

# **Insight: Embedding Resilience Toolkit 1**

## **The Fit Cultural Organisation**

Draft v 1.1

*5<sup>th</sup> August 2015*

Black Radley

Insight: Toolkit 1 – Fitness

August 2015

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## 1 The Fit Culture Organisation

All life is balance; a balance between duty and pleasure, work and play, sweet and savoury.

Organisations experience multiple tensions. At the macro level, all organisations must balance customer satisfaction with stakeholder interests. In culture organisations, this customer/stakeholder tension plays out with different emphasis: for private sector players it is customer satisfaction vs shareholder return, for public sector players it may be public vs politician; for not-for-profit players it may be audience vs funder.

This tension can produce ambiguity and stress for front-line staff, senior management and boards.

The balance between customer care and contractual obligations cannot be “designed-out” by policy maker science, nor managed away by management hierarchies. The creative tension between the people and numbers perspectives can and should drive continuous improvement. The tension between these dimensions is specific to each decision made at every level throughout the cultural economy. It relies on the sense, conscience and *enterprise* of everyone who works in that economy.

It is not unusual for culture sector people to complain at the grubby commercialism being forced upon them. The truth is that commercial revenues have always been an important part of the financial model. What we are seeing is a slight shift in emphasis, driven by reductions in public spending.

In our experience, those who complain loudest about the negative impact of commercial revenue are often those who have used public subsidy to pursue their own narrow interests, at the expense of wider participation and enjoyment.



## 2 **Organisational Fitness: The Theory**

Culture managers must explicitly recognise the people/numbers tension. It is not a choice (“people **or** numbers”): it is a balance (“people **and** numbers”) in which, ideally, a numbers perspective supports the provision of brilliant cultural offerings.

This section focuses on management perspectives. It recognises that an organisation’s management team has a major influence on the internal climate, on the belief system. The organisation shapes itself around the measures, issues and vocabulary employed in performance management systems and decisions. If they are out of balance, the organisation will be out of balance and will underperform.

The tension between people and numbers is the top level issue. In practice, culture organisations must navigate a number of creative tensions which underpin this headline. These are best represented as three-cornered balances (3CBs). In each case, decision makers must maintain a responsive balance between three competing priorities or perspectives.

This section sets out the core set of 3CBs fundamental to culture organisation performance.

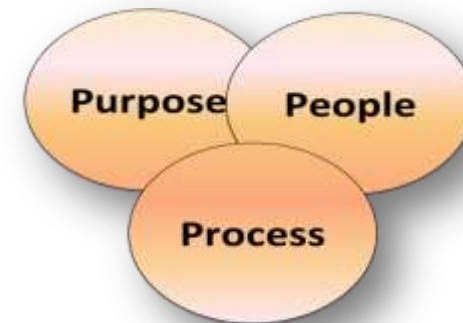
### ***Vitality Dimensions***

Culture organisations are, like all organisations, three things at once.

They are purposive (there to achieve a **purpose** and a set of clear performance indicators);

They are communities (comprising brilliant, flawed, interconnected **people**, staff, stakeholders and individuals);

They are machines (a set of activities and **processes**, running more or less smoothly).



Effective performance results from decision makers maintaining all three perspectives at once, and the right balance of attention between them. Typically, culture organisations are imbalanced in their attention to these three. It is not unusual, for instance, for cultural organisations to be very concerned about their staff happiness at the expense of solid processes and dependable performance. In this case, the management challenge is not to treat their people less well – but to increase their emphasis on clarifying/bedding in good practice (process), and on holding people to account for helping the organisation achieve what it is there to achieve.

## ***Purpose Balance***

Under the Purpose dimension, there is a further three cornered balance to be achieved.

The organisation must perform **operationally** – which means providing excellent service and hitting its contractual targets.

The organisation must perform **politically** – which means keeping a range of individual stakeholders happy and on side.

The organisation must perform **financially** – which means being efficient, avoiding overspend, and maintaining long term viability.



If any one of these aspects of purpose is allowed to dominate, problems will arise under the other headings. An imbalance between the financial and operational aspects, for instance, can lead to severe budget problems or, conversely, to operational performance failings.

It is not unusual for culture sector managers to see the financial dimension of this balance as being grubby or sordid when set against the cultural product produced. In practice, the best results (financial and cultural) are achieved by those organisations which see the finance dimension as one of the crucial parameters which help frame and enliven their creativity.

## ***People Balance***

Under the People dimension, there is a further three cornered balance to be achieved.

The people working within the organisation must work under appropriate **control**: cooperatively, in a coordinated and quality assured fashion, following established frameworks and good practice.

This means:

- Utilising an action/review/adjust cycle;
- Designing, following and refining effective processes;
- Using appropriate levels of performance information.

The environment in which the organisation's people work must encourage them to be **enterprising**. This includes:

- A risk management approach which encourages appropriate levels of responsibility and devolved decision making;
- A culture of customer responsiveness;
- An emphasis on team work; proactively encouraging links between functions and specialisms.



Management practice must place a premium on **engagement**; on staff developing and working with and through links with others (with colleagues, individuals and partners). This includes:

- The development of interpersonal skills and emotional intelligence;
- Permeability (at the individual and organisational level) to "informal information" (anecdote, feedback, intuition, observation, management by walking about);
- Creating opportunities for internal, lateral and external relationship development.

Council-run culture organisations (e.g. museums) typically over-emphasise the control dimension, whilst placing insufficient emphasis on both engagement and enterprise.

## ***Process Balance***

Finally, under the Process dimension, there is a further three cornered balance to be achieved.

