboration with the client. For some this is partly a by product of the values embodied in most arts propositions – a commitment to honesty, integrity, and transparency. It also requires them to commit to understanding the needs of the business, the motivations and success criteria of the person bringing them in, and the political and operational context in which they are being asked to work.

Their worst experiences and least successful work had occurred when none of these criteria had been met. Some of the practitioners also identified a potential downside of working so closely with the client, in that it sometimes meant that they were drawn into commenting on areas and issues outside of their original brief and in some cases their areas of expertise. This created both an ethical issue, in terms of the responsibility they felt to decline work in those areas even if the client might be willing to pay them, and also a professional development issue, in terms of balancing their role as artists and consultants to the business.

How did they evaluate the outcomes and impacts?

Perhaps one of the more interesting findings to emerge from the interviews was that it is the arts-based practitioners who are pushing harder for more sophisticated and intensive forms of evaluation than the business purchasers of their services. The practitioners confirmed that businesses are generally poor at setting clear objectives and designing and executing evaluation of their activities and outcomes. In their eyes, too many succumb to worthless, paper-based, one-off tick box evaluation. Few, if any, are genuinely concerned to capture the deeper impacts of any such interventions on hard performance outcomes inside the business. As Karl James from Trade Secrets commented:

‘Client evaluation is more about proving their people are pleased about the event or experience than about mapping any bigger, more far-reaching impacts in behaviour and performance’.

Whilst current forms of evaluation remain narrow and unsophisticated, the artist practitioners acknowledged that the smarter businesses can still gain real value out of one-off real time evaluation exercises, not least in terms of evaluating individual capabilities, behaviours, and commitment.

Nonetheless, as a group the practitioners remained frustrated about the lack of sophisticated evaluation, primarily because this makes it more difficult for them to sell the value of their work across the business, and thereby often limits the possibilities for broadening the focus and scope of an arts-based intervention. It also, fundamentally, can make the work less interesting in so far as it provides an incentive to commoditise their offerings and focus on easily measurable, low risk outcomes.

The group were also keen to stress that where they had been allowed to develop jointly with the client more interesting, non-paper-based forms of evaluation, which were built into the intervention from the outset, they had not only made the intervention more memorable and successful, but had captured the learning and impacts of the intervention in novel and powerful ways.

A number of the respondents remained sceptical however of how far better evaluation on its own will allow the arts to broaden their appeal and activities inside businesses. The silos in which the arts operate inside business are well entrenched and as a consequence:

‘No matter how you evaluate, how many participants say their lives have changed as a result, initiatives often die out quickly’.

Piers Ibbotson, Directing Creativity

Were they building longer-term relationships with business buyers?

Against this background, it becomes interesting to question whether arts-based providers are proving able to build longer term relationships with businesses. In theory at least the conditions are becoming more favourable. The artist respondents identified a number of factors which should be encouraging such relationships to form. Firstly, arts-based interventions are no longer the new ‘new thing’, and as a consequence there is now an established set of professional providers, with long track records of successful work with large blue chip clients. This should be growing the market, reducing the perception of risk attached to commissioning an arts-based provider and making it easier for the artist practitioners, on the basis of their proven track record of success, to build long relationships and widen the scope of their work inside businesses.

Nonetheless, the respondents confirmed that episodic, one-off interventions with small teams and individuals remain the dominant contracting form (the regular ‘*one night stand*’) rather than large scale, broad-based projects of change and transformation (‘*going steady*’) built on long-term relationships. The staging ground between these two extremes is that many of the practitioners are engaged in long-term provider relationships, but this usually involves the delivery of small-scale personal development-type interventions to different individuals and groups within the client’s business. It is repeat business for a tried and tested intervention, not a substantive development of the relationship in terms of the size and scope of the intervention.

Is there a problem with these one night stands between business and the arts? The main drawback is that such interventions are unlikely to have lasting, sustainable impacts on people’s behaviours or on a company’s performance. As Alastair Creamer, Director of Catalyst at Unilever, comments:

‘There are stacks of people out there who can do ‘great stimulus’ – which fire everyone up for 48 hours. The grail is finding ways to imaginatively convert the excitement of stimulus into a believable and believed different future.’

Whilst smaller-scale interventions are important, their comparative dominance of business/arts collaborations diminishes the possibilities for arts-based providers to deepen and broaden their relationships with UK business and have bigger and long-lasting impacts on key practices and assets inside UK business.

Given the more favourable conditions described, and the growing business demand for interventions on employee engagement, creativity, and culture change, which play to the strengths of arts-based provision, why are ‘one night stands’ so popular? The practitioners had a number of explanations. Firstly, businesses tend to have different providers for different elements of the people and change package – and so silo arts into the ‘personal impact’ work box. Arts-based interventions are seen as a helpful compliment to existing tried and tested approaches, rather than a convincing substitute to existing people and change activities.

Secondly, many businesses, particularly larger ones, already have strongly developed and entrenched people management and change methodologies, often involving strong process led initiatives (e.g. six sigma, balanced scorecard approaches). The organisation wide influence of such established approaches often limits in a practical sense the scope for arts-based interventions across the business

Finally, as we have already mentioned in our discussion of evaluation, the lack of sophisticated evaluation often limits the possibilities for broadening the focus and scope of an arts-based intervention. It becomes more difficult for both business advocates of arts-based interventions, and for artists practitioners, to make the case and win the argument. Let us explore these questions about evaluation a little further, as it is clear that they lie at the heart of developing the relationship between business and the arts.

2.4 The evaluation paradox

One of the original motivations behind this report was to identify how the arts could add more value to business practices and performance. The starting assumption was that there was a strong business demand for better data and evidence on how the arts could impact on businesses, and that this demand was being poorly served by artist practitioners in terms of how they were willing to work with business.

Given these starting assumptions we have been surprised to find that the pressure for better evaluation is coming more from the supply than the demand side, and that this creates an *evaluation paradox* in terms of the relationship between business and the arts.

The paradox is that business, the group that most frequently calls for hard evidence on the impact of arts-based interventions on corporate creativity and performance, show weak levels of commitment to sophisticated and meaningful methods of evaluation once they have engaged arts-based practitioners.

How do we interpret this paradox? Perhaps businesses don’t need hard evidence to make the decision to buy an arts-based intervention? We don’t believe that to be the case. Are the majority of arts-based interventions in business of a form and scale that the expenditure does not merit adequate evaluation and assessment? We doubt many finance directors would take this view and if we group arts-based interventions within the overall spend of UK business on learning and development, the evaluation paradox becomes more difficult to explain.

Collusion in leaving things unchanged

One way to interpret this reluctance and inability of businesses to evaluate the impact of arts-based interventions more effectively is that superficial evaluation, focused on the quality of the event or intervention, rather than on a specified change in behaviour or in business performance, places less responsibility on them to manage the outcomes or embark on actions that will produce sustainable impacts. Arts have the power to transform businesses. Perhaps most businesses don’t want to plan for, measure, nurture, and provoke such transformations.

This suggests that whatever impact arts-based interventions are having on business at the moment, they would be having much more if business could become smarter consumers of arts-based interventions using them as vehicles to stimulate real change. It is surely the case that triggering new thoughts, reflections, and behaviours via arts-based interventions, and then doing nothing to sustain them or harness them, massively reduces the impact of any arts-based intervention.

This of course creates a potential chicken and egg dilemma for the development of arts-based interventions in business. Given prevailing evaluation practice and the predominance of smaller scale one night stands, it is going to remain difficult for arts-based practitioners to broaden the size and scope of their work with business. If business sceptics demand data and evidence to take the arts more seriously, but will not generate that data themselves, artist practitioners are perched between a rock and a hard place.

The most likely way to trigger a change in behaviour within businesses would be for arts-based interventions to become larger in scale, focused on organisation wide change and transformation. As the strategic importance of the work and investment levels increased, we would be more likely to witness the growth of new and sophisticated forms of evaluation, which might in turn fuel a virtuous circle of growth and credibility for arts-based interventions. But this is unlikely to happen given the barriers created by the current evaluation paradox.