The organisation must have a clear approach to defining, implementing and reviewing its core **operational** implementation processes.

The organisation must have a clear approach to defining, implementing and reviewing its core **customer** management processes.

The organisation must have a clear approach to defining, implementing and reviewing its core **infrastructure** processes, from maintenance to financial prioritisation.



Often, culture organisations place considerable emphasis on the “episodic” aspect of their operational processes: they have an established way of bringing a show, exhibition or event to completion. But they neglect the on-going parts of their operational machinery. And they give insufficient time to maintaining and developing the fabric of the organisation and the processes that entice and enthuse the customer.

### 3 **Getting Fit**

This Balanced Performance Model is simply a way of looking at the world. It recognises, and tries to correct, every manager's tendency to favour one perspective over another; to see the world through the prism of his or her favoured management style.

*"if you only have a hammer, every problem looks like a nail"*

Good management requires two things: (1) a wide range of management tools in the toolbox; and (2) the ability to know which one to use. The Balanced Performance Model supports this second requirement, by helping the culture organisation manager broaden his or her diagnostic ability. These concepts can be employed regularly at all management levels to ensure a balanced focus.

#### **Practical Application**

The model can also be used to underpin a one-off exercise: a deeper dive consultancy study, or diagnostic exercise; giving a picture of a culture organisation's balanced performance and how improvement can be achieved. The organisation determines, using its own or external resources, where there is imbalance: where a perspective or dimension is problematic, undervalued or simply ignored.

#### ***Top Team Exercise***

Set aside half a day for a top team workshop.  
Follow the steps set out below.



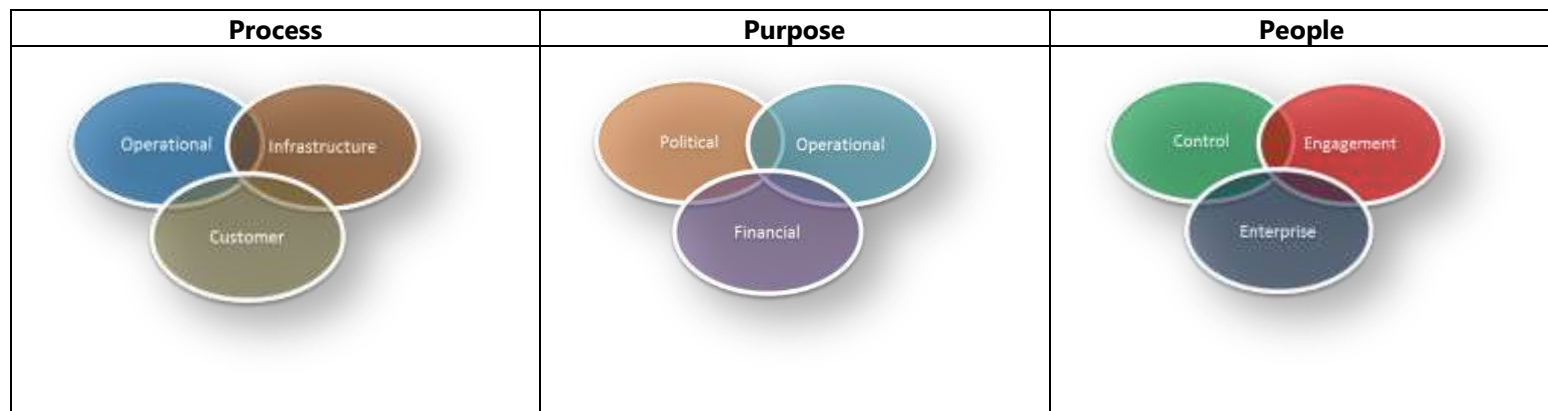


## 1. Start with a multiple perspectives exercise:

- From a process perspective, ask each member to identify two strengths and two weaknesses of the organisation. How effective a machine is it?
- From a purpose perspective, ask each member to identify two strengths and two weaknesses of the organisation. How focused is it on a clear mission for improving the world, and its performance in doing so?
- From a people perspective, ask each member to identify two strengths and two weaknesses of the organisation. Is it a healthy, caring, inspiring and challenging place to work?
- Collate the views. Summarise the main themes and check that they are an accurate reflection of the team's views. Identify the top three improvement themes emerging from this **perspectives** exercise.

## 2. Now look at how balanced the organisation is:

- Discuss which of the three dimensions (process, purpose, people) is strongest and weakest.
- For the weakest of the three dimensions, ask the team to identify two strengths and weaknesses of the organisation using the underlying three cornered balances.



- Collate the views. Summarise the main themes and check that they are an accurate reflection of the team's views. Identify the top three improvement themes emerging from this **balance** exercise.

### **3. Now benchmark the organisation:**

- Present the Insight charts.
- Discuss what they tell you in terms of the organisation's performance, good and bad, against comparable organisations.
- Discuss what how well current performance matches against the future environment.
- Summarise the discussion. Identify the top three improvement themes emerging from this benchmarking exercise.

### **4. Now identify key action headings:**

- Remind the group of their top three themes from the perspectives exercise.
- Remind the group of their top three themes from the balance exercise.
- Remind the group of their top three themes from the benchmark exercise.
- Discuss the common factors, leading to this state of play.
- Invite the team, individually, to consider what one thing they would change in order to achieve a step change improvement.
- Ask each to share their thinking.
- Identify and give a name to the top three changes this workshop has identified.

### **5. Finally, get it started:**

- Discuss and agree how the three key changes should be described in order to inspire the team and to make them uncomfortable with letting the status quo continue.
- For each of the three key changes, clarify what immediate steps can be taken to move the organisation in that direction.