Resolving the paradox

The best way to resolve the evaluation paradox is not by waiting for business to slowly engage arts-based interventions in a deeper and broader way. We have to start from where we find ourselves and ensure that business and the arts quickly become more demanding customers of each other. There are three key ways in which arts-based practitioners and business clients need to be tougher on each other when they work together:

Firstly, they need to work harder to maximise the opportunity of any arts/business collaboration. This will involve businesses becoming better informed and more open minded about the possibilities offered through an arts intervention. Artist practitioners will be required to become more self-confident and authoritative advocates of what they do.

Secondly, business and arts providers need to quickly raise their game in terms of generating better forms of evaluation. Whilst this is a shared responsibility, given the strong demand from artist practitioners to improve evaluation, perhaps they should take the first steps by demanding as part of the terms of any engagement that a range of impacts and outcomes are evaluated using a variety of methods. The fear for the artist practitioner is that this may increase the cost of the assignment and weaken the resolve of the business buyer to undertake it. However, this is a weak argument for inaction – businesses are interested in value, and if better forms of evaluation illustrate the power of arts-based interventions more fully, any small increase in delivery costs will prove inconsequential.

Thirdly, artist practitioners and businesses must become better at learning from each other in order to maximise the impact of any intervention. So for example, many of the artists we interviewed have significant expertise in using novel, non-paper based, tick box evaluation techniques. Some of the businesses we interviewed talked about how their expertise in project management and delivery were vital to the success of any intervention, arts-based or otherwise. Perhaps future evaluations should include a compulsory element detailing what the artist practitioner and the lead person inside the business have learned from each other in delivering the intervention.

2.5 Summary and reflections – business/art collaborations: a glass half full & filling

Our analysis reveals that while the arts exert a powerful but narrow influence on the learning and development practices of UK business, they have yet to forge a broader role in transforming their cultures and practices. The majority of the work that artists do with business falls into the personal and team-based development work category, impacting upon people's presentation, personal impact and coaching skills. These assignments tend to be one-off activities, rather than long-term engagements. In contrast, there were only limited examples of art being used inside business in a longer-term way, to trigger organisation-wide change and transformation. In these cases artists are engaged in a wider range of larger scale activities which are designed to trigger cultural and behavioural change in the business.

Although these larger scale forms of collaboration between business and the arts are less common than the more familiar personal impact activities, they are beginning to reshape the relationship between arts and business. They represent a step change in the potential influence and reach of the arts in impacting upon business, and provide practical proof that many key business issues, such as the need to create open cultures, engaged employees, high levels of discretionary commitment and high-performance workplaces, can be addressed effectively by arts interventions.

Given these possibilities, it remains a missed opportunity that to a significant degree the arts are boxed within a silo that is reflected in the language and terms used to describe arts-based interventions. It is therefore a priority that the arts begin to talk less about '*arts-based training and development*' – a term that has outlived its usefulness – and more about the range of specific interventions that the arts can make in business, whether focused on leadership, culture, managing change or employee engagement. This is the language and mindset of business – it needs to become the self-confident territory of arts-based providers.

The other immediate and pressing challenge is to improve the quality of evaluation of arts interventions. The spirit of curiosity and invention that characterises arts-based interventions is rarely a feature of most evaluation activities. The conclusion of this report will offer further thoughts on how best to make progress. What is at stake here is not just the creation of a better account of the arts in business. Without progress on this front the future potential of business/arts collaborations will be diminished, and the need for businesses to find new and novel ways to meet the challenges identified in Chapter One will remain largely unmet by the arts.

Chapter Three – The ‘X’ Factor of Arts-Based Interventions

Thus far we have reviewed the key drivers shaping business, the range and type of arts-based interventions, leading edge examples of best practice, and the current reality of business/arts collaborations, particularly evaluation practices. What we have not yet addressed is how far arts-based interventions offer unique qualities and benefits to business. Do they have an ‘X’ factor, and if so what might this mean for how business and the arts can best work together?

To explore this issue we asked all of our business and artist practitioner respondents to reflect upon how far arts-based interventions are genuinely distinctive, and we also reviewed existing case studies and best practice examples to see how far common patterns and effects could be detected.

We found that business and the arts shared a remarkable degree of common ground in terms of their identification of the special qualities of arts-based interventions.

It’s about the artists, stupid

It was no surprise to find that artist practitioners believe that they bring a unique set of values and skills to their work with business and that these lie at the heart of the ‘X’ factor of arts-based interventions. Firstly, the artistic community have a strongly held value system which they believe privileges honesty, transparency, a commitment to improvisation, experimentation and feedback. These values inform how they work and how they interact with business, and they are sufficiently different from the actual (as distinct from espoused) values of most businesses to create unique and powerful interventions. Whilst many consultancies, human resource professionals, and some businesses may also lay claim to these values, artists believe that they form an irreducible part of their lives as artists whereas for other groups they are a desired, but not essential, way of being and behaving.

‘We will speak as we find – do the same’

Karl James describing part of the operating philosophy of Trade Secrets

Secondly, the artistic practitioners believed that another distinctive quality of arts-based interventions was related to their unique expertise. In one sense this refers to a culture of mastery – in that they have developed specialist skills and disciplines as artists (theatre, visual art, etc.) which informs their work inside business and gives them their power to influence and provoke. The arts are also based on the skills of creativity and communication and the ability to detect, reflect and communicate change. At a more general level, the practitioners also believe that the frequently collaborative and collegiate nature of artistic production, and therefore the skills they have acquired allowing them to be effective in broader artistic communities, help them to stage joint productions inside businesses.

What was interesting was how strongly these artist practitioners’ views of their values and skills and the consequent power of arts-based interventions, were shared by our business respondents. Nearly all stressed that the artists practitioners that they worked with brought with them new perspectives and new ways of working that were vital to the success of the intervention. Their power and influence came in part from their difference and therefore detachment from the values and practices of business. The business respondents agreed that the values base of artist practitioners and the values gap between business and the arts is at the root of the ‘X’ factor of arts-based interventions.

They also confirmed that the skills and disciplines of the artist, which they adhered to quite rigidly, were enormously important to their success and influence inside business. In this sense it is possible that the rise and rise of general management in business and the blurring of functional roles and expertise is eroding the narrow expert base of many individuals working in business, so that when they come across the narrow but powerful expertise of a particular artistic practitioner, they find it both an inspiration and a trigger for learning and reflection. Certainly, some aspects of Catalyst's activities would confirm this to be so.

The Heineken Effect

Whilst this is an intangible and hard-to-measure claim, both business and artist practitioners felt that in a very specific way the arts could trigger reactions and engagement (reaching parts other interventions could not) in a unique way. The essence of this is that arts-based interventions demand responses and real engagement from individuals and teams – neutrality is rarely an option, which makes them more memorable and penetrating than more traditional learning and development techniques. It is possible to attend a training course without being engaged by it, and to actively choose not to participate or give of oneself in terms of energy and contribution. Few if any well designed arts-based interventions afford the participant that luxury or option. The responses they provoke may not always be positive, but the very certainty of provoking some kind of reaction means that arts-based interventions are good at triggering deeper reflections that drive behavioural change for the individual and cultural change for the organisation

The arts acknowledge and capitalise on these emotional and social dimensions of business, whereas businesses are usually at great pains to ignore or bypass these factors. As Julia Rowntree has commented:

'Businesses are obsessed with order and stability but are in reality steeped in emotion.'

The human side of enterprise²⁰ and unlocking discretionary commitment

The work of organisational theorists and experts has long established that individuals display a range of complex motivations at work, some social, some economic and some deeply personal. High-performance organisations seem to be better at mobilising our deeper goals and desires and harnessing them towards broader organisational objectives. This human, intrinsic side of enterprise and business is vital to securing discretionary commitment from employees, and therefore to fostering creative and productive enterprises. As we explored in Chapter One, feelings of participation, voice, ownership are the embodiment of good employment relationships and are vital to employee motivation and creativity.

These needs play directly to a potentially unique area of strength that this study has identified in arts-based interventions. The arts are particularly effective at influencing the intrinsic motivations of employees – their passions, instincts and emotions. As such the arts have the power to inspire individuals to think and act differently, and to create an atmosphere of serious play and a willingness to approach things differently

20. This subtitle of course refers to Douglas McGregor's seminal book, *The Human Side of Enterprise* (1960), New York, McGraw-Hill, in which he outlines his now well known Theory X and Theory Y explanation of human motivation and behaviour inside organisations. For a wider ranging and approachable discussion of these issues see also *Understanding Organizations* (1993), C. Handy, Penguin.

Neutral territories and stronger voices

Another potential ‘X’ factor of arts-based interventions is their ability to create neutral territory in the workplace – vital to exploring complex and emotionally charged issues. The creation of fictional representations of a challenging business issues, such as diversity, low trust, a bullying culture or poor and unresponsive customer service, allows for these issues to be explored and discussed without identifying individuals and teams, so minimising the degree to which people either feel criticised or the need to be defensive. This can often liberate people to speak more freely about an issue than they would otherwise normally do and can therefore capture a strong and authentic voice of people inside the business. Another strength is that by creating the opportunity for a business to see itself how others might see it, either in terms of its internal practices or its external activities, breakthrough insights can occur, involving the recognition of uncomfortable realities and therefore a renewed desire to change behaviours and outcomes.

Multi-speed and multi-layered

Another unique attribute of arts-based interventions is that they can adopt both an explicit and implicit engagement with a business – either part of the conscious foreground inside a business, demanding participation and engagement, or a subconscious, more subtle presence and influence. As we saw from our discussion of Catalyst, the arts can be a multi-speed and multi-layered influence inside the business. Arts interventions can be a presence, a state of mind and an intervention inside an organisation – and they can therefore equip a business with the ability to project subtle messages and testing grounds for what they are trying to achieve and change.

Arts can do ambient culture change in a way that other interventions can't

Fiona Lesley, MAP Consortium

Complexity, paradox and the arts

Finally, in terms of the ‘X’ factor or arts-based interventions, many of the key challenges facing business in terms of competitive performance and organisational coherence involve the resolution of paradox and embracing the notion of ongoing and unresolved complexity. For example, common paradoxes at the heart of many businesses include control versus devolvement, informality versus formality, cultural homogeneity versus diversity, intuition and innovation against evidence-based evolution and improvement.

Artists are comfortable with paradox and complexity and can help organisations either resolve complexities effectively or learn to accommodate to them.

A cost-benefit analysis of the arts – better than the rest?

Our analysis has revealed that the arts can make a strong claim for a uniqueness of approach and impact inside business, which of course begs the question as to why arts-based interventions are not making deeper inroads inside UK business, and why they are not becoming substitutes for other more traditional approaches and interventions.

Partly reflecting the evaluation paradox already discussed and the absence of good data on the impacts of arts-based interventions against their competitor alternatives, it is very difficult to conduct a meaningful cost-benefit analysis of arts-based interventions, or indeed to make strict comparisons with other forms of provision. As we have already noted in our discussion of business attitudes to arts-based provision, companies who have used the arts stress that they are *complementary* to other activities rather than *substitutes* for those activities.

However, our account suggests that business would have good cause to conduct a more searching assessment of the balance and focus of their current spend on people and change activities. Despite the billions of pounds that organisations spend on learning and development and cultural change and transformation, they rarely, despite the dominance of labour costs as a proportion of total costs, design interventions explicitly directed at engendering innovation and inspiration within their workforces – at igniting discretionary commitment.

This is despite the fact, as this study has revealed, that businesses who have worked with the arts already recognise their particular power to influence just such outcomes.

Art works in business – business has yet to put the arts fully to work.

4. Conclusions – ‘Come Together?’

This report has explored in some detail one particular aspect of business/arts relationships, and has revealed that whilst the arts exert a powerful but narrow influence on the learning and development practices of UK business, they have yet to forge a broader role in transforming their cultures and practices. In those instances where art is being used inside business to trigger organisation-wide change and transformation, the results are impressive and suggestive of the powerful role that the arts can play in unlocking commitment, creativity and performance. However, advocates are reliant on a small number of high-profile examples, and overall the evidence base to prove the impact of the arts upon business remains weak, although as we have seen, the blame for such shortfalls lies more with business than artist practitioners.

But it is not just better evidence of impact that is required. There is a real gap between the business and arts communities in terms of language and awareness. Business and the arts also tend to remain too far apart even when they work together – diminishing the potential of both current and future collaborations.

What then is needed to bring business and the arts closer together and to maximise their potential relationship, and what are the direct implications of our analysis for business, artist practitioners and for the policies and practices of lead bodies and key government departments?

4.1 Meeting in the middle

Our analysis has identified two clear priority areas that need to be tackled if business/art collaborations are to reach their full potential.

Creating common currencies

Firstly, business and the arts need to build common currencies, in terms of *language, aspiration* and *collaboration*. With regard to language, business and arts-based providers do not share a common language, and many of the terms currently used to describe arts-based activities are hindering the fuller development of arts / business relationships. Too few individuals, on either side, can comfortably talk the language of the other, and this dissipates energy and enervates commitment.

Business/arts collaborations also need to be built on a greater sense of shared aspiration. The narrow influence of the arts in the learning and development sphere means by default that the full scope and possibility of arts-based interventions are rarely given expression in business/arts collaborations. Aspirations are too tightly prescribed, opportunities are being missed and the chance to innovate and create step-change improvements inside UK business is being passed over.

We need to find a way of helping creative businesses to recognise the values and skills that underpin the arts and to embrace those elements of artistic practice and provocation that can help them become better businesses. At the moment evaluation failings are undoubtedly weakening the case for the role of the arts in business. But it is the poverty of aspiration in terms of the aims and ambitions of most business/arts collaborations, as well as the inability of business and the arts to forge a more expansive common agenda, that represents the more profound obstacle to the future development of arts/business relations.

In turn, business and the arts need to work much harder when they collaborate together – there is no developed currency of collaboration. Yes, there is evidence that both sides already recognise that their best work demands partnership and co-production. However, that relationship needs to become more demanding and challenging of both parties. At times it appears that the behaviour of business and the arts is based on the belief that they have as much to lose when they work together as they have to gain.

Solving the evaluation paradox – integration and innovation

The creation of these common currencies should in part solve the existing evaluation paradox. However, such currencies of language, aspiration and collaboration will take time to build and nurture. In the meantime there are numerous pragmatic steps that both business and the arts could take to improve current attempts at evaluation. Many organisations are already familiar with well-established frameworks and methodologies to guide their assessment of people practices and interventions. For example, balanced scorecard approaches and the processes associated with Investors in People accreditation are well known. In the first instance businesses could simply begin to integrate and deploy some of the disciplines of these approaches to their broader assessment of the impact of arts-based interventions

Businesses should also try to work collaboratively with artistic practitioners to pilot and test more innovative forms of evaluation, well suited to the specificities of particular arts-based interventions. They should certainly reject the usefulness of many existing paper-based methods. We should hardly be surprised that skilled artists can stage effective events and happenings which individuals find enjoyable and stimulating. The familiar ‘happy sheet’ testing the reaction of employees to such events and the skills of the artist practitioner hardly represents a Beechers Brook test of the quality of arts-based interventions. The ambition should be to produce sustainable changes in behaviour and performance and the design of interventions and evaluation methods need to reflect that aspiration.

4.2 Implications for businesses

The main implication of our analysis for business is that they need to become smarter and more reflective consumers of arts-based interventions. The research evidence reviewed in Chapter One identified a number of compelling drivers in terms of the growing business need for employee engagement, creativity and value creation. These developments should be making businesses highly receptive to the ‘X’ factor of arts-based interventions. The fact that progress remains slow partly reflects the fact that business lack understanding of the power and range of arts-based interventions. It also suggests that many businesses have yet to recognise the competitive necessity of accessing new approaches that tap into the deeper motivations and passions of their employees upon which creativity depends.

4.3 Implications for arts-based providers

Our account has also identified some direct challenges for artist practitioners. Firstly, they need to get better at speaking the language of business, whilst sticking resolutely to their artistic sense of self. It is important to stress that it is neither essential nor desirable for artists to become fully fledged business consultants, or human resource specialists and strategists. However, they do need to become fully fledged members of the business community, sharing its passions and insights and caring about its problems and challenges. But they must do this whilst holding fast to the unique values and skills that they have acquired by being artists – without these their unique currency to business is depleted. Far better to have a 100% proof artist with 60% proof business understanding than vice versa.

Secondly, our analysis of the current state of demand and supply for arts-based interventions, and of the knowledge base of UK businesses, would suggest that artist practitioners would do well to broaden their networks and collaborate more fully with consultants and other providers and brokers, to ensure that they can really deliver what business needs, on whatever scale they require. This is partly a question of securing access to opportunities that they might not otherwise have, but also about recognising that large-scale interventions in business are likely to require a breadth of business knowledge and understanding that they may not comfortably or convincingly possess.

Thirdly, the UK community of arts-based practitioners needs to find a better advocacy and marketing voice – at the moment the power of what they can bring to business is poorly understood, under-recognised and massively under-exploited. They must bear some of the responsibility for this and think of new and innovative ways of communicating how they can work with businesses, forging alliances to disseminate those messages as widely as possible.

4.4 Implications for lead bodies and government departments

The implications of our analysis for business and artist practitioners suggest a clear action-focused agenda that lead bodies and government departments could pursue to accelerate the pace of change and progress. Examples of some of the initiatives that could be undertaken include:

- Producing new tool-kits for business/arts collaborations, including some sharp and accessible guidelines to help businesses buy and evaluate arts-based interventions and some mirror guidelines for the artist practitioners
- Drawing up new model contracts between business and arts providers, in which the key elements of aspiration, collaboration and evaluation are embedded in the design and delivery of the intervention
- Investing in further research to accelerate the innovation and integration of evaluation methodologies as applied to business/arts collaborations
- Further exploring the links between the ‘X’ factor of arts-based interventions and the fostering of discretionary commitment, creativity and high-performance workplaces in the UK
- Generating some model case studies and examples of business/arts collaborations and evaluations to exemplify more clearly the potential of arts-based interventions
- Publishing an arts/business dictionary – enlivened by commissioned cartoons, fostering the necessary bilingual capabilities in both communities
- Creating more network knowledge – by regularly bringing together the UK community of arts-based providers to share knowledge and experience, and pairing this group with business consultants and corporate buyers to help create the common currencies already discussed.
- Encouraging UK arts organisations to build their capacity to offer these types of arts interventions to business, allowing them to generate new expertise and to construct new sources of income and financial sustainability
- Examining the impact of these kinds of business/arts collaborations on the employees themselves, and in particular on their level of interest and participation in the arts – can arts interventions simultaneously deliver improved business performance and greater levels of participation in the cultural life of the UK?

Getting bitten by the bug – business and the arts

Whilst there is no direct evidence on the impact of business/arts collaborations of the kinds explored in this study on the level of individual participation in the arts, Arts & Business have recently generated some interesting supportive evidence for how exposure to the arts and arts organisations can stimulate individuals to form new relationships with the arts.

In spring 2004, A&B conducted a research and evaluation project for its Skills Bank Programme, which aims to enable arts organisations to access free specialist business advice. The emphasis of the programme is on the exchange of skills between the business adviser and arts manager. The Skills Bank gives business people the opportunity to engage with the arts and develop their skills by working on a specific project with an arts organisation or a museum.

The findings from the research showed that:

- 35% of the business advisers felt that the primary impact of the placement was improved understanding, knowledge and appreciation of the arts
- 78% of the participants continued their relationship with the arts organisation after the placement was finished (60% of these were informal and 40% were formal relationships)
- 92% said the placement had encouraged them to work with other arts organisations in the future

It would appear that large proportions of business advisers are getting bitten by the arts bug through their involvement in the Skills Bank programme. It is quite likely that business/arts collaborations have a similar potential to increase the levels of individual interest and participation in the arts.

This agenda for change is too comprehensive for any one organisation or body to take the lead. For progress to be made quickly, the Department of Trade and Industry (DTI) and the Department for Culture Media and Sport (DCMS) must forge more common ground in this area.²¹ The DTI could do more to publicise and raise awareness of what the arts can offer businesses as they attempt to create more high-performance workplaces. The UK economy is currently making slow progress on the productivity and creativity agendas so beloved of the Treasury and indeed of the DTI. Despite this, large sections of the public and private sectors are not experimenting with the approaches we have explored in this paper, despite their potential breakthrough impacts on people, culture and performance. It is high time the DTI embraced the transformative power of the arts and rejected their false separation from the business of business – otherwise they will have to become used to the unhappy irony that the UK has a vibrant creative industries sector, but not enough creative organisations in other sectors of the economy.

Making the UK economy more productive may mean focusing less on relationships between the Treasury and DTI, and rather more on rewiring relationships between these two departments and DCMS.

21. An encouraging recent development has been the creation by the DCMS and the DTI of the Creative Industries Forum on Intellectual Property, which aims to maximise the future contribution of the sector to UK competitiveness.

Sceptics might argue that recent cuts in the DTI budget announced in the latest public spending round, and uncertainties about the DTI's precise role in fostering improved economic performance, offer a poor context against which to mount such initiatives. But the pressing need for the DTI is for it to display leadership, advocacy and brokerage, rather than new investment and resources.

In a similar vein, whilst we doubt this report will lead directly to the Treasury working with an arts-based practitioner to trigger a programme of culture change to support the new ways of working across government envisaged by the Lyons and Gershon reviews, the fact that this suggestion sounds fanciful when set against the dour and sober image of the Treasury, and the formality of Whitehall convention, highlights just why it should happen, and why the obstacles to the aspirations outlined by this report remain formidable.

This is why DCMS has a vital role to play in fostering this area of work. The Secretary of State's recent articulation of the crucial role of the arts is a welcome indication of the department's willingness to broaden its advocacy voice on the cultural life of the UK. The activities explored by this study offer fertile territory for DCMS, working alongside Arts & Business and Arts Council England, to lead a more confident and assertive public conversation about the power of the arts, the changing needs of business and their growing mutual dependency – real change and transformation in the performance of both sectors can best be secured by working together.

The prize for all is a tantalising one. A vibrant creative economy in the UK; the creation of more high-performance, high-commitment enterprises built by engaged employees in supportive creative cultures, and the possibility of enriching our commercial, artistic and public lives. Few areas of enterprise simultaneously offer the chance of increasing public interest in and access to the arts, improving the culture, climate and performance of UK businesses and offering new forms of financial and operational security for UK arts organisations.

For all of these reasons, everybody needs to start working harder at putting art to work.

A&B

Arts & Business *working together*

A&B is the world's most successful and widespread creative network. We help business people support the arts and the arts inspire business people, because good business and great art enrich society.

To receive this leaflet in another format, please contact A&B on 020 7378 8143

Arts & Business
Nutmeg House
Gainsford Street
Butler's Wharf
London SE1 2NY

T: 020 7378 8143
F: 020 7407 7527
E: head.office@AandB.org.uk
W: www.AandB.org.uk

Charity Number 274040
Company Limited by Guarantee
Number England 1317772

President

HRH The Prince of Wales KG KT GCB
OM

Chief Executive:

Colin Tweedy LVO OBE

Trustees:

Robin Wight CVO (Chairman)
Vernon Ellis
Kate Mosse
Dr Chris Gibson Smith
Jonathan Mildenhall

Company Secretary:

Martin Williams